Canada. Parliament. Senate

Canada

Debates of the Senate

OFFICIAL REPORT
(HANSARD)

THE HONOURABLE SYDNEY J. SMITH,
SPEAKER

1966-67

FIRST SESSION, TWENTY-SEVENTH PARLIAMENT

14-15-16 ELIZABETH II

VOLUME I

(January 18, 1966 to August 31, 1966)

Parliament was opened on January 18, 1966
and was prorogued on May 8, 1967

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1967

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Feb. 20/70.

The Speaker

THE HONOURABLE SYDNEY J. SMITH

The Leader of the Government

THE HONOURABLE JOHN J. CONNOLLY, P.C.

The Leader of the Opposition

THE HONOURABLE ALFRED JOHNSON BROOKS, P.C.

THE MINISTRY

According to Precedence

May 8, 1967

THE RIGHT HONOURABLE LESTER BOWLES PEARSON, M.P.	Prime Minister
THE HONOURABLE PAUL JOSEPH JAMES MARTIN, M.P.	Secretary of State for External Affairs
THE HONOURABLE ROBERT HENRY WINTERS, M.P.	Minister of Trade and Commerce
THE HONOURABLE JOHN WHITNEY PICKERSGILL, M.P.	Minister of Transport
THE HONOURABLE PAUL THEODORE HELLYER, M.P.	Minister of National Defence
THE HONOURABLE WALTER LOCKHART GORDON, M.P.	President of the Queen's Privy Council for Canada
THE HONOURABLE MITCHELL SHARP, M.P.	Minister of Finance and Receiver General
THE HONOURABLE GEORGE JAMES MCILRAITH, M.P.	Minister of Public Works
THE HONOURABLE ARTHUR LAING, M.P.	Minister of Indian Affairs and Northern Development
THE HONOURABLE ALLAN JOSEPH MACEACHEN, M.P.	Minister of National Health and Welfare
THE HONOURABLE HEDARD ROBICHAUD, M.P.	Minister of Fisheries
THE HONOURABLE ROGER TEILLET, M.P.	Minister of Veterans Affairs
THE HONOURABLE JUDY LAMARSH, M.P.	Secretary of State of Canada
THE HONOURABLE CHARLES MILLS DRURY, M.P.	Minister of Industry and Minister of Defence Production
THE HONOURABLE JOHN ROBERT NICHOLSON, M.P.	Minister of Labour
THE HONOURABLE JOHN JOSEPH CONNOLLY	Member of the Administration
THE HONOURABLE MAURICE SAUVE, M.P.	Minister of Forestry and Rural Development
THE HONOURABLE EDGAR JOHN BENSON, M.P.	Minister of National Revenue and President of the Treasury Board
THE HONOURABLE LEO ALPHONSE JOSEPH CADIEUX, M.P.	Associate Minister of National Defence
THE HONOURABLE LAWRENCE T. PENNELL, M.P.	Solicitor General of Canada
THE HONOURABLE JEAN-LUC PEPIN, M.P.	Minister of Energy, Mines and Resources
THE HONOURABLE JEAN MARCHAND, M.P.	Minister of Manpower and Immigration
THE HONOURABLE JOHN JAMES GREENE, M.P.	Minister of Agriculture
THE HONOURABLE JOSEPH JULIEN JEAN-PIERRE COTE, M.P.	Postmaster General
THE HONOURABLE JOHN NAPIER TURNER, M.P.	Registrar General of Canada
THE HONOURABLE PIERRE ELLIOTT TRUDEAU, M.P.	Minister of Justice and Attorney General of Canada
THE HONOURABLE JEAN CHRETIEN, M.P.	Member of the Administration

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PARLIAMENTARY SECRETARIES

To the Prime Minister	John Ross Matheson, M.P.
To the Minister of Agriculture	Bruce S. Beer, M.P.
To the Minister of Manpower and Immigration	John C. Munro, M.P.
To the Secretary of State for External Affairs	Donald S. Macdonald, M.P. Gerard Pelletier, M.P.
To the Minister of Fisheries	Richard Cashin, M.P.
To the Minister of Labour	Bryce S. Mackasey, M.P.
To the Minister of Energy, Mines and Resources	Jack Davis, M.P.
To the Minister of National Health and Welfare	Margaret Rideout, M.P.
To the Minister of National Revenue	James E. Walker, M.P.
To the Minister of Indian Affairs and Northern Development	Stanley Haidasz, M.P.
To the Minister of Public Works	John B. Stewart, M.P.
To the Secretary of State of Canada	Albert Bechard, M.P.
To the Minister of Trade and Commerce	Jean-Charles Cantin, M.P.
To the Minister of Transport	James A. Byrne, M.P.
To the Registrar General	Ovide Laflamme, M.P.

PRINCIPAL OFFICERS OF THE PRIVY COUNCIL

Clerk of the Privy Council and Secretary to the Cabinet	R. G. Robertson
Assistant Clerk of the Privy Council and Assistant Secretary to the Cabinet	O. G. Stoner

SENATORS OF CANADA

ACCORDING TO SENIORITY

May 8, 1967

SENATORS	DESIGNATION	POST OFFICE ADDRESS
THE HONOURABLE		
WALTER MORLEY ASELTINE, P.C.	Rosetown	Rosetown, Sask.
JOHN WALLACE DE B. FARRIS	Vancouver South	Vancouver, B.C.
ARTHUR LUCIEN BEAUBIEN	Provencher	St. Jean Baptiste, Man.
SALTER ADRIAN HAYDEN	Toronto	Toronto, Ont.
NORMAN MCLEOD PATERSON	Thunder Bay	Fort William, Ont.
LÉON MERCIER GOUIN	De Salaberry	Montreal, Que.
THOMAS VIEN, P.C.	De Lorimier	Outremont, Que.
CYRILLE VAILLANCOURT	Kennebec	Lévis, Que.
FRED WILLIAM GERSHAW	Medicine Hat	Medicine Hat, Alta.
VINCENT DUPUIS	Rigaud	Montreal, Que.
JOHN JAMES KINLEY	Queens-Lunenburg	Lunenburg, N.S.
ARTHUR WENTWORTH ROEBUCK	Toronto-Trinity	Toronto, Ont.
GEORGE PERCIVAL BURCHILL	Northumberland-Miramichi	South Nelson, N.B.
JEAN-MARIE DESSUREAULT	Stadacona	Quebec, Que.
ALEXANDER BOYD BAIRD	St. John's	St. John's, Nfld.
THOMAS REID	New Westminster	New Westminster, B.C.
GORDON B. ISNOR	Halifax-Dartmouth	Halifax, N.S.
MICHAEL G. BASHA	West Coast	Curling, Nfld.
MURIEL MCQUEEN FERGUSSON	Fredericton	Fredericton, N.B.
WILLIAM ROSS MACDONALD, P.C.	Brantford	Brantford, Ont.
SARTO FOURNIER	De Lanaudière	Montreal, Que.
JOHN J. CONNOLLY, P.C.	Ottawa West	Ottawa, Ont.
DONALD CAMERON	Banff	Edmonton, Alta.
DAVID A. CROLL	Toronto-Spadina	Toronto, Ont.
THOMAS D'ARCY LEONARD	Toronto-Rosedale	Toronto, Ont.
FRED A. MCGRAND	Sunbury	Fredericton Junction, N.B.
CALIXTE F. SAVOIE	L'Acadie	Moncton, N.B.
DONALD SMITH	Queens-Shelburne	Liverpool, N.S.

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

SENATORS	DESIGNATION	POST OFFICE ADDRESS
THE HONOURABLE		
PAUL YUZYK	Fort Garry	Winnipeg, Man.
ORVILLE HOWARD PHILLIPS	Prince	Alberton, P.E.I.
MAURICE BOURGET, P.C.	The Laurentides	Lévis, Que.
LOUIS P. GÉLINAS	Montarville	Montreal, Que.
ROMUALD BOURQUE	De la Vallière	Outremont, Que.
AZELLUS DENIS, P.C.	La Salle	Montreal, Que.
ERIC COOK	St. John's East	St. John's, Nfld.
DANIEL AIKEN LANG	South York	Toronto, Ont.
NELSON RATTENBURY	Saint John	Saint John, N.B.
JOHN B. AIRD	Toronto	Toronto, Ont.
WILLIAM MOORE BENIDICKSON, P.C.	Kenora-Rainy River	Kenora, Ont.
ALEXANDER HAMILTON MCDONALD	Moosomin	Regina, Sask.
EARL ADAM HASTINGS	Palliser-Foothills	Calgary, Alta.
HARRY WILLIAM HAYS, P.C.	Calgary	Calgary, Alta.
JAMES HARPER PROWSE	Edmonton	Edmonton, Alta.
NORMAN ARCHIBALD MACRAE MACKENZIE	University-Point Grey	Vancouver, B.C.
JOHN LANG NICHOL	Lion's Gate	Vancouver, B.C.
CHARLES ROBERT MCELMAN	Nashwaak Valley	Fredericton, N.B.
EARL WALLACE URQUHART	Inverness-Richmond	West Bay, N.S.
DOUGLAS KEITH DAVEY	York	Toronto, Ont.
JEAN-PAUL DESCHATELETS, P.C.	Lauzon	Montreal, Que.
HAZEN ROBERT ARGUE	Regina	Kayville, Sask.
ALAN AYLESWORTH MACNAUGHTON, P.C.	Sorel	Montreal, Que.
J. G. LEOPOLD LANGLOIS	Grandville	Quebec, Que.
PAUL DESRUISSEAUX	Wellington	Sherbrooke, Que.
CHESLEY WILLIAM CARTER	.....	St. John's, Nfld.
JAMES DUGGAN	.....	St. John's, Nfld.
THOMAS JOSEPH KICKHAM	.....	Souris, P.E.I.
DOUGLAS DONALD EVERETT	Fort Rouge	Winnipeg, Man.
MAURICE LAMONTAGNE, P.C.	Inkerman	Montreal, Que
ANDREW ERNEST THOMPSON	.....	Kendal, Ont.
KEITH LAIRD	.....	Windsor, Ont.
MARY ELIZABETH KINNEAR	.....	Port Colborne, Ont.

SENATORS OF CANADA

ALPHABETICAL LIST

May 8, 1967

SENATORS	DESIGNATION	POST OFFICE ADDRESS
THE HONOURABLE		
AIRD, JOHN B.	Toronto	Toronto, Ont.
ARGUE, HAZEN	Regina	Kayville, Sask.
ASELTINE, WALTER M., P.C.	Rosetown	Rosetown, Sask.
BAIRD, A. B.	St. John's	St. John's, Nfld.
BASHA, MICHAEL G.	West Coast	Curling, Nfld.
BEAUBIEN, ARTHUR L.	Provencher	St. Jean Baptiste, Man.
BEAUBIEN, L. P.	Bedford	Montreal, Que.
BELISLE, RHEAL	Sudbury	Sudbury, Ont.
BENIDICKSON, W. M., P.C.	Kenora-Rainy River	Kenora, Ont.
BLOIS, FRED M.	Colchester-Hants	Truro, N.S.
BOUCHER, WILLIAM A.	Prince Albert	Prince Albert, Sask.
BOURGET, MAURICE, P.C.	The Laurentides	Lévis, Que.
BOURQUE, ROMUALD	De la Vallière	Outremont, Que.
BROOKS, A. J., P.C.	Royal	Sussex, N.B.
BURCHILL, G. PERCIVAL	Northumberland-Miramichi	South Nelson, N.B.
CAMERON, DONALD	Banff	Edmonton, Alta.
CARTER, CHESLEY W.		St. John's, Nfld.
CHOQUETTE, LIONEL	Ottawa East	Ottawa, Ont.
CONNOLLY, HAROLD	Halifax North	Halifax, N.S.
CONNOLLY, JOHN J., P.C.	Ottawa West	Ottawa, Ont.
COOK, ERIC	St. John's East	St. John's, Nfld.
CROLL, DAVID A.	Toronto-Spadina	Toronto, Ont.
DAVEY, KEITH	York	Toronto, Ont.
DENIS, AZELLUS, P.C.	La Salle	Montreal, Que.
DESCHATELETS, JEAN-PAUL, P.C.	Lauzon	Montreal, Que.
DESRUISSEAUX, PAUL	Wellington	Sherbrooke, Que.
DESSUREAULT, J.-M.	Stadacona	Quebec, Que.

SENATORS	DESIGNATION	POST OFFICE ADDRESS
THE HONOURABLE		
DUGGAN, JAMES		St. John's, Nfld.
DUPUIS, VINCENT	Rigaud	Montreal, Que.
EVERETT, DOUGLAS D.	Fort Rouge	Winnipeg, Man.
FARRIS, J. W. DE B.	Vancouver South	Vancouver, B.C.
FERGUSSON, MURIEL McQ.	Fredericton	Fredericton, N.B.
FLYNN, JACQUES, P.C.	Rougemont	Quebec, Que.
FOURNIER, EDGAR	Madawaska-Restigouche	Iroquois, N.B.
FOURNIER, SARTO	De Lanaudière	Montreal, Que.
GÉLINAS, LOUIS P.	Montarville	Montreal, Que.
GERSHAW, F. W.	Medicine Hat	Medicine Hat, Alta.
GLADSTONE, JAMES	Lethbridge	Cardston, Alta.
GOUIN, L. M.	De Salaberry	Montreal, Que.
GROSART, ALLISTER	Pickering	Toronto, Ont.
HAIG, J. CAMPBELL	River Heights	Winnipeg, Man.
HASTINGS, EARL A.	Palliser-Foothills	Calgary, Alta.
HAYDEN, SALTER A.	Toronto	Toronto, Ont.
HAYS, HARRY, P.C.	Calgary	Calgary, Alta.
HOLLETT, MALCOLM	Burin	St. John's, Nfld.
INMAN, F. ELSIE	Murray Harbour	Montague, P.E.I.
IRVINE, OLIVE L.	Lisgar	Winnipeg, Man.
ISNOR, GORDON B.	Halifax-Dartmouth	Halifax, N.S.
KICKHAM, THOMAS J.		Souris, P.E.I.
KINLEY, JOHN J.	Queens-Lunenburg	Lunenburg, N.S.
KINNEAR, MARY E.		Port Colborne, Ont.
LAIRD, KEITH		Windsor, Ont.
LAMONTAGNE, MAURICE, P.C.	Inkerman	Montreal, Que.
LANG, DANIEL A.	South York	Toronto, Ont.
LANGLOIS, LEOPOLD	Grandville	Quebec, Que.
LEFRANÇOIS, J. EUGÈNE	Repentigny	Montreal, Que.
LEONARD, T. D'ARCY	Toronto-Rosedale	Toronto, Ont.
MACDONALD, JOHN J.	Queens	R.R. 9, Charlottetown, P.E.I.
MACDONALD, JOHN M.	Cape Breton	North Sydney, N.S.
MACDONALD, W. ROSS, P.C.	Brantford	Brantford, Ont.
MACKENZIE, NORMAN A.	University-Point Grey	Vancouver, B.C.

SENATORS	DESIGNATION	POST OFFICE ADDRESS
THE HONOURABLE		
MACNAUGHTON, ALAN, P.C.	Sorel	Montreal, Que,
MCCUTCHEON, M. WALLACE, P.C.	Gormley	Toronto, Ont.
MCDONALD, A. HAMILTON	Moosomin	Regina, Sask.
MCELMAN, CHARLES	Nashwaak Valley	Fredericton, N.B.
MCGRAND, FRED A.	Sunbury	Fredericton Junction, N.B.
MÉTHOT, LÉON	Shawinigan	Trois Rivières, Que.
MOLSON, HARTLAND DE M.	Alma	Montreal, Que.
MONETTE, GUSTAVE	Mille Isles	Montreal, Que.
NICHOL, JOHN	Lion's Gate	Vancouver, B.C.
O'LEARY, CLEMENT A.	Antigonish-Guysborough	Antigonish, N.S.
O'LEARY, M. GRATTAN	Carleton	Ottawa, Ont.
PATERSON, NORMAN MCL.	Thunder Bay	Fort William, Ont.
PEARSON, ARTHUR M.	Lumsden	Lumsden, Sask.
PHILLIPS, ORVILLE H.	Prince	Alberton, P.E.I.
POULIOT, JEAN-FRANÇOIS	De la Durantaye	Rivière du Loup, Que.
POWER, C. G., P.C.	Gulf	St. Pacôme, Que.
PROWSE, J. HARPER	Edmonton	Edmonton, Alta.
QUART, JOSIE D.	Victoria	Quebec, Que.
RATTENBURY, NELSON	Saint John	Saint John, N.B.
REID, THOMAS	New Westminster	New Westminster, B.C.
ROEBUCK, ARTHUR W.	Toronto-Trinity	Toronto, Ont.
SAVOIE, CALIXTE F.	L'Acadie	Moncton, N.B.
SMITH, DONALD	Queens-Shelburne	Liverpool, N.S.
SMITH, SYDNEY J. (Speaker)	Kamloops	Kamloops, B.C.
SULLIVAN, JOSEPH A.	North York	Toronto, Ont.
THOMPSON, ANDREW		Kendal, Ont.
THORVALDSON, GUNNAR S.	Winnipeg South	Winnipeg, Man.
URQUHART, EARL W.	Inverness-Richmond	West Bay, N.S.
VAILLANCOURT, CYRILLE	Kennebec	Lévis, Que.
VIEN, THOMAS, P.C.	De Lorimier	Outremont, Que.
WALKER, DAVID, P.C.	Toronto	Toronto, Ont.
WELCH, FRANK C.	Kings	Wolfville, N.S.
WHITE, GEORGE S., P.C.	Hastings-Frontenac	Madoc, Ont.
WILLIS, HARRY A.	Peel	Toronto, Ont.
YUZYK, PAUL	Fort Garry	Winnipeg, Man.

SENATORS OF CANADA

BY PROVINCES

May 8, 1967

ONTARIO—24

	SENATORS	DESIGNATION	POST OFFICE ADDRESS
	THE HONOURABLE		
1	SALTER ADRIAN HAYDEN	Toronto	Toronto.
2	NORMAN MCLEOD PATERSON	Thunder Bay	Fort William.
3	ARTHUR WENTWORTH ROEBUCK	Toronto-Trinity	Toronto.
4	WILLIAM ROSS MACDONALD, P.C.	Brantford	Brantford.
5	JOHN J. CONNOLLY, P.C.	Ottawa West	Ottawa.
6	DAVID A. CROLL	Toronto-Spadina	Toronto.
7	THOMAS D'ARCY LEONARD	Toronto-Rosedale	Toronto.
8	GEORGE STANLEY WHITE, P.C.	Hastings-Frontenac	Madoc.
9	JOSEPH A. SULLIVAN	North York	Toronto.
10	LIONEL CHOQUETTE	Ottawa East	Ottawa.
11	HARRY A. WILLIS	Peel	Toronto.
12	M. WALLACE MCCUTCHEON, P.C.	Gormley	Toronto.
13	M. GRATTAN O'LEARY	Carleton	Ottawa.
14	ALLISTER GROSART	Pickering	Toronto.
15	DAVID JAMES WALKER, P.C.	Toronto	Toronto.
16	RHEAL BELISLE	Sudbury	Sudbury.
17	DANIEL AIKEN LANG	South York	Toronto.
18	JOHN BLACK AIRD	Toronto	Toronto.
19	WILLIAM MOORE BENIDICKSON, P.C.	Kenora-Rainy River	Kenora.
20	DOUGLAS KEITH DAVEY	York	Toronto.
21.	ANDREW ERNEST THOMPSON	.....	Kendal.
22.	KEITH LAIRD	.....	Windsor.
23.	MARY ELIZABETH KINNEAR	.....	Port Colborne.
24	.....	.....	.....

QUEBEC—24

SENATORS	ELECTORAL DIVISION	POST OFFICE ADDRESS
THE HONOURABLE		
1 LÉON MERCIER GOUIN	De Salaberry	Montreal.
2 THOMAS VIEN, P.C.	De Lorimier	Outremont.
3 CYRILLE VAILLANCOURT	Kennebec	Lévis.
4 VINCENT DUPUIS	Rigaud	Montreal.
5 JEAN-MARIE DESSUREAULT	Stadacona	Quebec.
6 SARTO FOURNIER	De Lanaudière	Montreal.
7 HARTLAND DE MONTARVILLE MOLSON	Alma	Montreal.
8 CHARLES GAVAN POWER, P.C.	Gulf	St. Pacôme.
9 JEAN-FRANÇOIS POULIOT	De la Durantaye	Rivière du Loup.
10 J. EUGÈNE LEFRANÇOIS	Repentigny	Montreal.
11 LÉON MÉTHOT	Shawinigan	Trois Rivières.
12 GUSTAVE MONETTE	Mille Isles	Montreal.
13 JOSIE ALICE DINAN QUART	Victoria	Quebec.
14 LOUIS PHILIPPE BEAUBIEN	Bedford	Montreal.
15 JACQUES FLYNN, P.C.	Rougemont	Quebec.
16 MAURICE BOURGET, P.C.	The Laurentides	Lévis.
17 LOUIS P. GÉLINAS	Montarville	Montreal.
18 ROMUALD BOURQUE	De la Vallière	Outremont.
19 AZELLUS DENIS, P.C.	La Salle	Montreal.
20 JEAN-PAUL DESCHATELETS, P.C.	Lauzon	Montreal.
21 ALAN AYLESWORTH MACNAUGHTON, P.C.	Sorel	Montreal.
22 J. G. LEOPOLD LANGLOIS	Grandville	Quebec.
23 PAUL DESRUISSEAUX	Wellington	Sherbrooke.
24. MAURICE LAMONTAGNE, P.C.	Inkerman	Montreal, Que.

NOVA SCOTIA—10

SENATORS	DESIGNATION	POST OFFICE ADDRESS
THE HONOURABLE		
1 JOHN JAMES KINLEY	Queens-Lunenburg	Lunenburg.
2 GORDON B. ISNOR	Halifax-Dartmouth	Halifax.
3 DONALD SMITH	Queens-Shelburne	Liverpool.
4 HAROLD CONNOLLY	Halifax North	Halifax.
5 FREDERICK MURRAY BLOIS	Colchester-Hants	Truro.
6 JOHN MICHAEL MACDONALD	Cape Breton	North Sydney.
7 CLEMENT AUGUSTINE O'LEARY	Antigonish-Guysborough	Antigonish.
8 FRANK C. WELCH	Kings	Wolfville.
9 EARL WALLACE URQUHART	Inverness-Richmond	West Bay.
10		

NEW BRUNSWICK—10

THE HONOURABLE		
1 GEORGE PERCIVAL BURCHILL	Northumberland-Miramichi	South Nelson.
2 MURIEL MCQUEEN FERGUSSON	Fredericton	Fredericton.
3 FRED A. MCGRAND	Sunbury	Fredericton Junction.
4 CALIXTE F. SAVOIE	L'Acadie	Moncton.
5 ALFRED JOHNSON BROOKS, P.C.	Royal	Sussex.
6 EDGAR FOURNIER	Madawaska-Restigouche	Iroquois.
7 NELSON RATTENBURY	Saint John	Saint John.
8 CHARLES ROBERT MCELMAN	Nashwaak Valley	Fredericton.
9		
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PRINCE EDWARD ISLAND—4

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

MANITOBA—6

SENATORS	DESIGNATION	POST OFFICE ADDRESS
THE HONOURABLE		
1 ARTHUR L. BEAUBIEN	Provencher	St. Jean Baptiste.
2 GUNNAR S. THORVALDSON	Winnipeg South	Winnipeg.
3 OLIVE LILLIAN IRVINE	Lisgar	Winnipeg.
4 J. CAMPBELL HAIG	River Heights	Winnipeg.
5 PAUL YUZYK	Fort Garry	Winnipeg.
6 DOUGLAS DONALD EVERETT	Fort Rouge	Winnipeg.

BRITISH COLUMBIA—6

THE HONOURABLE		
1 JOHN WALLACE DE B. FARRIS	Vancouver South	Vancouver.
2 THOMAS REID	New Westminster	New Westminster.
3 SYDNEY JOHN SMITH (Speaker)	Kamloops	Kamloops.
4 NORMAN ARCHIBALD MACRAE MACKENZIE	University-Point Grey	Vancouver.
5 JOHN LANG NICHOL	Lion's Gate	Vancouver.
6	.....	.....

SASKATCHEWAN—6

THE HONOURABLE		
1 WALTER M. ASELTINE, P.C.	Rosetown	Rosetown.
2 WILLIAM ALBERT BOUCHER	Prince Albert	Prince Albert.
3 ARTHUR M. PEARSON	Lumsden	Lumsden.
4 ALEXANDER HAMILTON MCDONALD	Moosomin	Regina.
5 HAZEN ROBERT ARGUE	Regina	Kayville.
6	.....	.....

ALBERTA—6

THE HONOURABLE		
1 FRED WILLIAM GERSHAW	Medicine Hat	Medicine Hat.
2 DONALD CAMERON	Banff	Edmonton.
3 JAMES GLADSTONE	Lethbridge	Cardston.
4 EARL ADAM HASTINGS	Palliser-Foothills	Calgary.
5 HARRY WILLIAM HAYS, P.C.	Calgary	Calgary.
6 JAMES HARPER PROWSE	Edmonton	Edmonton.

NEWFOUNDLAND—6

SENATORS	DESIGNATION	POST OFFICE ADDRESS
THE HONOURABLE		
1 ALEXANDER BOYD BAIRD	St. John's	St. John's.
2 MICHAEL G. BASHA	West Coast	Curling.
3 MALCOLM HOLLETT	Burin	St. John's.
4 ERIC COOK	St. John's East	St. John's.
5 CHESLEY WILLIAM CARTER	.....	St. John's.
6 JAMES DUGGAN	.....	St. John's.

THE SENATE

Officers and Chiefs of Principal Branches

Clerk of the Senate and Clerk of the Parliaments	JOHN F. MACNEILL, Q.C., B.A., LL.B.
Law Clerk and Parliamentary Counsel	E. RUSSELL HOPKINS, B.A., LL.B.
First Clerk Assistant	ALCIDE PAQUETTE, B.A.
Gentleman Usher of the Black Rod	C. R. LAMOUREUX, D.S.O.
Chief Clerk of Committees and Assistant Law Clerk and Parliamentary Counsel	ROBERT J. BATT, B.A., LL.B.
Chief of Administration and Personnel	J. WALTER DEAN
Editor of Debates and Chief of Reporting Branch	GRAYDON HAGEN, C.S.R.
Chief of Minutes and Journals (English)	MRS. JEAN F. SUTHERLAND
Chief of Minutes and Journals (French)	MISS M. THERESE BILODEAU
Assistant Gentleman Usher of the Black Rod	ALFRED FORTIER, E.D., C.D.
Postmaster	HENRI AUBRY
Supervisor of Stenographic Service (English)	MISS EDITH WRAY
Supervisor of Stenographic Service (Bilingual)	MISS ALICE TASSÉ
Chief of Stationery Branch and Furniture Control Officer	HUGH E. MCCULLOCH
Chief of Joint Distribution Office	W. R. GRAY
Chief of Protective Service	JOHN SCHULLER
Manager of Parliamentary Restaurant	W. PENTECOST

Parliamentary Reporters

(English) T. S. Hubbard, Jr. (*Assistant Chief of Reporting Branch*), F. C. K. Crockett, G. R. Baker, H. D. Griffith, Lorcan OhUiginn, W. J. Culleton, G. K. Hubbard, D. L. Sellers

(French) J. R. Langlois, Aurèle Chenier

Assistant Parliamentary Reporters

Mrs. Lillian Bolduc, Maurice Bolduc

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Chief of Debates Division	ADRIEN ROCHON

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Associate Parliamentary Librarian	GUY SYLVESTRE, M.A., F.R.S.C.

CANADA

Debates of the Senate

OFFICIAL REPORT

Tuesday, January 18, 1966

OPENING OF FIRST SESSION TWENTY-SEVENTH PARLIAMENT

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

The Senate met at 10 a.m.

SPEAKER OF THE SENATE

READING OF COMMISSION APPOINTING HON. SYDNEY J. SMITH

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

The said Commission was then read by the Clerk.

The Hon. the Speaker then took the Chair at the foot of the Throne, to which he was conducted by Hon. Cyrille Vaillancourt and Hon. A. J. Brooks, P.C., the Gentleman Usher of the Black Rod preceding.

Prayers.

COMMUNICATION FROM GOVERNOR GENERAL'S SECRETARY

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

GOVERNMENT HOUSE

Ottawa

January 18, 1966

Sir,

I am commanded to inform you that the Honourable Robert Taschereau, P.C., Chief Justice of Canada, in his capacity as Deputy Governor General, will proceed to the Senate Chamber to open the First Session of the Twenty-seventh Parliament of Canada on this day, Tuesday, the 18th January, 1966 at 11.00 a.m.

I have the honour to be,
Sir,
Your obedient servant,
A. G. Cherrier,
Assistant Secretary
to the Governor General.

The Honourable
The Speaker of the Senate

NEW SENATORS

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

Hon. William Moore Benidickson, P.C.
Hon. Alexander Hamilton McDonald

NEW SENATORS INTRODUCED

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

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

Hon. William Moore Benidickson, P.C., of Kenora, Ontario, introduced between Hon. Mr. Vaillancourt and Hon. Mr. Roebuck.

Hon. Alexander Hamilton McDonald, of Regina, Saskatchewan, introduced between Hon. Mr. Vaillancourt and Hon. Mr. Boucher.

The Hon. the Speaker informed the Senate that each of the honourable senators named above had made and subscribed the declaration of qualification required by the British

North America Act, 1867, in the presence of the Clerk of the Senate, the Commissioner appointed to receive and witness the said declaration.

At 10.45 a.m. the Senate adjourned during pleasure.

At 11 a.m. the sitting was resumed, and was then adjourned, pending the arrival of the Honourable the Deputy of the Governor General.

Hon. Robert Taschereau, P.C., Deputy of His Excellency the Governor General, having come and being seated,

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

Who being come,

The Hon. the Speaker said:

Honourable Members of the Senate:

Members of the House of Commons:

I have it in command to let you know that 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 Parliament.

The House of Commons withdrew.

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

The sitting of the Senate was resumed.

COMMUNICATION FROM GOVERNOR GENERAL'S SECRETARY

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

GOVERNMENT HOUSE

Ottawa
January 18, 1966

Sir,

I have the honour to inform you that His Excellency the Governor General will arrive at the Main Entrance of the Parliament Buildings at 3.00 p.m. on this day Tuesday the 18th January, 1966, and when it has been signified that all is in readiness, will proceed to the chamber of the Senate to open formally the First Session of the Twenty-seventh Parliament of Canada.

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

The Honourable
The Speaker of the Senate

On motion of Hon. Mr. Leonard, seconded by Hon. Mr. Beaubien (Provencher), the Senate adjourned until 2.55 p.m.

SECOND SITTING

The Senate met at 2.55 p.m., the Speaker in the Chair.

The Senate adjourned during pleasure.

At three o'clock **His Excellency the Governor General** having come and being seated upon the Throne,

The Hon. the Speaker commanded the Gentleman Usher of the Black Rod to proceed to the House of Commons and acquaint that House that it is His Excellency the Governor General's pleasure that they attend him immediately in the Senate Chamber.

The House of Commons being come,

Their Speaker, The Hon. Lucien Lamoureux, said:

May it please Your Excellency,

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

If, in the performance of those duties, I should at any time fall into error, I pray that the fault may be imputed to me, and not to the Commons, whose servant I am, and who, through me, the better to enable them to discharge their duty to their Queen and country, humbly claim all their undoubted rights and privileges, especially that they may have freedom of speech in their debates, access to Your Excellency's person at all seasonable times, and that their proceedings may receive from Your Excellency the most favourable construction.

The Hon. the Speaker of the Senate answered:

Mr. Speaker, I am commanded by His Excellency the Governor General to declare to you that he freely confides in the duty and attachment of the House of

Commons to Her Majesty's person and Government, and not doubting that their proceedings will be conducted with wisdom, temper and prudence, he grants, and upon all occasions will recognize and allow their constitutional privileges. I am commanded also to assure you that the Commons shall have ready access to His Excellency upon all seasonable occasions and that their proceedings, as well as your words and actions, will constantly receive from him the most favourable construction.

SPEECH FROM THE THRONE

His Excellency the Governor General was then pleased to open the First Session of the Twenty-seventh Parliament with the following speech:

Honourable Members of the Senate:

Members of the House of Commons:

I welcome you to the first session of the Twenty-seventh Parliament of Canada. As we meet on the eve of our Centennial year, it is fitting to reaffirm the values and purposes that unite all our people, and to work, with resolution and patriotism for their realization. We should be very proud to be Canadians.

Our country is continuing to make economic and social progress while playing a responsible role in world affairs. As a member of the United Nations, as a member of the Commonwealth of which our beloved Queen is the Head, and as a partner in the North Atlantic Alliance, Canada will strive to make the greatest possible contribution to improve international relations and assure peace with justice to all peoples. Our capacity for national achievement, like that of other countries, depends on the peace and prosperity of the world community.

Canada will continue strongly to support the efforts of Britain, the Commonwealth and the international community to bring an end to the present illegal situation in Rhodesia. My Prime Minister has recently attended a meeting of Commonwealth leaders in Nigeria, at which this critical issue was discussed and the value of the Commonwealth as a multiracial association confirmed.

The recent official visit to the Caribbean region made by the Prime Minister reflects the importance my Government attaches to strengthening relationships in economic matters between Canada and the Commonwealth countries in this area.

In the United Nations, Canada will continue its efforts, in concert with other countries, to develop means of keeping the peace and strengthening the influence of the world organization. My Government will also do everything it can to assist in finding a basis for negotiating a peaceful settlement of the Vietnam conflict. We shall do our utmost through the United Nations and the Disarmament Committee to foster arrangements for preventing the spread of nuclear weapons and for progress towards disarmament. For the security of the North Atlantic community and the stability of Europe, my Government will seek to preserve and strengthen the unity and effectiveness of the North Atlantic Alliance.

International objectives must be pursued by economic and social as well as political means. My Government will recommend to Parliament further measures to improve and develop international economic conditions and to strengthen the Canadian economy.

My Government intends progressively to develop its external aid programs. You will be asked to approve Canada's participation in the Asian Development Bank.

My Government recognizes that Canada has an obligation to share in efforts to prevent or limit armed conflict. Our object, within the limits of our capacity, must be to improve the prospects of world peace and prosperity.

My Government will continue to strengthen the capacity of the integrated Canadian Defence Forces to provide for the security of Canada and to contribute abroad to the preservation of peace. Amendments to the National Defence Act will be laid before you.

The preservation and strengthening of Canadian identity and unity is the most important trust and responsibility of Parliament and of my Government. That unity rests on a Canadianism based upon the two main cultural strands, British and French, enriched by the contributions of other cultural groups, and recognizing the essential contribution of all to the development of Canadian identity.

The approach of the Centennial of Confederation makes it of the utmost importance that Canadians in all parts of the country should look to Ottawa as its true capital where they can feel at home. To this end my Government will continue to work toward the broadening of the bilingual character of the public service. The national capital should increasingly reflect the nature of the Canadian society.

In its relations with the Provinces, my Government is guided by the conviction that Canadian federalism must draw its vitality and strength from the mutual respect and co-operation of the national and provincial governments. The Canadian people can be well served by their political institutions only if each element in our federal system is able to act effectively within its constitutional sphere. While respecting fully the responsibilities of the provinces, the Government is equally resolved to maintain the constitutional responsibilities of the federal authority.

The Tax Structure Committee, in which the federal and provincial governments, by a common effort, are making a fundamental review of their relations in matters of finance, is nearing the end of its task. The Committee is expected to present recommendations to the Federal-Provincial Conference which will meet later in the year to consider how fiscal relations between the federal and provincial governments might best be adjusted to strengthen each authority in the discharge of its constitutional responsibilities.

My Government will accordingly submit to you legislation respecting federal-provincial fiscal arrangements to become effective in 1967.

It remains the objective of my ministers to provide that the Constitution of Canada may be amended in Canada.

You will be asked to authorize my Government to provide that "O Canada" shall be the national anthem and that "God Save the Queen" shall be the royal anthem in Canada.

A measure will be placed before you to provide for the re-organization of certain departments of government, in order to adapt the structure of administration to new and changing conditions and so better meet the needs of our people. The purpose of this re-organization is to provide for closer and better co-ordinated action in the following areas of public policy: manpower policies, which are essential to the sustained growth of a highly productive economy and to the elimination of pockets of poverty within that economy; rural development programs, which are necessary to agricultural progress and a better rural life; integrated federal policies with respect to energy and resources; the special needs of the indigenous people of Canada and of the development of the North; the federal responsibility for laws relating to the conduct of business activity; the problems of corrections and crime, particularly in regard to the effective co-ordination of police services and intelligence in combatting organized crime; and improved management and administration within the public service generally.

For these purposes you will be asked to approve: the conversion of the Department of Citizenship and Immigration into a Department of Manpower; the broadening of the Department of Forestry into a Department of Forestry and Rural Development; the creation of a Department of Energy, Mines and Resources; the conversion of the Department of Northern Affairs and National Resources into a Department of Indian Affairs and Northern Affairs; the establishment of a new department responsible for the special areas of legislation concerned with the conduct of business activity; the establishment of the office of Solicitor General as a full department of government; and the establishment of a Department of the Treasury Board under its own Minister. My Government believes that these changes in organization will enable the processes of administration to respond more speedily and efficiently to the problems of modern times.

Our country is enjoying an unprecedented period of prosperity and growth. Production, investment and trade have expanded rapidly. Employment opportunities have more than kept pace with the rapid increase in our labour force. Unemployment has fallen in all regions of the country, and has been at the lowest level in many years. Canadians have benefited from good harvests and a high level of demand for our farm products.

The opportunities and the need for further sustained economic growth have been indicated by the Reviews of the Economic Council of Canada. My Government intends to pursue policies to ensure that our prosperity and growth continue. It is important that the benefits this can bring to all Canadians should not be jeopardized by excessive costs and prices which would endanger the stability of our economy. My Government therefore intends to continue its policy of stretching out its expenditure on public construction projects in areas of heavy pressure on the construction industry.

With a high rate of employment, our economic growth and living standards will depend increasingly on how successful we are in improving the performance of our economy. Our economic efficiency can be improved by concerted efforts to adapt and develop our institutions, both private and governmental, to our real needs. Improvements in the skills and efficiency of our existing working force,

and of those entering the labour force will necessitate increasing emphasis on training, on education and in general on enabling and assisting our people to qualify for the best jobs available. We work and trade in a highly competitive world which offers many opportunities but demands the best performance. Improvements in productivity will permit our economy to grow faster and should enable us to achieve higher standards of living and a better balance in our international payments.

Banking legislation and related proposals will be placed before you.

A bill will be placed before you to amend the Railway Act, which has been modified in the light of consideration in the last Parliament and public discussion in the intervening period. You will also be asked to consider a measure respecting the capital structure of the Canadian National Railways.

My Government attaches great importance to improving the technical capabilities of Canadian industry. The program for the advancement of industrial technology, introduced last year, is well under way and a number of important individual projects have already been initiated. You will be asked to approve legislation to encourage research and development, which will enlarge and improve upon the present taxation incentive. You will also be asked to enact legislation to establish a Science Council of Canada in order to encourage further the progress of scientific research.

My Government will propose a vigorous program, in co-operation with the provinces, to foster the training of workers and to assist in bringing into productive employment those who are now unemployed or inadequately employed. You will be asked to consider a measure to improve the system of training allowances provided under federal-provincial agreements.

You will be asked to approve the creation of a fund for financing major rural development projects and, in order to facilitate wide-ranging action for rural development, amendments to the legislation regarding agricultural rehabilitation will be placed before you.

In order that farmers of this country may enjoy living and working standards comparable with those of Canadians engaged in other occupations, measures designed to raise and safeguard farm incomes will be introduced. Among other measures, my Government will propose a program for the purchase, redevelopment and resale of farms that are not now viable economic units. You will be asked to consider a revision of the Crop Insurance Act, for the purpose of enabling crop insurance to be available to all farmers.

Legislation to establish a Canadian Dairy Commission will be placed before you. A measure will also be proposed to provide cash advances for unthreshed grain when weather conditions prevent full harvesting. You will be asked to approve legislation to improve the movement and marketing of feed grain in Eastern Canada and British Columbia by creating a livestock feed agency.

The heavy demand for loans from the Farm Credit Corporation make it desirable again to increase the capital of the corporation.

In furtherance of the national fishery program, a measure for the development of the commercial fisheries of Canada will be proposed. You will also be asked to consider a proposal for income support for inshore fishermen in years of catch failure.

My ministers will continue their efforts to promote Canada's trade through programs designed to bring this nation's existing resources and growing industrial capacities to the attention of the world, and through a full participation in international negotiations.

You will be asked to increase the ceiling for long-term export financing under the Export Credits Insurance Act, to facilitate the continued expansion of our export trade.

A resolution will be brought before you concerning the Canada-United States Agreement on Automotive Products, which my Government regards as one of the most important trading arrangements ever made between Canada and the United States.

You will be asked to approve legislation to establish a Canada Development Corporation. My Government is initiating consultation with the provinces for the improvement of securities legislation, and will propose a measure to improve the effectiveness of the Bankruptcy Act.

It is the intention of the Government that the work commenced by the joint committee on consumer credit in the last Parliament will be carried on in the new Parliament, and that a special committee of the House of Commons on food and drugs be again established.

My Government will continue to work for the effective co-ordination of measures to reduce poverty and increase security across Canada. In this respect, the Canada Assistance Plan is intended to enable the provinces to provide, on a comprehensive and flexible basis, adequate assistance to individuals and families in need. Since the announcement of

this measure by my Government early last year, satisfactory discussions have been held with all the provinces and legislation embodying the Government's proposals will be placed before you in this session.

It is the aim of my Government to provide young people with the opportunities they are seeking for constructive service to the community, at home and abroad, and to that end legislation will be placed before you for the establishment of a Company of Young Canadians.

In accordance with my ministers' belief that public policy should be directed to ensuring that all Canadians can obtain needed health services, irrespective of their ability to pay, my Government last July announced its willingness to make fiscal contributions to provinces which provide programs of medical care meeting certain criteria. When discussions with the provinces have been sufficiently advanced, legislation to carry out this proposal will be placed before you.

To provide for the expected expansion of health services, my Government has announced its intention to establish a Health Resources Fund of $500 million. You will be asked to approve a measure establishing this Fund.

While fully respecting the jurisdiction of the provinces in matters of education, my Government recognizes a pressing obligation to foster more effective development of the human resources of Canada by assisting the expansion of institutions of higher education, and by providing greater and more equitable opportunities for young Canadians to attend such institutions. A program of Canada scholarships and bursaries for students undertaking higher education will be submitted for your approval. Amendments will be proposed to the Student Loans Act. As an initial response to the acute financial difficulties encountered by the universities and colleges, you will be asked to approve a substantial increase in the federal financial assistance to universities for the academic year 1966-67. After discussion with the provinces, my Government will convene a meeting to consider continuing action in a manner that recognizes differences in the educational systems and institutions of the provinces.

Legislation on unemployment insurance will be proposed. You will also be asked to consider measures respecting the Fair Wages and Hours of Labour Act and Safety in Employment.

Arrangements will be made for you to decide the issue of capital punishment at an early date.

My Government intends to place before you legislation regarding Term 29 of the Terms of Union with Newfoundland.

My Government will propose legislation to amend the Canadian Citizenship Act, in order to ensure equality of rights for all citizens; legislation to make collective bargaining available to the Public Service; legislation revising federal superannuation and pension plans to integrate them with the Canada Pension Plan; legislation to remit to provincial governments 95% of corporation taxes on investor-owned electric utilities; a measure to help the development of a feature film industry in Canada; legislation to establish the National Arts Centre and measures respecting the National Gallery and Museums; the extension of the Export and Import Permits Act; and legislation to extend the construction period for the Trans-Canada Highway.

Other legislative proposals which you will be asked to consider will include amendments to the Judges Act, the National Energy Board Act, the Area Development Incentives Act, the Aeronautics Act, the Canadian Vessel Construction Assistance Act, the Yukon and Northwest Territories Acts, the Bretton Woods Agreements Act, the Atlantic Development Board Act, the National Housing Act, the Defence Production Act, and the Post Office Act. Further measures may be brought forward in the course of the Session as a result of inquiries now pending.

Members of the House of Commons:

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

Honourable Members of the Senate:

Members of the House of Commons:

May Divine Providence guide you in your deliberations.

The House of Commons withdrew.

His Excellency the Governor General was pleased to retire.

The sitting of the Senate was resumed.

RAILWAYS BILL

FIRST READING

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

Bill read first time.

SPEECH FROM THE THRONE

CONSIDERATION ON JANUARY 25

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

Hon. Senators: Dispense.

Hon. Mr. Leonard moved, seconded by Hon. Mr. Beaubien (Provencher):

That the Speech of His Excellency the Governor General be taken into consideration on Tuesday next, January 25, 1966.

Motion agreed to.

COMMITTEE ON ORDERS AND CUSTOMS

APPOINTMENT

Hon. Mr. Leonard moved, seconded by Hon. Mr. Beaubien (Provencher):

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

Motion agreed to.

COMMITTEE OF SELECTION

APPOINTMENT

Hon. Mr. Leonard moved, seconded by Hon. Mr. Beaubien (Provencher):

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

Motion agreed to.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, January 19, 1966.

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

Prayers.

DEPUTY GOVERNMENT LEADER IN THE SENATE

APPOINTMENT OF HON. PAUL H. BOUFFARD TO SUCCEED HON. CYRILLE VAILLANCOURT

Hon. Cyrille Vaillancourt: Honourable senators, before the order of business is called and with your permission, I have a few words to say.

First, I should like to congratulate you, Mr. Speaker, on your election to the presidency of this chamber. I am sure that that is the proper way to start.

Honourable senators, we missed our leader on this side of the house yesterday. Senator Connolly, as you know, represented Canada at the conference of the Commonwealth Parliamentary Association in New Zealand. He became ill on his return to Canada, and has been obliged to go to hospital for many weeks. I regret his illness and, because we are all Christians, I hope that God will accept our prayers and give him prompt and complete recovery.

Honourable senators, before the end of the last session, I asked the Leader of the Government to appoint a new deputy leader, as my health was not very good. Senator Connolly told me then to wait until the next session. The next session has arrived now. Today I have the honour to present my successor, Senator Paul Henri Bouffard.

Senator Bouffard, at the beginning of a session, and particularly as this is the first session of a new Parliament, you will find the work arduous; but with your experience as a lawyer, and you have long been an eminent barrister in our province, I am sure you will carry out your duties without difficulty. I thank you for accepting this office. (*Translation*): A better qualified successor could not have been found.

(*Text*): I thank all my colleagues for their co-operation during the past ten years, and especially my two leaders, Senator Ross Macdonald and Senator John J. Connolly, who have treated me not only with great respect but also with the utmost kindness. I thank you all for your splendid co-operation.

Hon. Mr. Choquette: We were not too hard on you either.

Hon. Mr. Vaillancourt: I thank you also for your co-operation. I am still with you and I am ready to work with you, but I regret I cannot remain as deputy leader on this side. To do so would be too arduous.

Thank you, and God bless you.

Hon. A. J. Brooks: Honourable senators, I know it does not come altogether as a surprise to us that Senator Vaillancourt has resigned as Deputy Leader of the Government in this house. On returning to Ottawa a few days ago we heard a rumour that he might do so.

As we all know, Senator Vaillancourt has been a faithful and conscientious member of the Senate for many years, and we are pleased to hear him report that it is not his intention to resign from the Senate, but that he will remain among us and carry on his work.

Last session we understood that Senator Vaillancourt's health was not good, but I must say that his looks must belie that fact, because he is looking very well indeed. I can assure him we are all very happy that he appears so much better.

It is not necessary for me to go into Senator Vaillancourt's record in this house; one has only to read it in the *Hansard* reports. He has had a splendid record. May I say further that I believe everyone who knows him regards him as one of the finest and most courteous gentlemen in Canadian public life.

Hon. Senators: Hear, hear.

Hon. Mr. Brooks: We are all aware of the many talents of Senator Bouffard, who is succeeding him, and I have no hesitation in stating that I am sure he will conduct himself in the fine manner of Senator Vaillancourt.

Honourable senators, perhaps at this point it would not be out of place to say a few words about the deputy leader because, in my opinion, he deserves much more credit than is generally received. No one knows better than the leaders of the house the value of the services he renders. Senator Vaillancourt mentioned the two leaders under whom he has served during the past ten years, and how grateful he is to them. I must say they had good reason to be grateful to Senator Vaillancourt.

It might also be of interest to recall that the deputy leader is not an official Government appointment. As I understand it, he is appointed by the members of his own

party in caucus. His appointment is a kind of vote of confidence in him as a member of the caucus and of his party. He acts, of course, when his leader is away.

Senator Vaillancourt has mentioned the fact that the Leader of the Government in this house is absent because of illness. This we all regret very much. I join with Senator Vaillancourt in wishing Senator Connolly a very speedy recovery, and I hope he will be back with us soon in this chamber.

I have often told Senator Connolly that he had one great fault—I am sure all honourable senators have noticed it—it is that he works too hard, that he does not spare himself. While this may be a hard lesson for him, I am sure it will be nonetheless a good lesson, and a warning that he should not in the future use up so much of his strength.

At this time also I assure Senator Bouffard that we on this side of the chamber are very pleased to hear of his appointment. He can expect from us sympathetic understanding and co-operation in the transaction of necessary Senate business.

Hon. W. Ross Macdonald: Honourable senators, when I learned that Senator John Connolly would not be present at the opening of this Parliament and would not lead this house during its opening days, I hoped that his absence would be limited to the opening days. Regrettably, we learn now that he may be absent during the opening weeks. However, we will rejoice with him when he is well enough to return, which will probably be within the next three or four weeks.

All honourable senators will agree with what the honourable Leader of the Opposition (Hon. Mr. Brooks) has intimated, namely, that Senator Connolly has worked too hard, and that he should not be in too great a rush to return. I wrote him a letter to that effect, in which I assured him that the members on both sides of this house would do all in their power to carry forward the legislation as it came before us.

At that time it was my understanding that Senator Vaillancourt would act as Leader of the Government. He was in good health when we saw him last in July. He had been ill before that time and, fortunately, had made a good recovery. I know of his capacity; I also know of his loyalty. It was my good fortune when Leader of the Government in this house to have Senator Vaillancourt as my deputy leader, and never once when I called upon him to take my place in the house or in committee, as I did often, did he hesitate to do so. No one could have been more willing, more faithful, or more competent than he.

I am sorry that Senator Vaillancourt feels his health will not permit him to continue, as I know we would have given him all the help he needed. He could have depended upon us to the same extent that I depended upon him.

Senator Vaillancourt has seen fit to retire from his office, but he has named a successor in whom we have confidence. We have seen Senator Bouffard in this house and as chairman of committees. We know that he is an able counsel, and that he has a complete grasp of the proceedings in this house. We know that he understands fully all the legislation that comes before us. At this time, when we have to get along without our leader and without the services of the one who has been the deputy leader, we are indeed fortunate in having a man of Senator Bouffard's standing in his community, at the Bar and in the Senate, and one of his capacity and understanding, to act as our leader.

While saying not goodbye but just *au revoir* to Senator Vaillancourt we, at the same time, say welcome to Senator Bouffard.

Hon. Paul H. Bouffard: Honourable senators, no one is more sorry than I am that the seat of the Leader of the Government (Hon. Mr. Connolly, Ottawa West) is vacant at the present time, while he takes a necessary rest from his labours. I hope his absence from the chamber will not be a long one. Our deputy leader (Hon. Mr. Vaillancourt), who looks to be in pretty good health, is nevertheless withdrawing from that role.

Many people have asked me why I accepted the task of Deputy Leader of the Government in the Senate at a time when I shall probably have to undertake the leadership for a few weeks to come. However, honourable senators, there is nothing I would not do for John Connolly—he deserves my best efforts.

Hon. Senators: Hear, hear.

Hon. Mr. Bouffard: There is nothing I would not do for the Prime Minister, who after a long and arduous campaign decided to attend a far-away conference for the benefit of his country and in the cause of peace. If these gentlemen, who are extremely busy, think that it is in the interest of the country so to act, I myself feel that I cannot refuse the task that has been offered to me.

Of course, I am extremely pleased at the very kind words uttered by the Leader of the Opposition (Hon. Mr. Brooks) and Senator Macdonald (Brantford). My lack of experience will no doubt cause me to appeal to both sides for your collaboration in the execution of the difficult duties I shall have to fulfil.

I want to pay a special tribute to Senator Vaillancourt, and I will do so in his mother tongue.

[*Translation*]:

Honourable senators, I had hoped that the leader in the Senate would have been here to express to Senator Vaillancourt his admiration and his thanks for the services he has rendered as Deputy Government Leader for so many years. In the absence of the leader, it behooves me to do it, and I am pleased to pay tribute to the valour of Senator Vaillancourt.

As far as I am concerned, he deserves but one minor reproach and that is to have left a rather heavy burden on the shoulders of his successor, your humble servant. However, I am sure he could not help it, for he has never shirked any work or task which his many activities imposed on him.

It is on behalf of Senator Connolly that I thank him for all the tasks he has taken upon himself in order to carry out his duties with ability and dignity. Senator Connolly would want to express himself his deep gratitude to him.

I have known Senator Vaillancourt for almost 40 years. This is not to make him look older, but it will not make me feel younger either. His devotion to duty, his competence and his great dedication have earned him well-deserved praise from all those associated with him. He has always been the great protector of the little people.

Many years ago, his work on behalf of the maple producers was very valuable for the members of the recently established association. The maple producers of the province of Quebec, working individually and without cohesion, with little or no markets for their products, were beset every year by numerous ills. The production was often of a very low quality and there was no organization to improve production and merchandising in Quebec and elsewhere. For years, he worked to unite the producers and to raise the maple sugar quality and value to unprecedented levels. He organized a profitable market which spread not only within the province of Quebec but here and there throughout the world, and mostly in America.

In the field of the *Caisses populaires*—and this is where he was at his best—he did everything to convince the citizens of his province, more particularly the workers and the farmers, of the dangers of hiding their money in a woollen sock; he made available to them, in the remotest areas, safe places to deposit their savings.

In that field he also made credit available to those who needed it and did not have ready access to the financial institutions able to meet their needs.

Here, in the Senate, his courtesy made him one of the most popular members. Each time the occasion arose, he gave the help he could give on account of his post and, among the qualities which all the members of the Senate were to appreciate was the great courage he showed in any debate concerning the rights of his compatriots, as well as in all matters dealing with the part finance should play with regard to little people.

We are very happy to keep him with us; even though he had to relinquish, on account of his health, a burden which he felt had become too heavy, he will keep on helping us to promote the public interest in all matters, very complex at times, which we have to deal with. On behalf of our leader, I congratulate him on his wonderful career. I thank him for what he did as deputy leader and, in my name and on behalf of our leader, I hope he will remain with us for a long time to come.

[*Text*]:

I feel greatly honoured at having been designated as Deputy Leader of the Government, and I wish to take this opportunity to express my thanks to the Prime Minister, who has shown such confidence in me. I pledge myself to fulfil to the best of my ability whatever additional duties may be assigned to me by virtue of my new role.

Honourable senators, as you all know, the Senate will be for a short while without its customary leader. I know all of us entertain for Senator Connolly the highest admiration and affection, and we wish him a speedy return to his place here with us.

I know, too, that we will sorely miss his skilful leadership. It will be my responsibility as Deputy Leader of the Government to serve as acting leader in Senator Connolly's absence. I, of course, will do my utmost to discharge this responsibility, but I have no

doubt that it will be essential to have the sympathy and collaboration of all honourable senators on both sides of the chamber if the business of the Senate is to proceed in its usual orderly manner, and I earnestly entreat your assistance to this end.

May I make a special reference to the Leader of Her Majesty's Opposition here in the Senate. Senator Brooks and I have been friends since his coming to the Senate. I have had the opportunity to observe his great qualities as a leader. He has all my admiration and respect, and I hope that in time I will be fortunate enough to gain his confidence and respect. If in the days ahead we should reveal a certain diversity in political thinking and outlooks, I am sure it will not be considered unusual, and I am equally certain that it should not in any way alter our mutual respect.

Honourable senators, this is the spirit with which I propose to fulfil my duties. I pray again that our leader will be back shortly and will find the Senate conducting its affairs with the same spirit of collaboration and co-operation as when he left.

THE LATE SENATORS LAMBERT, WOOD, AND COMEAU

TRIBUTES

Hon. Paul H. Bouffard: Honourable senators, my first duty in my new role in this chamber is a sad one. I am charged with the responsibility of drawing to the attention of the Senate the toll that time has exacted from our membership since last we met. Death has claimed three of our most illustrious members—Senators Lambert, Wood and Comeau.

Senator Norman Lambert, who died early in November in his eighty-first year, was one of the Senate's most distinguished sons. His career is characterized by excellency and success in several areas. Early in life he achieved distinction as one of Canada's outstanding journalists and, indeed, journalism always remained one of his interests. Senator Lambert retained always his great mastery of prose style and was continually in demand as a reviewer and essayist. His journalistic background served him well in this forum also; his addresses here were remarkable not only for their grasp of subject matter but also for their precise and appealing use of the English language.

Senator Lambert was more than an observer of Canada's public life. He was also a participant in public life. His earliest political associations were in western Canada. He was Secretary of the Canadian Council of Agriculture in the active years preceding the creation of the Progressive Party. In 1932 he became the first Secretary of the newly created National Liberal Federation and directed the organization of the Liberal Party through its highly successful 1935 election campaign. Later that year he was elected President of the National Liberal Federation, succeeding the Right Honourable Vincent Massey. In January of 1938 he was summoned to the Senate.

His career in the Senate of Canada was one which reflected great credit on both himself and the chamber. There are many here who had a much longer association with Senator Lambert than I, and from whose remarks I know we will gain a more complete appreciation of the man. May I simply be permitted to observe that in many ways Senator Lambert epitomized what is best in the Senate tradition.

He was interested in all subjects which came before us, and was an active member of our committees. Moreover, he was a student of Parliament and of the parliamentary process, and in addition he was one of its most enlightened and effective critics.

Honourable senators, the funeral service for Senator Lambert was held on November 8. The Prime Minister of Canada was there, as was the Leader of the Government in the Senate, and numerous other public figures. I cannot help but reflect that that day—a day of national election—was a fitting one on which to mourn the passing of our late colleague Senator Lambert. While we in this chamber will miss him, I know his absence is most deeply felt by his dear wife and four children. It is to them that our hearts go out, and I offer them our heartfelt condolences.

Honourable senators, the month of November also took from us the Honourable Thomas Wood of Regina. Senator Wood had been a member since 1949. He was closely attached to the interests of his province and region and had an outstanding career in Saskatchewan before coming to Ottawa. His business activities were varied and highly successful. Senator Wood was also a man who found time for constructive service on behalf of the political party of his preference. For many years he was a principal organizer for the provincial Liberal Party, and shared a long and fruitful association with the Right Honourable J. G. Gardiner.

The interests of Saskatchewan remained dear to him here in the Senate. His first

Senate speech after his appointment was directed towards the problems of the western farmer and to an analysis of the movement of wheat prices. He will be missed as a friend and confrère, and to the members of his family we express sincere condolences.

May I add that personally I knew Senator Wood very well. We met when he was appointed to the Senate. I never knew a man with a bigger heart and who was more ready to render services to all who offered friendship to him. I trust that his family will accept my most sincere sympathy.

Honourable senators, I wish also to refer to the death of Senator J. W. Comeau, which occurred only one week in advance of the opening of this session, and followed closely on his retirement from this chamber. With his leaving, at the age of 89 years, the Parliament of Canada lost its oldest member and Nova Scotia and Canada lost one of its most renowned public figures.

Senator Comeau had been active in the public life of this country since 1907 when he was first elected to the Legislative Assembly of Nova Scotia. He first became a member of the Executive Council of Nova Scotia in 1911, and he was a member of Premier A. L. Macdonald's cabinet immediately prior to his being summoned to the Senate in 1948. It is interesting to note that Senator Comeau also served for a short time as a member of the Legislative Council of Nova Scotia; so, in addition to having been 59 years in public life, he was one of the few living Canadians who had been a member of both a provincial Senate and the Senate of Canada.

His public career was characterized by devotion to the interests of his region and his race. And while declining health in recent years had restricted the extent of his participation in the deliberations of the Senate, his loss will be keenly felt by his friends and colleagues here. To Senator Comeau's widow and children I take this opportunity of expressing our deepest sympathy and regrets.

Hon. A. J. Brooks: Honourable senators, as the leader has just mentioned, the opening of Parliament following a recess is usually a very sad time because of the death of some of our members during the interim. This occasion is no exception.

The most faithful services of Senators Norman Lambert and Thomas Wood were lost to us in the month of November, and only a week ago Canada lost the services of its oldest senator, who was also, I think, our oldest practising politician, the Honourable Joseph W. Comeau, known to everyone here and to all his friends as "Willie" Comeau. These were all very distinguished and able men, and this chamber is much the loser by their departure. Together they brought a wealth of knowledge and experience not only to this chamber but to Canada, ranging from the field of journalism in the case of Senator Lambert, the field of business in the case of Senator Wood, and the legislative and political fields, at both the provincial and federal levels, with respect to Senator Comeau.

Senator Lambert was a member of this chamber for 28 years, while Senators Wood and Comeau were members for 17 years. In total these senators contributed no less than 62 years of effort in this chamber, and when one views it from that standpoint, the gravity of their sorrowful loss to us takes on added significance.

I know that other senators, particularly those who knew him better, experienced as I did a feeling of sadness and surprise at the unexpected passing of Senator Lambert. Somehow one does not really expect men such as Senator Lambert to die suddenly. He was always so steady and sturdy; he always looked the picture of good health. Having met many men in public life, I think I can truthfully say that one of the most modest and most capable of these was Senator Lambert. I did not know him very well until I came to the Senate, but I could not help admiring his work not only in the chamber but on various committees. If one looks through the pages of Senate *Hansard* for the last 28 years one will find them replete with the many fine speeches made by Senator Lambert.

I did not know Senator Comeau for any considerable time, having met him after I came to Ottawa as a Member of Parliament and he came to this chamber, but I knew of his splendid record in his native Province of Nova Scotia. He was a real Maritimer and represented the Acadian people in the Legislative Assembly of Nova Scotia. He had a long and very interesting political career. In fact I feel that few men in Canada had as interesting a career as Senator Comeau. He was elected on many occasions, and when one met him and learned of his many fine qualities and attributes one realized that these were such that would certainly appeal to the people whom he represented. It was no surprise to anyone that he was able to win his seat on so many occasions.

Senator Wood I did not know. He was ill when I came to the Senate, and I only met him under the poorest of circumstances. But I

knew of his record. Senator Bouffard has reminded us that in his native Province of Saskatchewan he was a very able businessman, and we all know of his excellent qualities and the work he did as a senator.

I join with Senator Bouffard in expressing to the families of these three distinguished senators the sincere sympathy of myself and those who are associated with me on this side of the chamber.

Hon. John J. Kinley: Honourable senators, it seems to me that this is a rather sombre meeting of the Senate. We miss our colourful and able leader who is absent because of illness. We do hope that he will soon recover and once again take his place as our leader in this chamber.

I am sure I speak for all members of the Senate when I say that we have long had a real affection for Senator Vaillancourt. He is a kindly man of courage and of judgment, and one to whom we all listened with great respect in this chamber. Now that further honours can be bestowed upon him, he is unable to accept them and is being permitted to withdraw from some of the burdens of his office. We all hope that the future will be good to him and that he will be with us for many years.

There are, however, a few bright spots to be considered at the opening of this session. We have a new Speaker who, I believe, will be eminently successful in carrying out the duties of his office. We congratulate him and wish him well.

Senator Bouffard we know as an able solicitor and counsel, eminent in his profession in his own province. We also know of his connection with national institutions. I have no doubt that he will be successful in carrying out the duties of deputy leader, and wish him well.

Honourable senators, I would like to speak now of those members of this chamber who have been gathered to their fathers. Senator Norman Lambert was a national figure, an eminent journalist and a leader in the councils of agriculture. He was a most capable man, with a wide knowledge of men and affairs which was of benefit not only to this chamber but to Canada. He was vigilant and active and gave wonderful service to his country.

Senator Wood I did not know so well. He came from the west. He had been ill for a long time, but we know of his fine character and record.

Of Senator Comeau I can speak with knowledge. He and I had been friends since boyhood. I knew him in the Legislature of Nova Scotia and in the Executive Council where we both served, and again when I came to the Senate. He was very happy to be a member of this chamber, which he felt to be his rightful place because of his many years of service to Canada. I think he had a longer career than any other public man in the service of Canada. As a member of the Government of Nova Scotia he was most loyal to his colleagues and also to his premier, the Honourable George H. Murray. However, he was not just a follower; he had great political sagacity and was consulted about various matters because of his knowledge and wisdom. He had very strong feelings about the liberty of the subject; perhaps this could be expected, because he represented the Acadians in Nova Scotia. We look with pride at his record in that province, where he always secured a large part of his majority in the Protestant and English section of his riding. In fact he always led at the polls because of the English vote. He was a strong man and loyal to his church, but he was also very liberal. He was not a man who was narrow or mean.

It was my privilege to drive over from Lunenburg to the County of Clare with a friend to attend the late senator's funeral. We first went to the home and met his widow and his numerous relatives and friends. He was the father of 14 children, all of whom proved a success in life. I believe his youngest daughter, whose mother tongue is French, received a gold medal for English at the Pictou Academy.

His people were very proud of him and loved him. Of course, they were sorry that he had passed on but they all felt that goodness and mercy had followed him all the days of his life; he had come to the end of a long life which had been productive and during which he had given grand service.

Then we set out for the magnificent church, one of the finest in Canada. The solemn Mass was celebrated before a multitude of people. The college is situated alongside the church, and the priests, professors and scholars of the college assisted at the ceremony. I was amazed at the culture and beauty of the Mass. In fact, I had never seen anything before like the ceremony which took place in that rural part of Nova Scotia. The service lasted almost two hours, and the fervent prayers and beautiful singing had a tremendous impact. As our late colleague was being carried from the church my thought was, "He is going to the unknown in a blaze of glory." We left our good friend "Willie" Comeau to

be interred in the cemetery beside the church.

The many who gathered to pay their last respects showed the esteem in which the late senator was held by his fellow citizens. This high esteem was also exemplified in his first election, which was by acclamation, and his continued success thereafter in the Legislature of Nova Scotia.

I am sure we all miss him, and we send our sympathy to his wife and family. They can take comfort from his fine record, and with their faith I know they will be sustained. He was a great husband, a fine father and a distinguished public servant who deserved the best.

Hon. Fred M. Blois: Honourable senators; being another Nova Scotian, at this time I would like to pay my respects to the memory of the Honourable J. W. Comeau.

I agree with what has been said by previous speakers regarding the Leader of the Government, and join with them in hoping that he will soon return to his duties. I also congratulate the Deputy Leader of the Government on his appointment and, having observed the interest that he has taken in the Senate during the six years or so that I have been a member, I know that he will do an excellent job.

Honourable senators, as I said in opening my remarks, my chief reason for rising is to pay tribute to the memory of my very good friend J. Willie Comeau. I knew him in the early thirties, but I came to know him well when I sat across the floor from him in the Nova Scotia Legislature from 1937 to 1945. I remember well the first day I entered the house. He approached me and welcomed me, and we discussed one or two mutual friends whom we held in high esteem. He offered me a little advice that day which I recall vividly.

Perhaps a few anecdotes will illustrate the type of man he was. I think it was the second speech I made in the Assembly that I was tipped off by some members of the cabinet that I might speak on a certain subject. At that time I did not realize the side I was taking was opposite to that in which Mr. Comeau was interested, but through the laughter and pounding on the desks of some of the cabinet ministers he soon realized that it was a joke and that they had put one over me. Afterwards he came to me and said, "I think we are both victims of an innocent joke, but perhaps we will turn the tables on them one of these days." A few weeks later we did.

In those days I was Leader of the Opposition, and for the first couple of years I had four supporters and for the next four years I had three, so you will realize what a tough job I had. On one particular occasion when the gentlemen opposite had made things very tough for me, "Willie" Comeau said to me, "My friend, you must not be too gentlemanly. Lash out at them at times with both hands." The opportunity arose a little later, and I did lash out with both hands to the best of my ability. Afterwards he told me, "When I advised you recently to lash out with both hands, I did not mean you should kick them to death." I mention this to illustrate the type of man Senator Comeau was. We had many interesting talks, and he gave me good advice on many occasions.

He was a staunch member of his party, but he could also see the other side of the question. Nova Scotia and Canada have lost a great man. He was held in tremendous esteem in the area in which he lived, and all along that Bay of Fundy shore people went to him for advice.

The Leader of the Opposition (Hon. Mr. Brooks) and Senator Kinley referred to the way in which our late colleague ran his election campaigns. On one occasion I asked him why it was he rarely toured his constituency. His house was situated on a hill and he sat out on his veranda. He used to call to anyone he wanted to see, and they came and talked to him. On one occasion I asked him, "How in the world do you do it?" He replied, "Well, any time they don't want me, they don't need to vote for me." And that is just about the philosophy he adopted.

He was an honourable man and had a heart almost as large as himself, but he was never abused. A few people tried, but they never did a second time, for despite all his kindness he could put them in their place just about as quickly as anyone I know.

At this time I wish to extend my sympathy to his widow and large family of sons and daughters. They are carrying on his great name in that area. He was tremendously proud of the fact that he was an Acadian, and in discussing with him some of the things that he was doing he said, "You know, I am equally proud that I am an Acadian, a Nova Scotian, and a Canadian." Again, that emphasizes the type of man we down there knew as "J. Willie."

[*Translation*]:

Hon. Calixte F. Savoie: Honourable senators, as an Acadian, I cannot let this occasion pass

without joining with the previous speakers and those who will follow to express the very deep sorrow we all felt upon hearing of the unexpected death of our distinguished and esteemed colleague, my Acadian compatriot, honourable Senator J. Willie Comeau.

Senator Comeau, as you have been told, was born in Comeauville, in the county of Digby, Nova Scotia, on March 12, 1876. His ancestors were among those who came back to Acadia after the great upheaval of 1755 and settled in that part of Nova Scotia commonly known as Baie Sainte-Marie. Senator Comeau was therefore a direct descendant of those Acadian exiles who came back home after having been deported.

He studied at Ste. Anne College of Church Point. Upon his graduation from college in 1896, at the early age of twenty, he took up teaching and, during four years, taught in the Acadian schools near his home.

In 1900, at the age of 24, he was appointed assistant commissioner of the Paris Exhibition. He was elected, in 1907, by acclamation, member of the Nova Scotia Legislative Assembly, re-elected in 1911 and 1916, and appointed Minister of State on June 28, 1911. Called upon to sit as a member of the legislative council of his province in June 1925, he was re-appointed in 1928 and in March 1933. When the legislative body was abolished, he became Minister of State in the MacDonald Cabinet, and fulfilled this role until 1945 at which time he resigned as member of the legislative assembly and Minister of State. He was appointed to the Senate in December 1945.

There were no outstanding events in the political career of Senator Comeau, but it was a long one and a very valuable one for his own people. If he was a member for the riding of Digby in the provincial legislature for so many years, it is because his constituents, both French-speaking and English-speaking, trusted him.

It would be superfluous to repeat everything that has been said about him, but I endorse all the praise addressed to him. Let me add only that all his life, Senator Comeau took an active part in all Acadian activities. He was always an admirer and benefactor of his Alma Mater, the Ste. Anne College. He was in turn general vice-president, general president and general chancellor of the Société l'Assomption, this great Acadian mutual society which has played an outstanding part in the economic and cultural life of the Acadian people. In short, he was a great Acadian and an exemplary Canadian. To his grief-stricken wife and to the members of his fine family, I extend my deepest sympathy.

[*Text*]:

Hon. M. Grattan O'Leary: Honourable senators, it was not my privilege to have known, or to have known very well, the late Senators Comeau and Wood, but one other who is no longer with us, Senator Norman Lambert, was for a stretch of almost fifty years my cherished friend. As has been so well and feelingly said by the two leaders, Senator Norman Lambert's career embraced a number of fields, in all of which he pursued excellence. At university he was a noted athlete. He was a distinguished member of my craft. He was successful in business, and in the end he brought to politics and to this house a well-stored, capacious and civilized mind.

Norman Lambert was a partisan, but he was a partisan only because he had a deep and shining faith in our party system, in our parliamentary way, and he would never in any circumstances make a difference of opinion a cause for hatred. He was not a party bigot.

Over a long period of time his political thinking and mine were poles apart, but that never interfered with a dependable friendship. There was one thing about Norman Lambert of which you could be absolutely sure: he would be closer to you in your hour of trial than in your hour of triumph. Almost every Sunday he came to my home, and for an hour we would discuss old newspaper days, politics, of course, and books, poetry and literature—literature which he knew very well, the earthy worst and the heavenly best. He had ideas about journalism which, alas, are not too prevalent today. He believed that a journalist, whether he knew it or not, and whether he liked it or not, was, in fact, an advocate, and that when he refused to take up a position he was, in fact, taking up a position, but one that could not bring admiration.

Senator Norman Lambert was a Liberal of the old British school, of that high tradition which produced giants such as Cobden and Bright, whose speeches he all but knew by heart. In our own land the Liberal giants he reverenced most were George Brown and Wilfrid Laurier.

He was also a student of Lincoln, and he used to delight to tell how on the evening that Lincoln left Washington for Gettysburg

he invited to go along with him a distinguished Canadian public man, the Honourable W. L. McDougall. He would tell how on the day after the speech, when the press of the United States was ringing the praises of the oratory of Everett, McDougall wrote back to the Toronto *Globe* saying that in his opinion it was the speech of Lincoln that would become immortal in history.

Norman Lambert was a forthright man. He was a blunt man. He never courted popularity, and he never tried to bribe anybody into liking him by showing them only a part of himself. There was about him a sort of Calvinistic dourness at times, and yet at other times he was a very, very human man. Chesterton once said that his idea of a wholesome man was one who could get into a towering rage if his morning egg were boiled too hard. By that test, Norman Lambert was, indeed, a wholesome man. It was an unforgettable experience to hear and watch him after he had missed a two-foot putt. But, cheerfulness was always breaking through, and you knew that after his first moment of fury it would be followed by gales of laughter about himself.

Some of us in this house during the last session, and after the session ended, saw the shadows closing around him—shadows that finally thickened into night. I was one of those who with members of his family—the family who loved him passionately, and whom he loved—and Senator Norman Paterson, and the Leader of the Government in this house, Senator Connolly, stood at his graveside on a bleak November morning and saw him return to the soil he loved so well. I thought then, and I will always think, that here would be the resting place of a great son of Canada, who loved and served Canada well, and one whose memory all of us in this house will keep until our own time has come.

Hon. A. K. Hugessen: Honourable senators, after the eloquence to which we have just listened from my honourable friend, I do not think there is much I can say about our mutual friend, Senator Norman Lambert. Perhaps I shall miss him more than most members of this chamber because for several years he was my deskmate, and no more pleasant or interesting a deskmate could any man enjoy.

I sat with Senator Lambert in this chamber for nearly thirty years. I was appointed a year before he was. What always struck me about him was one of the things mentioned by my honourable friend (Hon. Mr. O'Leary, Carleton), and that was his wide culture and his great appreciation of good literature.

Senator Lambert had wide experience in a number of capacities in various parts of the country. He had a good mind, and he applied that mind as such a mind should be applied, namely, in an active spirit of public service. I think it can be said that when Canadian politics can attract to its ranks men of the calibre of Senator Lambert, then there is no fear for the future of this country.

We shall miss him sorely in this house, and I can only add to the eloquent remarks of the leaders on both sides my sincere sympathy to those of his family who survive him.

Hon. G. Percival Burchill: Honourable senators, after the moving tributes that we have heard this afternoon to our departed and lamented colleagues I hesitate to add anything, but I cannot let pass this opportunity of paying my tribute to Senator Norman Lambert, to whom I personally owe very much. He was of great help to me after I was appointed to this house, and I am indebted to him for many kindnesses over the years.

When I first came here we developed a friendship, and that friendship grew as the years passed. In later years we became neighbours because he occupied the office beside mine, and we used to chat with each other almost every day. I learned much from his informed mind, for he had a mine of information. As has been well said this afternoon, he was a wide reader, a stimulating conversationalist and a delightful man to meet.

Honourable senators, I owe a great deal to the late Norman Lambert, and I feel that this chamber as a legislative body will be the poorer because he has left us. To Mrs. Lambert and his family we send our sincere sympathy.

Honourable senators, coming as I do from the Atlantic provinces, I cannot sit down without saying that we have lost a giant in the person in the late Senator Comeau. He was greatly beloved. We in New Brunswick had heard of his fame long before he came to this chamber. I feel that I cannot add to what has already been so ably said about him by previous speakers, except to convey my sympathy to the late Senator Comeau's widow and family.

Unfortunately, Senator Wood's career was a shorter one. He was stricken when he was at the peak of his powers, and the Senate had not the opportunity to know him long enough. To his widow and family, I wish to convey my sympathy.

Hon. Arthur W. Roebuck: Honourable senators, I wish that I could condense in just a few words the intensity of my regret at the loss of my friend Senator Lambert. He was a journalist, and as such he and I both had long newspaper experience.

Perhaps I did not know Senator Lambert so intimately as did Senator O'Leary (Carleton) since I did not have the advantage of living in the same city. However, I knew him for perhaps half a century. Certainly, when he was connected with the Toronto *Globe* I knew him as a newspaper man, and for the 20 years that I have been in this chamber I had been closely associated with him and had the advantage of conversations with him and of the broad knowledge with which he was endowed.

Senator Lambert was a Canadian, an intense Canadian. He was a Liberal in the best sense of that word.

He was vigorous in thought, and perhaps that was his chief characteristic. He was my neighbour, for quite a number of years before his death, in the Hall of Fame which runs alongside the Senate chamber, and night after night he would drop in and discuss the questions of the day with the fullness of knowledge and vigorous thought that made his visits always so welcome to me.

Senator O'Leary (Carleton) said that in some respects he and Senator Lambert were as wide apart as the poles. Norman Lambert and I seemed to be able to agree on almost everything, whether politics, economics, or law. He was not a lawyer, but he was well posted in law, as he was in the history of his country, of the literature of Canada and elsewhere, as well as the classics, and so on.

I regret beyond all measure of expression Norman Lambert's departure, which was all too soon, because he possessed great mental vigour. Had he been spared he would have continued to contribute notable service in this chamber.

One of the outstanding attributes I should like to mention about Norman Lambert was his devotion to his own family. His solicitude for his wife, now his widow, always appealed to me. He would forsake almost anything on her behalf.

I wish to express my deepest sympathy for his widow and family.

Hon. W. Ross Macdonald: Honourable senators, it was not my privilege to be well acquainted with Senator Wood, but like yourselves I did come to know him from time to time when he attended here. Unfortunately during the past few years he was unable to be here frequently. We all had a high regard for him.

I was better aquainted with Senator Comeau. He was indeed a great Canadian; he had served his country well, and he was a fine gentleman. It was always a delight to talk to him, for not only was he interesting but he recounted various things which you might have forgotten. I could put it briefly by saying that it was an education just to have a conversation with him.

I join with those who have already spoken in expressing my deepest sympathy to Senator Wood's family and Senator Comeau's family.

At this time I wish to associate myself wholly with what Senator Hugessen described as the eloquent tribute paid to the late honourable Senator Lambert by Senator O'Leary (Carleton). I am sure we all agree that it was a beautiful tribute, and I can add nothing to what he said respecting Norman Lambert's life and interests generally. However, I wish briefly to refer to my friendship, and perhaps to your friendship, with him. His passing is indeed a great loss to the Senate, but it is an irreparable personal loss to many of us who were privileged to be his close friends.

I had known Norman Lambert since his college days at the University of Toronto. He took a great interest in its literary society, and was one of its foremost debaters. The skill which he exhibited in debate there he developed in an even more decisive and effective manner in the Senate, where thoroughness and accuracy marked the many contributions which he made to the debates both in this chamber and in committee.

When I came to the Senate as leader, he was one of the first members, if not the first, to welcome me here and to assure me of his personal support, but not necessarily of support for all legislation which I would bring before the Senate. Indeed, from time to time he did not hesitate to take exception to bills, either here or in committee, if he felt they were not in the best interests of the country. However, he was always steadfast in his friendship and loyalty to me when I was Leader of the Government and later when I was Leader of the Opposition.

Honourable senators, one of the things we value and cherish most highly in this house is the opportunity of forming lasting and deep friendships. Senator Lambert was one of my dear and close friends. For me, and for others

here, the Senate cannot be quite the same without him. I join with other honourable senators in expressing my deepest sympathy to his widow and family.

Hon. A. Hamilton McDonald: Honourable senators, I would like to associate myself with the remarks that previous speakers have made concerning the late Senator Wood.

It had never been my privilege to meet Senator Comeau, but on one or two occasions I did meet Senator Lambert and enjoyed those occasions very much.

Coming as I do from the same province as Senator Wood, indeed, from the same city, I knew him well. It was unfortunate that his physical condition was such that during the past several years it was extremely difficult for him to move about, and practically impossible for him to carry on a conversation. For that reason, many people today, not only in this part of our country but in Saskatchewan, are not aware of the contribution Senator Wood made to the business and public life of that province.

I would like to take this opportunity of saying thanks to the members of his family for the contributions he made, both in the political sense and in the business sense; and I would like to associate myself with the remarks of my Leader in extending our sympathy to Mrs. Wood and the members of the Wood family.

Hon. C. G. Power: Honourable senators, it is, perhaps, because my good friend Senator O'Leary and I are descendants of a very peaceable race that I find what is most remarkable in what he said about the character of our good friend Senator Norman Lambert was the fact that he was absolutely without venom and without acrimony in the discussion of political questions.

That he was a politician there is no doubt; that he was even what may be called a partisan politician there is no doubt; but throughout Norman Lambert's career, and I knew him for many years back, notwithstanding that he was the organizer and director of the political tactics and strategy of the Liberal Party, nowhere in my recollection do I find that even the most partisan newspapers, even the most partisan politicians, even those who were most opposed to the tactics and policies of his party and of his leaders, ever attacked him personally.

I think that was because all those who knew him, knew him to be the soul of chivalry. That he had strong ideas, that he had strong views, that he was devoted to the interests of his party, nobody will deny; but everybody felt that all through his career he was an honest, honourable, sincere, square man. He was a man whom they could trust on all occasions.

Honourable senators, I too offer my sincere sympathy to the members of his family.

RETIREMENT OF SENATORS ROBERTSON, TREMBLAY, BUCHANAN AND GRANT

TRIBUTES

Hon. Paul H. Bouffard: Honourable senators, there is another duty which I have to perform today and which is a more pleasant one, as we have not lost these senators. It is to say a word about some members of the Senate who have availed themselves of the option to retire—Senators Robertson, Tremblay, Buchanan and Grant. Perhaps I might be permitted to refer briefly to each one in turn.

I am certain Senator Wishart Robertson can reflect on his career in public life with great satisfaction. In his native Province of Nova Scotia he was a member of the Legislative Assembly from 1928 to 1933. He represented the riding of Shelburne, as did his father and grandfather before him.

Shortly after his appointment to the Senate in 1943, Senator Robertson was elected President of the National Liberal Federation, a position he resigned in 1945, in which year he became Leader of the Government in the Senate and a member of Mr. King's cabinet. He served with great distinction as Government Leader for eight years, and in 1953 he was appointed Speaker, a responsibility he discharged with tact, intelligence and charm.

Further honours came to Senator Robertson in connection with his outstanding work on behalf of NATO and the Atlantic Community, and he is in fact an honorary life President of the NATO Parliamentary Association.

I am sure I speak for all of us when I express the hope that Senator and Mrs. Robertson will have a restful and happy retirement.

[*Translation*]:

Another colleague of mine, Senator Leonard Tremblay, retired in September 1965, because of ill health, after a long political and parliamentary career.

Senator Tremblay is seventy years old. He is a veteran of two wars and of many political tussles. He was elected for the first time to the House of Commons in the general

election of 1935 and was re-elected in 1940, 1945 and 1949. He was appointed to the Senate in June 1953, but his political activities started long before he entered Parliament. He joined the Liberal party as a young man and never left it. He has been one of the best speakers of that party and was in great demand throughout the province. He belongs in a class which is seemingly fading, for he could mix cheerfulness with political activities. This gift of his was due to his pleasant sense of humour.

In recent years, his poor health and the nature of his illness tended to lessen the qualities that made him so genial. All those who knew him will greatly miss him and we wish him and his wife many more years of happiness.

[*Text*]:

Senator John Alexander Buchanan, who resigned in October 1965, at age 78, is a person who might aptly be described as a pioneer builder of the Canadian Northwest. Born and educated in Ontario, he graduated from the University of Toronto in 1909 as a Civil Engineer. In 1910 he was invited by the Surveyor General of Canada to join a survey party for work in the foothills west of Alberta. In that journey he succumbed to the attraction of the north and returned to conduct surveys and provide engineering services, and to participate in much of the construction opening up this area.

His political sympathies lay with the party of the honourable gentlemen opposite, and I know we will be hearing more of that aspect of Senator Buchanan's activities a little later.

Senator Buchanan was summoned to the Senate in January 1959, and I have always thought it a happy fact that he was a member of this chamber when the legislation authorizing the construction of the Pine Point Railway came before us. Senator Buchanan had been a very early and ardent proponent of this project. His faith in this development has been fully justified, as indeed has his faith in the development of the entire northwest.

I would like to take this opportunity to wish Senator Buchanan and Mrs. Buchanan health and happiness in retirement.

Honourable senators, Dr. Grant of Prince Edward Island also availed himself of the opportunity to retire. Born in 1876, Senator Grant has known a remarkable life. In early years he was a school teacher and postal clerk. In 1908 he entered medical school, and upon graduation started a practice in his home area. Senator Grant was a country doctor in the truest sense of the word. He was the type of man who never refused a call to anyone, and who provided, in effect, health services to an entire area. He and Mrs. Grant also raised a very large and admirable family. They had thirteen children, and ten of these entered medical and related professions.

A lifelong Liberal, he was secretary of his county Liberal Association and a member of the provincial Legislature. He also served as a minister in the provincial government, and he resigned in 1930 to accept nomination for a seat in the House of Commons. Unsuccessful in his first attempt, Dr. Grant won election in 1935, and re-election in 1940 and 1945. He came to the Senate in 1949.

Senator and Mrs. Grant are spending their retirement in his native province and near his children, grandchildren and great-grandchildren. May they have comfort and true happiness.

Hon. John J. Kinley: Honourable senators, I thank the Leader for the tributes which he paid to a Nova Scotian who made his mark in public life. Senator Robertson was a member of the Nova Scotia Legislature, as were his father and grandfather before him. One was Speaker of the Nova Scotia Legislature and one was Commissioner of Mines. His father was also at one time a member of the House of Commons here in Ottawa.

Politics was in his bloodstream and he moved forward rapidly. He was leader of the National Liberal Association, and he made his finest contribution here as Government Leader in the Senate and afterwards as Speaker. I think that is a very fine achievement. We regret that he has been obliged to resign because of ill health, and we regret it the more because he is still a comparatively young man. We know that he is thinking of us today and he will be glad that we are thinking of him. I know from what has been said of him and placed on our record of today's proceedings that it will be a great comfort to him to hear of his achievements in the past and to learn how much we appreciate the manner in which he has done his duty to his country in war and in peace.

I know that his wife, who is still strong, and his family will be a great comfort to him at this time. We hope that he will live long in combort and in peace and he will not suffer too much from the disabilities which have beset him.

LIBRARY OF PARLIAMENT

REPORT OF LIBRARIAN TABLED

The Hon. the Speaker. Honourable senators, I have the honour to present to the Senate the report of the Parliamentary Librarian for the First Session of the Twenty-Seventh Parliament, 1966.

Ordered: That the report do lie on the Table.

DOCUMENTS TABLED

Hon. Paul H. Bouffard tabled:

Report of the President and Statement of Accounts of the Industrial Development Bank for the year ended September 30, 1965, pursuant to section 29(4) of the Industrial Development Bank Act, chapter 151, R.S.C., 1952. (English and French texts).

Report of Operations under the Farm Improvement Loans Act for the year ended December 31, 1964, pursuant to section 13 of the said Act, chapter 110, R.S.C., 1952. (English and French texts).

Report of Operation under the Small Businesses Loans Act for the year ended December 31, 1964, pursuant to section 11 of the said Act, chapter 5, Statutes of Canada, 1960-61. (English and French texts).

Report of the Superintendent of Insurance for Canada, Volume I—Arstract of Statements of Insurance Companies in Canada for the year ended December 31, 1964, pursuant to section 9 of the Department of Insurance Act, chapter 70, R.S.C., 1952. (English and French texts).

Report of the Superintendent of Insurance for Canada, Volume II, Annual Statements of Fire and Casualty Insurance Companies and of Accident and Sickness Insurance transacted by Life Insurance Companies in Canada for the year ended December 31, 1964, pursuant to section 9 to the Department of Insurance Act, chapter 70, R.S.C., 1952. (English and French texts).

Report of Agreements made under the Agricultural Products Co-operative Marketing Act for the fiscal year ended March 31, 1965, pursuant to section 7 of the said Act, chapter 5, R.S.C., 1952. (English and French texts).

Report for 1964 of the Board of Grain Commissioners for Canada. (English and French texts).

Report respecting the Operation of the Agreements with and Payments made under the Crop Insurance Act for the fiscal year ended March 31, 1965, pursuant to section 10 of the said Act, chapter 42, Statutes of Canada, 1959. (English and French texts).

Report of the Agricultural Stabilization Board for the fiscal year ended March 31, 1965, pursuant to section 14 of the Agricultural Stabilization Act, chapter 22, Statutes of Canada, 1957-58. (English and French texts).

Report of the Agricultural Products Board for the fiscal year ended March 31, 1965, pursuant to section 7 of the Agricultural Products Board Act, chapter 4, R.S.C., 1952. (English and French texts).

Report of the Eastern Rockies Forest Conservation Board for the fiscal year ended March 31, 1965, pursuant to section 10 of The Eastern Rocky Mountain Forest Conservation Act, chapter 59, Statutes of Canada, 1947. (English text).

Report of the Department of Forestry for the fiscal year ended March 31, 1964, pursuant to section 12 of the Department of Forestry Act, chapter 41, Statutes of Canada, 1960. (French text).

Report of the National Capital Commission, Part I, for the fiscal year ended March 31, 1965, pursuant to section 85(3) of the Financial Administration Act, chapter 116, R.S.C., 1952. (English and French texts).

Report on Activities under the Maritime Marshland Rehabilitation Act for the fiscal year ended March 31, 1964, pursuant to Section 9 of the said Act, chapter 175, R.S.C., 1952. (English and French texts).

Report by the Tariff Board, relative to the Inquiry ordered by the Minister of Finance respecting Wire and Wire Products, Volume I, Rod, Wire and Wire Products of Iron or Steel—Reference No. 132 (English and French texts), together with a copy of the transcript of the evidence presented at public hearings (English text), pursuant to section 6 of the Tariff Board Act, chapter 261, R.S.C., 1952.

Report of the Superintendent of Insurance for Canada—Co-operative Credit Societies, for the year ended December 31, 1964. (English and French texts).

Report of the Minister of Finance on the state of the Unemployment Insurance Fund as of March 31, 1965, and of the transactions under section 86 of the Unemployment Insurance Act for the fiscal year ended March 31, 1965, pursuant to section 87 of the said Act, chapter 50, Statutes of Canada, 1955. (English and French texts).

Statements showing Classification of Loans and Deposit Liabilities in Canadian Currency of the Chartered Banks of Canada as at September 30, 1965, pursuant to section 119(1) of the Bank Act, chapter 48, Statutes of 1953-54. (English and French texts).

Report of the Canadian Government Printing Bureau for the year ended December 31, 1964, pursuant to section 36 of the Public Printing and Stationery Act, chapter 226, R.S.C., 1952. (English and French texts).

Report of Canadian Arsenals Limited, including its Accounts and Financial Statements certified by the Auditor General, for the fiscal year ended March 31, 1965, pursuant to sections 85(3) and 87(3) of the Financial Administration Act, chapter 116, R.S.C., 1952. (English and French texts).

Report of the National Research Council including the Report of the Medical Research Council, for the fiscal year ended March 31, 1965, pursuant to section 16(3) of the Research Council Act, Chapter 239, R.S.C., 1952, and also the Report of Canadian Patents and Development Limited for the same period, certified by the Auditor General, pursuant to sections 85(3) and 87(3) of the Financial Administration Act, chapter 116, R.S.C., 1952. (English and French texts).

Report of the Dominion Coal Board for the fiscal year ended March 31, 1965, pursuant to section 15 of the Dominion Coal Board Act, chapter 86, R.S.C., 1952. (English and French texts).

Report of the Board of Broadcast Governors for the fiscal year ended March 31, 1965, pursuant to Section 19 of the Broadcasting Act, chapter 22, Statutes of Canada, 1958. (English and French texts).

Report of the Department of Secretary of State of Canada for the fiscal year ended March 31, 1965, pursuant to section 8 of the Department of State Act, chapter 77, R.S.C., 1952. (English and French texts).

Report of the National Film Board of Canada, including its Accounts and Financial Statements certified by the Auditor General, for the fiscal year ended March 31, 1965, pursuant, to section 20(2) of the National Film Act, chapter 185, R.S.C., 1952. (English and French texts).

Report relating to the Administration of the Farmers' Creditors Arrangement Act for the fiscal year ended March 31, 1965, pursuant to section 41(2) of the said Act, chapter 111, R.S.C., 1952. (English and French texts).

Copy of amendments made by the President and Puisne Judges of the Exchequer Court of Canada to the General Rules and Orders of the Exchequer Court of Canada, dated October 5, 1965, pursuant to section 88(2) of the Exchequer Court Act, chapter 98, R.S.C., 1952. (English and French texts).

Report of the Department of National Revenue containing Statements relative to Customs-Excise Revenue and Other Services by Ports; Excise and Income of Canada, for the fiscal year ended March 31, 1965, pursuant to section 5 of the Department of National Revenue Act, chapter 75, R.S.C., 1952. (English and French texts).

Report of the Department of Agriculture for the fiscal year ended March 31, 1965, pursuant to section 6 of the Department of Agriculture Act, chapter 66, R.S.C., 1952. (English and French texts).

Report of the Department of Public Printing and Stationery for the fiscal year ended March 31, 1965, pursuant to section 36 of the Public Printing and Stationery Act, chapter 226, R.S.C., 1952. (English and French texts).

Report of the Unemployment Insurance Commission for the fiscal year ended March 31, 1965, pursuant to section 95(2) of the Unemployment Insurance Act, chapter 50, Statutes of Canada, 1955. (English text).

Capital Budget of Air Canada for the year ending December 31, 1966, pursuant to section 80(2) of the Financial Administration Act, chapter 116, R.S.C., 1952, together with copy of Order in Council P.C. 1965-1859, dated October 18, 1965, approving same. (English text).

Report of Park Steamship Company Limited for the year ended December 31, 1964, certified by the Auditor General, pursuant to sections 85(3) and 87(3) of the Financial Administration Act, chapter 116, R.S.C., 1952. (English text).

Revised Capital Budget of The St. Lawrence Seaway Authority for the year ended December 31, 1965, pursuant to section 80(2) of the Financial Administration Act, chapter 116, R.S.C., 1952, together with a copy of Order in Council P.C. 1965-2295, dated December 22, 1965, approving same. (English text).

Capital Budget of The Seaway International Bridge Corporation, Ltd., for the year ending December 31, 1966, pursuant to section 80(2) of the Financial Administration Act, chapter 116, R.S.C., 1952, together with a copy of Order in Council P.C. 1965-2296, dated December 22, 1965, approving same. (English text).

Statement prepared in the form of Schedule "Q" to the Bank Act, showing Composite Current Operating Earnings and Expenses of the Chartered Banks of Canada for the financial years ended in 1965, pursuant to section 119(1) of the said Act, chapter 48, Statutes of Canada, 1953-54. (English and French texts).

Report of temporary Loans made out of the Consolidated Revenue Fund to the St. Lawrence Seaway Authority during the period June 24 to December 24, 1965, pursuant to section 26(4) of the St. Lawrence Seaway Authority Act, chapter 242, R.S.C., 1952 (English and French texts).

OTTAWA TERMINAL RAILWAY BILL

FIRST READING

Hon. Paul H. Bouffard presented Bill S-2, to incorporate the Ottawa Terminal Railway Company.

Bill read first time.

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

Motion agreed to.

INTERNAL ECONOMY COMMITTEE

FIRST REPORT OF COMMITTEE OF SELECTION ADOPTED

Hon. Arthur L. Beaubien, Chairman of the Committee of Selection, presented the committee's first report:

The Committee of Selection, appointed to nominate senators to serve on the several Standing Committees for the present session, makes its first report, as follows:

Your committee has the honour to submit herewith the list of senators selected by it to serve on the Standing Committee on Internal Economy and Contingent Accounts, namely:

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

**Ex officio* members.

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

Hon. Mr. Beaubien (Provencher): With leave of the Senate, I move that the report be adopted now.

Report adopted.

DIVORCE COMMITTEE

SECOND REPORT OF COMMITTEE OF SELECTION ADOPTED

Hon. Arthur L. Beaubien, Chairman of the Committee of Selection, presented the Committee's second report:

The Committee of Selection, appointed to nominate senators to serve on the several Standing Committees for the present session, makes its second report, as follows:

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

The Honourable Senators Baird, Blois, Bradley, *Brooks, Burchill, Cameron, *Connolly (Ottawa West), Croll, Farris, Fergusson, Gershaw, Gladstone, Haig, Hnatyshyn, Hollett, Inman, Irvine, Isnor, Kinley, Macdonald (Brantford), Roebuck and Smith (Queens-Shelburne). (20)

**Ex officio* members.

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

Hon. Mr. Beaubien (Provencher): With leave of the Senate, I move that the report be adopted now.

Report adopted.

STANDING COMMITTEES

THIRD REPORT OF COMMITTEE OF SELECTION PRESENTED

Hon. Arthur L. Beaubien presented the third report of the Committee of Selection:

> The Committee of Selection, appointed to nominate senators to serve on the several standing committees for the present session, makes its third report as follows—

Hon. Senators: Dispense.

For text of report see appendix pp. 25-26.

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

Hon. Mr. Beaubien (Provencher) moved that the report be placed on the Orders of the Day for consideration at the next sitting.

Motion agreed to.

SPECIAL COMMITTEE ON AGING

APPOINTMENT OF COMMITTEE TO CONDUCT STUDY

Hon. Paul H. Bouffard, with leave of the Senate, moved:

> That a Special Committee of the Senate be appointed to examine the problem involved in the promotion of the welfare of the aged and aging persons, in order to ensure that in addition to the provision of a sufficient income, there are also developed adequate services and facilities of a positive and preventive kind so that older persons may continue to live healthy and useful lives as members of the Canadian community and the need for the maximum co-operation of all levels of government in the promotion thereof;
>
> That the said committee be composed of the Honourable Senators Blois, Brooks, Croll, Dessureault, Fergusson, Gershaw, Grosart, Haig, Hollett, Inman, Jodoin, Lefrançois, Macdonald (Brantford), McGrand, Pearson, Quart, Roebuck, Smith (Queens-Shelburne) and Sullivan;
>
> That the committee have power to engage the services of technical, clerical and other personnel as may be necessary for the purpose of the inquiry;
>
> That the committee have power to send for persons, papers and records, to print such papers and evidence from day to day as may be ordered by the committee and to sit during sittings and adjournments of the Senate;
>
> That the evidence received and taken on the subject at preceding sessions be referred to the committee; and
>
> That the committee be instructed to report to the Senate from time to time its findings, together with such recommendations as it may see fit to make.

He said: Honourable senators, the purpose of this motion is to reconstitute the Special Committee on Aging.

Hon. Mr. Brooks: Am I correct in my understanding that this is necessary so that the committee may prepare and present its report?

Hon. Mr. Croll: That is right; to do so it is necessary that the committee be reconstituted.

Motion agreed to.

INTERNAL ECONOMY COMMITTEE

APPOINTMENT

Hon. Paul H. Bouffard, with leave of the Senate, moved:

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

He said: Honourable senators, this is the customary motion which is made in respect of the appointment of the committee at this time.

Motion agreed to.

DIVORCE COMMITTEE

APPOINTMENT

Hon. Paul H. Bouffard, with leave of the Senate, moved:

> That the senators mentioned in the second report of the Committee of Selection as having been chosen to serve on

the Standing Committee on Divorce during the present session, be and they are hereby appointed to form part of and constitute the said committee to inquire into and report upon such matters as may be referred to them from time to time.

Motion agreed to.

EMERGENCY SITTINGS

AUTHORITY TO CONVENE SENATE DURING ADJOURNMENT

Hon. Paul H. Bouffard, with leave of the Senate, moved:

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

He said: Honourable senators, this is the customary motion moved at the beginning of each session.

Motion agreed to.

ADJOURNMENT

Hon. Mr. Bouffard: Honourable senators, I move, with leave of the Senate, that when the Senate adjourns today it do stand adjourned until Tuesday next, January 25, at 8 o'clock in the evening.

Motion agreed to.

INTERNAL ECONOMY COMMITTEE

NOTICE OF MEETING

Hon. Mr. Bouffard: Honourable senators, before the Senate adjourns I want to remind all members of the Standing Committee on Internal Economy and Contingent Accounts that a meeting of that committee will be held thirty minutes after the Senate adjourns today.

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

APPENDIX

(*See p. 23*)

THIRD REPORT OF THE COMMITTEE OF SELECTION

Wednesday, January 19, 1966.

The Committee of Selection, appointed to nominate senators to serve on the several standing committees for the present session, makes its third report, as follows:

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

JOINT COMMITTEE ON THE LIBRARY

The Honourable the Speaker, the Honourable Senators Belisle, Cameron, Davies, Fergusson, Fournier (De Lanaudiere), Gladstone, Gouin, Haig, Irvine, MacDonald (Queens), O'Leary (Antigonish-Guysborough), Pouliot, Reid, Vien, White and Yuzyk. (16)

JOINT COMMITTEE ON PRINTING

The Honourable Senators Bouffard, Bradley, Davies, Dupuis, Flynn, Isnor, McGrand, O'Leary (Antigonish-Guysborough), Pearson, Phillips, Reid, Savoie, Sullivan, Welch and Willis. (15)

JOINT COMMITTEE ON THE RESTAURANT

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

STANDING ORDERS

The Honourable Senators Beaubien (Provencher), *Brooks, *Connolly (Ottawa West), Flynn, Fournier (De Lanaudiere), Grosart, Hayden, Hollett, Inman, Kinley, McLean, Methot, O'Leary (Antigonish-Guysborough) and Vien. (12)

**Ex officio* members.

BANKING AND COMMERCE

The Honourable Senators Aseltine, Baird, Beaubien (Bedford), Beaubien (Provencher), Blois, Bouffard, *Brooks, Burchill, Choquette, *Connolly, Cook, Crerar, Croll, Davies, Dessureault, Farris, Fergusson, Flynn, Gelinas, Gershaw, Gouin, Haig, Hayden, Hugessen, Irvine, Isnor, Kinley, Lang, Leonard, Macdonald (Brantford), McCutcheon, McKeen, McLean, Molson, O'Leary (Carleton), Paterson, Pearson, Pouliot, Power, Reid, Roebuck, Smith (Queens-Shelburne), Taylor, Thorvaldson, Vaillancourt, Vien, Walker, White, Willis and Woodrow. (48)

**Ex officio* members.

TRANSPORT AND COMMUNICATIONS

The Honourable Senators Aird, Aseltine, Baird, Beaubien (Provencher), Bouffard, *Brooks, Burchill, Connolly (Halifax North), *Connolly (Ottawa West), Croll, Dessureault, Dupuis, Farris, Fournier (Madawaska-Restigouche), Gelinas, Gershaw, Gouin, Haig, Hayden, Hollett, Hugessen, Isnor, Jodoin, Kinley, Lang, Lefrançois, Macdonald (Brantford), McCutcheon, McDonald, McGrand, McKeen, McLean, Methot, Molson, Paterson, Pearson, Phillips, Power, Quart, Rattenbury, Reid, Roebuck, Smith (Queens-Shelburne), Thorvaldson, Veniot, Vien, Welch, Willis and Woodrow. (47)

**Ex officio* members.

MISCELLANEOUS PRIVATE BILLS

The Honourable Senators Aird, Baird, Beaubien (Bedford), Beaubien (Provencher), Belisle, Bouffard, Bourque, *Brooks, Choquette, Connolly (Halifax North), *Connolly (Ottawa West), Croll, Dupuis, Farris, Gouin, Hayden, Hnatyshyn, Hollett, Hugessen, Macdonald (Brantford), Macdonald (Cape Breton), Methot, Monette, Pouliot, Quart, Reid, Roebuck, Sullivan, Thorvaldson, Walker, Welch, White and Willis. (31)

**Ex officio* members.

EXTERNAL RELATIONS

The Honourable Senators Benidickson, Blois, Boucher, *Brooks, Cameron, *Connolly (Ottawa West), Cook, Crerar, Croll, Farris, Fergusson, Flynn, Fournier (De Lanaudière), Gouin, Grosart, Haig, Hayden, Hnatyshyn, Hugessen, Inman, Jodoin, Macdonald (Brantford), McLean, O'Leary (Carleton), Pouliot, Quart, Rattenbury, Roebuck, Savoie, Smith (Queens-Shelburne), Taylor, Thorvaldson, Vaillancourt, Veniot, Vien and Yuzyk. (34)

**Ex officio* members.

FINANCE

The Honourable Senators Aird, Aseltine, Baird, Beaubien (Bedford), Beaubien (Provencher), Belisle, Bouffard, *Brooks, Burchill, Choquette, Connolly, (Halifax North), *Connolly (Ottawa West), Crerar, Croll, Denis, Dupuis, Farris, Flynn, Gelinas, Gershaw, Grosart, Haig, Hayden, Hnatyshyn, Isnor, Kinley, Leonard, Macdonald (Brantford), McCutcheon, McKeen, Methot, Molson, O'Leary, (Antigonish-Guysborough), Paterson, Pearson, Phillips, Pouliot, Power, Quart, Rattenbury, Reid, Roebuck, Savoie, Smith (Queens-Shelburne), Taylor, Thorvaldson, Vaillancourt, Vien, Welch, Woodrow and Yuzyk. (49)

**Ex officio* members.

TOURIST TRAFFIC

The Honourable Senators Baird, Basha, Beaubien (Provencher), Belisle, Bouffard, *Brooks, Cameron, Connolly (Halifax North), *Connolly (Ottawa West), Crerar, Croll, Davies, Dupuis, Fergusson, Gershaw, Grosart, Hollett, Inman, Jodoin, McLean, Methot, Molson and Roebuck. (22)

**Ex officio* members.

DEBATES AND REPORTING

The Honourable Senators Beaubien (Bedford), Bishop, *Brooks, *Connolly (Ottawa West), Davies, McGrand, Monette, Savoie and Sullivan (7)

**Ex officio* members.

NATURAL RESOURCES

The Honourable Senators Aird, Basha, Beaubien (Provencher), Belisle, Boucher, Bouffard, Bourque, *Brooks, Burchill, Cameron, *Connolly (Ottawa West), Cook, Crerar, Dessureault, Dupuis, Fournier (Madawaska-Restigouche), Gladstone, Hayden, Kinley, Macdonald (Brantford), McDonald, McKeen, McLean, Methot, Monette, O'Leary (Carleton), Paterson, Pearson, Phillips, Power, Quart, Taylor, Vaillancourt, Vien, Walker, Welch, White and Yuzyk. (36)

**Ex officio* members.

IMMIGRATION AND LABOUR

The Honourable Senators Beaubien (Provencher), Belisle, Boucher, *Brooks, Burchill, Cameron, *Connolly (Ottawa West), Cook, Crerar, Croll, Dupuis, Fergusson, Flynn, Fournier (De Lanaudiere), Fournier (Madawaska-Restigouche), Gershaw, Gladstone, Grosart, Hnatyshyn, Hugessen, Lefrançois, Macdonald (Cape Breton), Monette, Paterson, Pearson, Rattenbury, Reid, Roebuck, Taylor, Vaillancourt, Veniot, White, Willis and Yuzyk. (32)

**Ex officio* members.

CANADIAN TRADE RELATIONS

The Honourable Senators Aird, Baird, Beaubien, (Bedford), Bishop, Blois, Bourque, *Brooks, Burchill, Cameron, *Connolly (Ottawa West), Cook, Crerar, Davies, Dessureault, Farris, Gouin, Kinley, Leonard, Macdonald (Brantford), MacDonald (Queens), McCutcheon, McKeen, McLean, Methot, Molson, O'Leary (Carleton), Paterson, Pearson, Phillips, Pouliot, Vaillancourt, Walker, Welch, and Woodrow. (32)

**Ex officio* members.

PUBLIC HEALTH AND WELFARE

The Honourable Senators Beaubien (Bedford), Boucher, *Brooks, Burchill, Choquette, Connolly (Halifax North), *Connolly (Ottawa West), Denis, Dupuis, Farris, Fergusson, Fournier (Madawaska-Restigouche), Gershaw, Gladstone, Gouin, Haig, Inman, Irvine, Jodoin, Kinley, Macdonald (Brantford), Macdonald (Queens), McGrand, Monette, O'Leary (Antigonish-Guysborough), Phillips, Quart, Roebuck, Smith (Queens-Shelburne), Sullivan, Thorvaldson, Veniot, Welch and Woodrow. (32)

**Ex officio* members.

CIVIL SERVICE ADMINISTRATION

The Honourable Senators Belisle, Bishop, Blois, Bourque, *Brooks, Cameron, Choquette, *Connolly (Ottawa West), Davies, Dessureault, Irvine, Macdonald (Brantford), MacDonald (Queens), McGrand, Paterson, Pouliot, Thorvaldson and Walker. (11)

**Ex officio* members.

PUBLIC BUILDINGS AND GROUNDS

The Honourable Senators Aseltine, *Brooks, Choquette, *Connolly (Ottawa West), Dessureault, Irvine, Macdonald (Brantford), MacDonald (Queens), McGrand, Paterson, Pouliot, Thorvaldson and Walker. (11).

**Ex officio member.*

All which is respectfully submitted.

A. L. Beaubien,
Chairman.

THE SENATE

Tuesday, January 25, 1966

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

Prayers.

DOCUMENTS TABLED

Hon. Paul H. Bouffard tabled:

Report of the Director of Investigation and Research, Combines Investigation Act, for the fiscal year ended March 31, 1965, pursuant to section 44 of the said Act, chapter 314, R.S.C., 1952. (English and French texts).

Report, dated June 17, 1965, of the Restrictive Trade Practices Commission, under the Combines Investigation Act, entitled "Shipping Conference Arrangement and Practices". (English and French texts).

Report, dated August 25, 1965, of the Restrictive Trade Practices Commission, under the Combines Investigation Act, entitled "Street Paving Tenders in the City of Hull". (English and French texts).

Report, dated November 29, 1965, of the Restrictive Trade Practices Commission, under the Combines Investigation Act, entitled "The John Street Pumping Station Contract, Metropolitan Toronto". (English and French texts).

Report of the Board of Trustees of the Queen Elizabeth II Canadian Fund to Aid in Research on the Diseases of Children, including the Auditor General's Report on the Financial Statements of the Board, for the fiscal year ended March 31, 1965, pursuant to section 15 of the Queen Elizabeth II Canadian Research Fund Act, chapter 33, Statutes of Canada, 1959. (English and French texts).

Report of the Economic Council of Canada, including its Accounts and Financial Statements certified by the Auditor General, for the fiscal year ended March 31, 1965, pursuant to section 21(1) of the Economic Council of Canada Act, chapter 11, Statutes of Canada, 1963, and section 85(3) of the Financial Administration Act, chapter 116, R.S.C., 1952. (English and French texts).

Consolidated Index and Table of Statutory Orders and Regulations published in the *Canada Gazette*, Part II, for the period January 1, 1955 to June 30, 1965 and for the period January 1, 1955 to September 30, 1965. (English and French texts).

Statutory Orders and Regulations published in the *Canada Gazette*, Part II, of Wednesday, July 14, July 28, August 11, August 25, September 8, September 22, October 13, October 27, November 10, November 24, December 8 and December 22, 1965, and January 12, 1966, pursuant to section 7 of the Regulations Act, chapter 235, R.S.C., 1952. (English and French texts).

Report of Proceedings under the Canada Water Conservation Assistance Act for the fiscal year ended March 31, 1965, pursuant to section 8 of the said Act, chapter 21, Statutes of Canada, 1952-53. (English and French texts).

Report on the Administration of Part I of the Royal Canadian Mounted Police Superannuation Act for the fiscal year ended March 31, 1965, pursuant to section 25 of the said Act, chapter 34, Statutes of Canada, 1959. (English and French texts).

Report of the Unemployment Insurance Advisory Committee for the fiscal year ended March 31, 1965, pursuant to section 90(2) of the Unemployment Insurance Act, chapter 50, Statutes of Canada, 1955. (English text).

Supplementary Estimates (D) for the fiscal year ending March 31, 1966. (English and French texts).

Report of Canadian Overseas Telecommunication Corporation, including its Accounts and Financial Statements certified by the Auditor General, for the fiscal year ended March 31, 1965, pursuant to sections 22 and 23(1) of the Canadian Overseas Telecommunication Corporation Act, chapter 42, and sections 85(3) and 87(3) of the Financial Administration Act, chapter 116, R.S.C., 1952. (English and French texts).

Report on Activities under the Prairie Farm Assistance Act for the Crop Year 1964-65, pursuant to section 12 of the said Act, chapter 213, R.S.C., 1952. (English and French texts).

Revised Capital Budget of Central Mortgage and Housing Corporation for the year ended December 31, 1965, as approved by Order in Council P.C. 1965-2336, dated December 30, 1965, pursuant

to section 80(2) of the Financial Administration Act, chapter 116, R.S.C., 1952. (English and French texts).

Copy of an Agreement between the Government of Canada and the Government of the Province of British Columbia for the use or employment of the Royal Canadian Mounted Police, pursuant to section 20(3) of the Royal Canadian Mounted Police Act, chapter 54, Statutes of Canada, 1959. (English text).

Copy of an Agreement between the Government of Canada and the Government of the Province of Newfoundland for the use or employment of the Royal Canadian Mounted Police, pursuant to section 20(3) of the Royal Canadian Mounted Police Act, chapter 54, Statutes of Canada, 1959. (English text).

Copies of the 121 contracts between the Government of Canada and the Municipalities of the Provinces of Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland, Nova Scotia, Prince Edward Island and Saskatchewan for the use or employment of the Royal Canadian Mounted Police, pursuant to section 20(3) of the Royal Canadian Mounted Police Act, chapter 54, Statutes of Canada, 1959. (English text).

Annual Report of the Department of Northern Affairs and National Resources for the fiscal year ended March 31, 1965, pursuant to section 11 of the Department of Northern Affairs and National Resources Act, chapter 4, Statutes of Canada, 1953-54. (English and French texts).

Copies of Ordinances, Chapters 1 to 11, made by the Council of the Northwest Territories, assented to on June 25, 1965, pursuant to section 15 of the Northwest Territories Act, chapter 331, R.S.C., 1952, as amended 1953-54, together with a copy of Order in Council P.C. 1965-1430, dated August 6, 1965, approving same. (English text).

Report of the Northern Canada Power Commission, including its Accounts and Financial Statements certified by the Auditor General, for the fiscal year ended March 31, 1965, pursuant to section 24 of the Northern Canada Power Commission Act, chapter 196, R.S.C., 1952, as amended by chapter 42, Statutes of Canada, 1956, and sections 85(3) and 87(3) of the Financial Administration Act, chapter 116, R.S.C., 1952. (English and French texts).

Report of the Auditor General on the Examination of the Accounts and Financial Statements of the National Battlefields Commission for the fiscal year ended March 31, 1965, pursuant to section 12 of An Act respecting the National Battlefields at Quebec, chapter 57, Statutes of Canada, 1907-8, and sections 85(3) and 87(3) of the Financial Administration Act, chapter 116, R.S.C., 1952. (English and French texts).

Capital Budget of the National Battlefields Commission for the year ending March 31, 1966, pursuant to section 80(2) of the Financial Administration Act, chapter 116, R.S.C., 1952 (English and French texts), together with copy of Order in Council P.C. 1965-1297, dated July 14, 1965, approving same. (English text).

Statement of Apportionment and Adjustments of Seed Grain, Fodder for Animals and Other Relief Indebtedness, for the period from February 19, 1964 to April 5, 1965, pursuant to section 2 of An Act respecting Certain Debts due the Crown, chapter 51, Statutes of Canada, 1926-27. (English and French texts). Nil Return.

Statement concerning Refunds under The Refunds (Natural Resources) Act, for the period April 6, 1965 to January 18, 1966, pursuant to section 3 of the said Act, chapter 35, Statutes of Canada, 1932. (English and French texts). Nil Return.

Supplementary Estimates (B) for the fiscal year ending March 31, 1966. (English and French texts).

Estimates for the fiscal year ending March 31, 1966. (English and French texts).

FINANCE CHARGES (DISCLOSURE) BILL

FIRST READING

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

Bill read first time.

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

Hon. A. J. Brooks: May I ask the honourable senator if this is the same bill as was dealt with by the special joint committee in a previous session?

Hon. Mr. Croll: Yes.

Hon. Mr. Brooks: Did that committee make a report?

Hon. Mr. Croll: No. The joint committee did not conclude its hearings before Parliament was dissolved, and it is now intended to re-establish that committee to consider the matter again.

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

Motion agreed to.

PRIVATE BILL

AETNA CASUALTY COMPANY OF CANADA—FIRST READING

Hon. Eric Cook presented Bill S-4, to incorporate Aetna Casualty Company of Canada.

Bill read first time.

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

Motion agreed to.

PRIVY COUNCIL

SUGGESTED APPOINTMENTS

On the Orders of the Day:

Hon. Jean-François Pouliot: Honourable senators, before the Orders of the Day are proceeded with, I have a suggestion to make to the Government, and I will ask the Clerk of the Senate to send a marked copy of the report of this sitting to the Secretary of the Privy Council.

Most of you heard the beautiful things that were said about the living and the dead at the last sitting of this house. That occasion was made much less sad, because there is always great comfort and satisfaction in being told of the good that has been accomplished by those who were and those who are still with us.

Honourable colleagues, if the position of Speaker of this chamber and that of the Speaker of the House of Commons are a great honour, one may easily realize that those positions are just as arduous, difficult and painstaking as are those of the Leader of the Government and of the Opposition. I will not elaborate about that this evening, but I may speak about it again on some future occasion.

I come now to my suggestion. I believe there was no exaggeration at all in the good that was said about some of our colleagues, both the deceased and living. However, since what was said is evidently true, there should be recognition of some kind. My suggestion is, and I hope you will concur in it, that Your Honour should be made a Privy Councillor right now; that the same recognition should be given to the past Speaker, the honourable Senator Bourget, who has not yet been appointed to the Privy Council; that the Acting Leader of the House (Hon. Mr. Bouffard), who has to discharge most important functions—the functions of the whole Cabinet in this chamber—shall be appointed to the Privy Council, and as well the other acting leaders, both on this and the other side of the house, namely, the honourable Senator Vaillancourt and the honourable Senator Choquette. The same recognition should apply to the Speaker of the House of Commons, the honourable Lucien Lamoureux.

It would be a serious mistake to wait until after any one of those gentlemen is buried six feet beneath Canadian soil to recognize his merit. Therefore, I suggest, in all deference to the Government, that it take into consideration those suggestions at the earliest possible opportunity.

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY—DEBATE ADJOURNED

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

Hon. A. Hamilton McDonald moved, seconded by Hon. L. M. Gouin:

> That the following Address be presented to His Excellency the Governor General to offer the humble thanks of this house to His Excellency for the gracious speech which he has been pleased to make to both Houses of Parliament, namely:
>
> To His Excellency Major-General Georges Philias Vanier, Companion of the Distinguished Service Order, upon whom has been conferred the Military Cross and the Canadian Forces' Decoration, Governor General and Commander-in-Chief of Canada.
>
> May it please Your Excellency:
>
> We, Her Majesty's most dutiful and loyal subjects, the Senate of Canada, in Parliament assembled, beg leave to offer our humble thanks to Your Excellency for the gracious speech which Your Excellency has addressed to both Houses of Parliament.

He said: Honourable senators, my first words in this chamber must be to thank all honourable senators for the warm welcome they have extended to me and also for the many kindnesses shown to my wife and to me since we came to Ottawa.

Secondly, I wish publicly to thank the Right Honourable the Prime Minister for having appointed me to this chamber. I can only hope that my endeavours will be such as to warrant that confidence which he has placed in me.

I would also like to say how sorry I am—along with all honourable senators, I am sure—that the Leader of the Government in the Senate is not with us at this time. We all know the reason why Senator Connolly has found it impossible to attend, and I am sure we all hope that his recovery will be both speedy and complete. However, his illness is such that only time can heal it completely; and I hope that Senator Connolly will be wise enough to refrain from returning to this chamber until his health is completely restored.

To you, Mr. Speaker, I extend my congratulations on your having been appointed to your high office. I consider this an honour not only to British Columbia but to western Canada and especially to my home province. As you were at one time a citizen of Saskatchewan, we too rejoice in the fact that you have been appointed to this high office. We wish you well.

To Senator Bouffard, who is the acting Leader of the Government in the Senate, I extend my best wishes. I know that he will have the co-operation of all honourable senators in endeavouring to dispose of Government business with dispatch during the absence of Senator Connolly.

I would also at this time refer to the fact that I am replacing a very distinguished senator from the Province of Saskatchewan, the late Senator R. B. Horner. Senator Horner was, as you all know, one of the pioneers of Saskatchewan. He made an immeasurable contribution to the agricultural life, the business community, the religious community and the political community within Saskatchewan. It is indeed a pleasure and an honour for me to follow such a distinguished senator from Saskatchewan.

During that period when I had the opportunity of serving as Minister of Agriculture in my home province, I had as my Deputy Minister a nephew of the late Senator Horner, Mr. Harold Horner, who is an able, devoted and faithful civil servant. He is one of those people who has added greatly to the good name of the civil service of my home province. It was a pleasure to have worked with him, and I look forward to his visiting with me on those occasions when he should find it necessary to come to the nation's capital.

My appreciation also must be extended to Senator Connolly for having asked me to move the Address in reply to the Speech from the Throne. I realize that this is an honour that is extended not only to myself but to the people of Saskatchewan, and it is an honour which I deeply appreciate.

I would like now, honourable senators, to turn to the Speech from the Throne itself. I note in the opening paragraph of the speech that reference is made to Canada's Centennial which we shall be celebrating next year. In the Province of Saskatchewan we have just completed the celebration of our Diamond Jubilee, the sixtieth birthday of our province, and in my opinion the people who were charged with the responsibility of organizing those celebrations did an excellent job. I believe they have left a mark on our community that will be long remembered. It seems to me that the people now charged with organizing the activities of Canada's hundredth birthday will also leave a mark on this nation. Perhaps 100 years is not very long in the life of many nations, but I think it is an excellent time for us as Canadians to stop and pay thanks to the pioneers of this country for the contribution they have made, to review the progress of this nation, and at the same time to make plans for Canada's future development.

Of course in 1967 we shall be celebrating not only the centennial but also in that great City of Montreal we shall see the opening of Expo '67. On Saturday last I had the pleasure of journeying to Montreal wtih many honourable senators and members of the other place where we were privileged to view the site and to listen to some briefings from the people responsible for conducting the affairs of Expo '67.

I enjoyed that trip greatly, the more so because I had the privilege of being in Montreal last September and also about a year prior to that. On the first occasion when I saw the site I wondered what they were trying to do; they were moving huge quantities of earth into the area, but it was very difficult to visualize clearly what they were trying to do there. Then in September last one could see that the land had been prepared; the major expenditures had taken place in preparing the site and in putting in power, sewers and water. Most of this,

however, was underground work and little was to be seen aboveground. However, on Saturday last for the first time one could see what was actually taking place.

As a result of that trip I have no doubt in my mind that the exposition will be ready to open on target date and that it will be a very fine exposition.

When one considers that this great exposition is going to cost approximately $600 million or $700 million, which is the total expenditure of all concerned, one wonders what its purpose is and what it will do for Canada and for the world. For myself, I never realized the extent of the undertaking until my visit to Montreal last Saturday. At that time reference was made to the Great Exposition held in Paris in 1889 when the Eiffel Tower was constructed. Previously I had not known what the Eiffel Tower really meant, but on Saturday last I learned that here was a demonstration to the world that a high-rise building could be constructed around a steel frame or superstructure. There has never been a second Eiffel Tower constructed, but imagine the numbers of buildings throughout the world that have been built using steel as the framework from 1889 to date.

What will Expo '67 do not only for Canada but for the world? If the people responsible are successful, and I am sure they will be, then I think Expo '67 will demonstrate to the world that we can rebuild the heart and what one might call the rotting core of many of our large cities. Most cities throughout the world are concerned with this problem today, and to date no nation has found an answer. But I believe that the people responsible for Expo '67 can demonstrate to the world a means of rejuvenating the heart of our great cities so that people can move back from suburbia. I want to wish the people responsible for Expo '67 well, and I thank the minister for having made it possible for us to attend the briefing and to take part in the tour of the site on Saturday last.

I want to refer next to the reference in the Speech from the Throne to the continuing economic prosperity of Canada. This prosperity is continuing and developing while Canada is playing a responsible role in world affairs. I think this point is worthy of some comment. It seems to me that we in Canada are fortunate in having two distinguished Canadians, recognized around the world for their leadership qualities, who have played such an active part in maintaining peace in our time. I refer, of course, to the Right Honourable the Prime Minister and to our present Secretary of State for External Affairs, the Honourable Paul Martin. There are few nations as fortunate as we are in having leaders who have demonstrated the ability of these two gentlemen.

We Canadians for many years have played a very worthwhile part in international affairs. While it is true that we are not a great nation by virtue of the numbers of our people—our population amounts to twenty millions—and we are not a great nation as far as economic strength is concerned, since we are only now about to celebrate our 100th birthday, and our industrial capacity is not great, nevertheless we are one of the major middle powers in the world.

Since the Second World War Canada has played a worthwhile part in keeping peace throughout the world. Today we have Canadian troops stationed virtually around the globe, but our troops are not involved in a hot war. We have troops in West Germany, in France and in other areas of Western Europe; they have been there since the cessation of hostilities. What are they doing? They are preserving the peace in Western Europe. We have had troops in the Gaza Strip for many years, not fighting a war but keeping two hostile peoples from each other's throats. The same is true of the role of Canadian troops in Cyprus, in Kashmir, in India and in Pakistan. In all those places our troops are not fighting a hot war; they are simply endeavouring to maintain peace. We also have some representatives in Vietnam whose duties and responsibilities are the same as those of our troops stationed elsewhere.

It seems to me that this is the role that a middle power such as Canada ought to be playing; under the present Government and earlier governments this is the role we have played and I sincerely hope it will continue in the future.

The Speech from the Throne mentions the fact that during the coming year negotiations will take place between the federal Government and the governments of the provinces to bring about a new agreement on federal-provincial fiscal arrangements. This new agreement will have to take effect in 1967 as the old agreement expires in the present year. This is a good point at which to reflect upon what has happened in Canada for some years past concerning dominion-provincial taxation relations, especially since it was many years ago that a Liberal government in this country recognized that Canada's wealth was not equally distributed throughout all areas of the country. They recognized

that while some areas were very wealthy, other areas were known as "have-not" areas, and, through the dominion-provincial taxation agreements, arrangements were made whereby provincial governments, whether they were in the wealthy areas or in the "have-not" areas, were able to supply similar services to their people. I think this was a major step in the process of holding Canada together. How long would this nation survive if the governments of some of the more wealthy provinces were able to provide services to their people that the less fortunate provinces could not?

But, times change from year to year and new problems arise. I think it is well that these fiscal arrangements be reviewed, that we profit from our experience and make new suggestions to the provinces—and of course receive suggestions from them—and modernize the agreements to meet today's needs. So I am pleased that these conferences are being held and that a new agreement will come into effect in 1967.

The Speech from the Throne then makes reference to the unprecedented prosperity and growth we are enjoying in Canada. I do not think anyone can deny that we have increased our production, that ever increasing investments are taking place in Canada, and that our trade is expanding, but sometimes I am a little concerned when some people talk of foreign domination of our industry and of our life.

Honourable senators, I am not one of those who are afraid of foreign investment. In my humble opinion, there is only one thing wrong with it in Canada—there is not enough of it. Why do I say that? The Lord was kind when he created this part of the world. There are few areas in the world with more natural wealth than this country of ours, but how could we in the space of 100 years and with a population only now of 20 million have created enough savings to develop and exploit the resources of this nation? It is not possible. People do not create those kinds of savings in a mere 100 years. Savings are accumulated only over generations, one after the other, and we have to look to older areas of the world for the investment capital we need to develop our tremendous resources.

Some of the best examples of this are in my home province, where today we have some of the greatest developments that are taking place anywhere in Canada. I refer to the potash industry. We have now three potash mines in production, with another seven under construction. Each mine takes a capital investment from $50 million to $80 million. How on earth could the people of Saskatchewan, a mere million people, possibly have saved in sixty years sufficient money to develop this one resource? That resource is being developed by Canadians, Americans, Frenchmen, Germans; and personally, I am mighty happy that they are prepared to invest their money in Saskatchewan to develop our resources and give employment to our people.

Hon. Senators: Hear, hear.

Hon. Mr. McDonald: In Saskatchewan it is not only the potash industry, but the oil industry. When I think of the many millions of dollars that have been spent in the oil industry in the exploration field alone, I suggest to you it would be impossible to raise this kind of money in Canada to do this sort of thing in all our provinces.

Of course, apart from foreign investment, we are now getting some assistance through an Act of Parliament known as the Area Development Incentives Act. That has been of great benefit to Saskatchewan. Since the act came into effect we have been able to negotiate—again with a New York firm—to construct a pulp mill in the Prince Albert area, in the northern part of the province, which will mean an investment of about $65 million, but the main effect of this investment is that it will create 3,000 jobs in an area where we have had tremendous problems with unemployment, especially among the native people in that area, the Metis.

I want to say to honourable senators that I do not care where the money comes from; if it will come in and develop a resource that we have been unable to develop ourselves, and provide employment in areas where most of the people have lived on social aid—and I am talking about natives and the Metis—then we welcome that investment. I hope, as far as my province is concerned—and, I am sure, as far as Canada generally is concerned—that peoples of other lands will have enough confidence in Canada to continue to invest their savings here in order to make this a better place for all of us to live in.

However, we do have a really serious problem in Canada today, despite the fact we have this general prosperity, and that is the fact that all Canadians are not benefiting from the general prosperity under which we live. Some economists have gone so far as to estimate that 40 per cent of Canada's population are not enjoying this general prosperity. I do not know whether or not that figure is accurate, but I do know that today there are

literally hundreds of thousands of people in all areas of Canada who are living in poverty, and I think it a crying shame that in a nation such as Canada we have done little or nothing to lift these masses of people out of that level.

I am not so foolish as to think that we can increase the standard of living of all these people; but I think a large percentage of them could be helped. There are in the Speech from the Throne three paragraphs which forecast programs the Government hopes to implement and which I believe would go a long way in solving some of the problems of poverty in Canada.

As I said a moment ago, I do not think poverty is confined to any given area. If we open our eyes wide enough we can find it scattered throughout the rural areas and the urban centres, regardless of whether you are in western, central or eastern Canada.

Of course we in Saskatchewan are not immune. That province has its share of poverty, and I am a little amazed at some of the articles I read in eastern newspapers. Reading them one is led to believe that the farmers in western Canada have money sticking out of their ears. Some of them have, but some have not.

In Saskatchewan today we have about 85,000 farmers, and I am happy that a good percentage of them are doing quite well. But honourable senators, do you know that out of those 85,000 farmers there are 35,000 who have a gross annual income of $2,000 or less—not a net, but a gross income of $2,000 a year or less. Of course, this condition is not confined to my home province. I know that to a degree it exists in my neighbouring provinces of Manitoba and Alberta. Apparently it also exists in Ontario. In the *Globe and Mail* of last Friday, January 14, there appeared an article headed: "Wanted: a plan for Ontario's 50,000 failing farms." The article does not point out what the income of these people is, but does indicate that there are 50,000 farmers in the Province of Ontario who are in trouble because of poverty conditions.

Honourable senators, I want to repeat that I believe some of the proposals in the Speech from the Throne, when implemented, will go a long way to assist in solving this problem. Many people seem to think this is a new problem, that we have to have brand-new policies to cope with it. I do not think we do. I often reflect upon what happened in this nation at the end of the Second World War, when we had many thousands of young men and young women returning to civilian life after having served in the armed forces, and I wonder what would have happened if these people had been just released into the private sector of our country without any provision being made for their education, training or re-establishment. I suggest that chaos would have been created in this nation, and that today we would still be suffering as a result of it. But rather than having these people return to civilian life without adequate training and adequate finances, certain programs—and all honourable senators are aware of them—were implemented. Consequently, the service personnel were absorbed into the civilian population without causing as much as a ripple.

I believe that part of the reason for the general prosperity in Canada today is that these policies were implemented. I am thinking of the many, many men and women who were retrained upon leaving the services and who have made and are making great contributions to the conditions under which we live today. Surely, when we talk about retraining many of our rural people and, of course some urban people as well, for a new place in the society in which we live, we can see a similarity between these policies and those implemented after the war.

Honourable senators, I mentioned a moment ago that some farmers in Saskatchewan were doing very well, but I also said that there were others whose incomes left much to be desired. It was only a few days ago that a report, based on a study of 424 Saskatchewan farms that are under a farm management group, came to my attention. The figures published in this study are interesting, because the average net annual income of the 424 farms in this group is $6,936. But the average net annual income of all the Saskatchewan farms is $4,300. I use this comparison to indicate to you that the survey was taken of farms that are above average in both size and managerial ability, and also in capital investment. However, the average labour income—that is, the return that the farmer receives for his labour—of the 424 farms in the survey is $3,556 per year. I arrive at the labour income by subtracting the investment capital from the net income.

If you take the average return for 38 per cent of the 424 farms in the review you find that it is $4,000 a year or better, but in the Province of Saskatchewan, according to this survey which was conducted by the provincial Department of Agriculture, 33 per cent of the farms have a labour income of $1,000 or less per year. This is not general prosperity;

this is poverty, and I suggest to you that it exists in every province in Canada.

There are some other interesting figures in this study and, though it is not my intention to bore the house, some honourable senators may be interested in hearing them. The investment per cultivated acre in 1964 was $74.45. The investment in machinery per cultivated acre was just under $17. The average farm size today is 726 acres, and the average farm in Saskatchewan has an investment in lands, building, machinery and livestock of some $37,000.

As I said a moment ago, I do not want to imply that this is a condition that exists only in my home province. It is a condition that exists throughout Canada, and I think it can be alleviated by the implementation of many of the policies referred to in the Speech from the Throne.

I know that in the Speech from the Throne there are several references to programs that could be of great help to the western farmer, but it is not my intention to elaborate upon them at this time, because I would very much like to have the legislation in my hands before I make any extensive comments. I do want to refer, however, to that portion of the Speech from the Throne that says a bill will be introduced to amend the Railway Act. Of course this measure is of first importance to the people of the Province of Saskatchewan. They will be more affected, I think, by the new railway legislation than any other province in Canada, as the railroads have suggested that there are more lines in Saskatchewan which they would like to abandon than in any other area.

I am not one of those who believe that some abandonments should not take place, but I do believe that no nation or no province can be great without adequate railroad facilities. They are necessary to move the goods and services that are produced throughout Canada. I do not think there will be much objection from the people of Saskatchewan to this legislation, provided adequate facilities are left in that province to move the goods and services that are produced there in abundance. It will be interesting to see what is included in the new Railway Act, and I shall undoubtedly have further to say about it at the appropriate time.

The Speech from the Throne also forecasts that cash advances will be made available for unthrashed grain. This is a welcome addition to the cash advances legislation which has been of great benefit to the western farmers. This improvement will be very much appreciated, I am sure, by the producers throughout western Canada.

I was also interested to note that improvements will be made in the movement and marketing of feed grains in eastern Canada and British Columbia. This is of interest not only to the consumers, or the feeders, of feed grains in eastern Canada and British Columbia, but also to the farmers of the Prairie regions, the producers of the feed grains, because for many years they have produced feed grains in abundance and stored them but could not find buyers for them. There are many farmers in Saskatchewan who have had oats and barley—especially oats—in private storage for as long as ten years because they could not find a purchaser, and because they had no way of moving the grain had they been able to find a purchaser.

The reason for this was that for many years, when it was impossible to sell all of the wheat we produced, the lines of communication were plugged with unsaleable wheat. We had the feed in western Canada and were crying for a market, and the feeders in Ontario, Quebec, the Maritimes and British Columbia were crying for the feed but we could not get it to them.

We have now the reverse situation. Our lines of communication are not filled with an unsaleable product. We are endeavouring this year to move 600 million bushels of wheat out of Canada into the export market, and of course the lines of communication are filled with a saleable product, but still we are not able to move the feed grains from the area in which they are produced to the area where they will be consumed. So, the western farmer has as great an interest in this legislation as have the people who reside in eastern and western Canada.

The western farmer is also interested in the forecast of an increase in the ceiling for long-term export financing under the Export Credits Insurance Act, as this legislation is used to move western Canadian grain into the export markets of the world.

There is a promise in the Speech from the Throne of legislation setting up the Company of Young Canadians. I know that there is a place for the operation of this company in Canada, but it is my opinion that the major contribution they can make is not in Canada but abroad.

On two recent occasions I had the opportunity of making a trip around the world, and on each I endeavoured to contact Canadians wherever they might be found. I

recall being in Malaysia in 1963 when I had the privilege of attending the Commonwealth Parliamentary Association gathering there. Most Canadians who were delegates to that conference contacted Canadian citizens who were stationed in Malaysia. Malaysia is a country of 20 million people, and it was hard to find a Canadian there because there were few of them. The important thing is that those who were there were doing a tremendous job on behalf of Canada and on behalf of Malaysia. The only criticism I could make was that there was not nearly enough of them.

I travelled from Malaysia to India. There are several hundreds of Canadians in India, but when they are mingled with 480 million native Indians they are hard to find. But when I did find an area in which there were a few Canadians—doctors, nurses, school teachers and engineers—I found that no matter what endeavour they were engaged in they were doing a good job for Canada, and their services and the contributions they were making were warmly welcomed by the people of India, as they were in Malaysia and any other area of the world in which Canadians happened to be serving.

Honourable senators, as I said at the beginning of my remarks, it has been a distinct pleasure for me to have the opportunity of moving this address. I hope I shall be able to make at least one improvement over the years, and that is that before too long a time expires I shall be able to speak to more of you in your native tongue.

[*Translation*]

Hon. L. M. Gouin: Honourable senators, I am most happy to support the motion which has just been moved so eloquently by our new colleague from Regina, Senator Alexander Hamilton McDonald. I wish to congratulate him most heartily for his first appearance in this Chamber and I am sure we shall always be happy to hear him.

[*Text*]

I wish to congratulate also most sincerely His Honour the Speaker. I am sure that he will be worthy of the long line of his industrious predecessors. I am convinced that he will preside over our debates with the good judgment and with the tact which characterizes him.

[*Translation*]

I must now pay my respects to our new Deputy Government Leader. I wish to emphasize his great qualities to which he owes his high position at the bar as well as in the business world. I am sure that Senator Bouffard will carry out wonderfully the duties he has just been assigned. He can count upon my full co-operation.

I now wish to express my regrets to Senator Vaillancourt about his resignation from the post of Deputy Leader. He is held in high esteem by all the members of this House. His whole career is proof of his enlightened patriotism, his social spirit, his devotion to his fellow citizens. He spent his life in good deeds and I do hope that Divine Providence will keep him long among us.

[*Text*]

Now I wish to express my regrets for the illness of our leader, the honourable Senator John Connolly. I have the greatest admiration for the qualities of his generous heart and his brilliant mind. I hope with all my heart that he will recover promptly and completely.

[*Translation*]

Honourable senators, the very first paragraph of the Speech from the Throne says, and not unduly, that

> We should be very proud to be Canadians.

I remember that the right honourable Louis St. Laurent liked to say:

> It's great to be a Canadian.

Yes, we are justified in being proud of our country, since it continues to prosper in the economic as well as in the social field. However, we may find the chief reason for being proud is the important role Canada plays on the international scene. Our Government is always aware of our responsibilities towards the United Nations Organization. We have never failed to meet our commitments. In fulfilling our duty toward the world community, we set an example for the whole world.

Under the enlightened leadership of the Right Honourable Lester B. Pearson, who was awarded the Nobel peace prize a few years ago, and thanks to the constant action and the diplomacy of the Honourable Paul Martin, Canada pursues, in the international field, its benevolent and peacemaking activities, as a member of the United Nations, as well as of the Commonwealth and NATO. Thus, Canada assumed the mission of ensuring everywhere and always peace and justice for all peoples.

Recently, our Prime Minister attended in Lagos, Nigeria, a meeting of the Commonwealth in order to put an end to the situation existing in Rhodesia where, because of the

unilateral declaration of independence, the Government of Salisbury was outlawed.

Mr. Pearson was opposed to immediate military action. He put his trust in stronger economic sanctions. Once again, Mr. Pearson revealed himself as one of the greatest diplomats in the world. His point of view prevailed again against military action. His proposal to form a sanctions commission, whose object is to control the effect of financial and economic sanctions, and of an embargo on petroleum was agreed to. These steps are meant to correct the illegal situation existing in Rhodesia.

At the time of the dispute between India and Pakistan, Mr. Pearson offered his services as mediator. With the Honourable Paul Martin, he keeps up with the development of the war in Viet Nam and follows any attempt to negotiate. I am proud, as a Canadian, of the efforts in the pursuit of peace undertaken by our present Government which always try to make sure that the rule of law will prevail in international affairs.

Honourable senators, everywhere our Canadian flag flies it is with honour. In order to get our new flag adopted our Prime Minister took his political life in his own hands. He overcame all difficulties and succeeded in this endeavour. I am confident that he will succeed also in getting our patriotic hymn, *O Canada*, adopted as our national anthem. For those two reasons the name of Mr. Pearson will have a place in history.

With a strictly distinctive Canadian flag and national anthem, the only trace of our past colonial status to remain is the need to go to London to get our Constitution amended. I am hopeful that we shall overcome this last hurdle which stands in the way of our attaining a full and complete sovereignty.

Now, let us take a look at the problems raised by the relations between the federal authority and our ten provincial governments.

Recently our distinguished Prime Minister defined the essential conditions for the smooth functioning of federalism, based on co-operation between the federal state and the provinces. According to Mr. Pearson—and I am trying to give a faithful interpretation of the thought expressed by my leader—the main thing to do, first, is to establish quite clearly the essential points on which Ottawa cannot and will not yield for, otherwise, Canada would run the risk of being destroyed.

Honourable senators, like the Prime Minister—

> We want the new and dynamic Quebec to play its full and honoured part in the development of a new and proud Canada.

The primary condition for the efficiency of federalism is the adoption by Ottawa of a flexible policy, considering variable circumstances and changing requirements in the federal system.

The second essential condition is that all provinces, and Quebec especially, give clear indication of their willingness to preserve and strengthen Canadian unity within the federal state.

In recent years the Liberal Government has undeniably proved its good faith towards the provinces, especially the province of Quebec. Unhesitatingly, our Prime Minister recognizes that my native province is different from the others due to conditions peculiar to Quebec. I would even say that we have in Quebec a different way of life.

Let us continue our analysis of the second condition stated, the willingness to preserve our federal union, which every province should show. Before granting other advantages to provincial governments, Ottawa should be convinced that

> each province is bent on keeping a strong Confederation, led by a strong central government, able to carry out the responsibilities vested on it by the Constitution.

Therefore, it is necessary, along with Mr. Pearson, to differentiate between two kinds of separatists: on one hand, those who do not want to leave anything to Ottawa; on the other hand, those who want to leave everything to Ottawa. How will it be possible for French Canadians and French Canada to achieve their own aspirations, while preserving Canada's unity? This is the real problem which must be solved, while Canada moves towards the centennial of its federative regime.

I wish to congratulate Mr. Pearson for the noble principles he stated when he said:

> Our unity must also recognize the duality of our origin and the multi-racial character of our social, cultural and political development. It must be a unity based on the English and French speaking partnership of rights and responsibilities developed within the Constitution.

This partnership must allow the French-speaking Canadians to make a full and complete contribution to the development not only of Quebec but of Canada as a whole.

In order to achieve this, we must accept

> wholeheartedly the fact that both our founding ethnic groups have essential contributions to make to the future of Canada.

And about this equal partnership, we can conclude with Mr. Pearson that:

> the government at the national level must be bilingual and bicultural, when that is necessary, to put French-speaking Canadians on the same footing as English-speaking Canadians. This is our national policy which must be based on the principles of co-operative federalism.

In truth, those who would force a monolithic unity upon us would not reinforce Canadian unity; they would weaken it and possibly succeed in destroying it. In stating this policy, in expressing these patriotic tenets, the leader of my party uttered unforgettable words. His was an historic gesture. Mr. Pearson, who taught history in his youth, is now making it.

In supporting the policies of the Prime Minister and of his colleagues, I know I am working for the complete fulfilment of our French culture side by side with the English-speaking culture, in all deference to other cultural groups.

Being myself a member of a minority, it is my bounden duty to be fair to all the other minority groups in this multi-racial mosaic that is our Canada.

The particular rights of those who have the same blood as I have in their veins—those rights sanctioned by the spirit of our Constitution and by three centuries of history—those rights, I repeat, will be best safeguarded by the maintenance of our Canadian country from coast to coast, in a rejuvenated confederation imbued with a more human and more brotherly spirit, in a unity based on the full respect of national traditions and ways of life of each of our ethnic groups. This unity in diversity presupposes a common desire on our part to maintain our federal union in the interest of all Canadians, in particular of French-speaking Canadians, living in Quebec or living outside the boundaries of our mother province.

During the first World War some people at the Quebec legislature tried to bring Confederation to an end. Opposing the Francœur motion, which asked for Quebec's withdrawal from Confederation, Sir Lomer Gouin concluded his speech on January 23, 1918, with the following words which I am bent on repeating, for they fully express my own feelings:

> That our country may remain great, that our sons' hearts may remain full of hope, that we may bequeath to them our forefathers' heritage, we must fight with stout hearts under the passing storm, we must work without cease, without flinching, to develop and maintain the Canadian nation.

[*Text*]

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

STANDING COMMITTEES

THIRD REPORT OF COMMITTEE OF SELECTION ADOPTED

The Senate proceeded to consideration of the third report of the Committee of Selection which was presented on Wednesday, January 19.

Hon. Arthur L. Beaubien moved the adoption of the report.

Report adopted.

APPOINTMENT

Leave having been given to revert to notices of motion:

Hon. Paul H. Bouffard, with leave of the Senate, moved:

> That the senators mentioned in the third 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.

Motion agreed to.

LIBRARY OF PARLIAMENT

MESSAGE TO COMMONS—SENATE MEMBERS OF JOINT COMMITTEE

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

> That a message be sent to the House of Commons by one of the Clerks at the Table to inform that house that the Honourable Senators Belisle, Cameron, Davies, Fergusson, Fournier (De-Lanaudière), Gladstone, Gouin Haig,

Irvine, MacDonald (Queens), O'Leary (Antigonish-Guysborough), Pouliot, Reid, Vien, White and Yuzyk have been appointed a committee to assist the Honourable the Speaker in the direction of the Library of Parliament, so far as the interests of the Senate are concerned, and to act on behalf of the Senate as members of a Joint Committee of both Houses on the said Library.

Motion agreed to.

PRINTING OF PARLIAMENT

MESSAGE TO COMMONS—SENATE MEMBERS OF JOINT COMMITTEE

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

That a message be sent to the House of Commons by one of the Clerks at the Table, to inform that house that the Honourable Senators Bouffard, Bradley, Davies, Dupuis, Flynn, Isnor, McGrand, O'Leary (Antigonish-Guysborough), Pearson, Phillips, Reid, Savoie, Sullivan, Welch and Willis have been appointed a committee to superintend the printing of the Senate during the present session and to act on behalf of the Senate as members of a Joint Committee of both Houses on the subject of the Printing of Parliament.

Motion agreed to.

RESTAURANT OF PARLIAMENT

MESSAGE TO COMMONS—SENATE MEMBERS OF JOINT COMMITTEE

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

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

Motion agreed to.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, January 26, 1966

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

Prayers.

DOCUMENTS TABLED

Hon. Paul H. Bouffard tabled:

Report of the Department of National Health and Welfare for the fiscal year ended March 31, 1964, pursuant to section 10 of the Department of National Health and Welfare Act, chapter 74, R.S.C., 1952. (English and French texts).

Report on the operation of Agreements with the Provinces under the Hospital Insurance and Diagnostic Services Act for the fiscal year ended March 31, 1965, pursuant to section 9 of the said Act, chapter 28, Statutes of Canada, 1957. (English and French texts).

Report of the Department of Forestry for the fiscal year ended March 31, 1965, pursuant to section 12 of the Department of Forestry Act, chapter 41, Statutes of Canada, 1960. (English text).

PRIVATE BILLS

UNITED GRAIN GROWERS LIMITED—FIRST READING

Hon. Gunnar S. Thorvaldson presented Bill S-5, respecting United Grain Growers Limited.

Bill read first time.

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

Motion agreed to.

PACIFIC COAST FIRE INSURANCE COMPANY—FIRST READING

Hon. Mr. Thorvaldson presented Bill S-6, respecting the Pacific Coast Fire Insurance Company.

Bill read first time.

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

Motion agreed to.

EVANGELISTIC TABERNACLE INCORPORATED—FIRST READING

Hon. Mr. Thorvaldson presented Bill S-7, to incorporate Evangelistic Tabernacle Incorporated.

Bill read first time.

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

Motion agreed to.

GENERAL MORTGAGE SERVICE CORPORATION—FIRST READING

Hon. T. D'Arcy Leonard presented Bill S-8, respecting General Mortgage Service Corporation of Canada.

Bill read first time.

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

Motion agreed to.

THE ESTIMATES

FINANCE COMMITTEE EMPOWERED TO EXAMINE AND REPORT

Hon. Paul H. Bouffard moved, with leave of the Senate:

That the Standing Committee on Finance be authorized to examine and report upon the expenditures set out in the Estimates laid before Parliament for the fiscal year ending 31st March 1966;

That the said committee be empowered to send for persons, papers and records and to sit during sittings and adjournments of the Senate;

That the evidence received and taken at the preceding session be referred to the committee; and

That the quorum of the said committee be reduced to seven members.

He said: Honourable senators, this is only to permit the Finance Committee to continue the work it began in the course of last session, before Parliament dissolved.

The committee has been appointed and has elected its chairman, Senator Leonard. I would hope that we could adopt the motion today in order that the work may be resumed without delay.

Hon. A. J. Brooks: Honourable senators, I am not rising to oppose this motion. We realize that Parliament has had a long recess. I take it that during the interim money has been obtained for the most part through

Governor General's warrants. We will also need interim supply for January and February.

I also take it that the committee had very few sittings last session, because the Estimates were brought down in May and we adjourned in July, expecting to be back in September. Therefore, I do not think we can expect the committee to do very much on these earlier Estimates, and we will be going on with the Estimates for the next year very shortly.

As I have said, there is no objection to the motion. I understand that the supplementary Estimates, the schedules and tables will also be before this committee.

Motion agreed to.

ADJOURNMENT

Hon. Paul H. Bouffard: Honourable senators, with leave of the Senate, I move that when the Senate adjourns today it do stand adjourned until Tuesday next, February 1, 1966 at 8 o'clock in the evening.

The reason for this motion is that there will likely be very little business to come before us tomorrow. I do not think that the senator who will move the adjournment of the debate on the Speech from the Throne today will be ready to speak tomorrow. It may happen that next week we will have to sit an additional day, because of the interim supply bill, which may come on Tuesday, Wednesday, Thursday or Friday. We do not know. There seems to be general consent that we adjourn from this afternoon until next Tuesday evening at 8 o'clock.

Hon. Mr. Brooks: What are the prospects for business, besides the debate on the Speech from the Throne and the interim supply bill?

Hon. Mr. Bouffard: It is difficult to say. It may be that we will start consideration of the Ottawa Terminal Railway bill. Also, we have six or seven private bills which may receive second reading next week and be referred to various committees. Also, we might have the Bankruptcy Act before us. There is no certainty about it, but should it come to us, we will start consideration of it next week.

Hon. Mr. Brooks: What about the bill respecting the Canada Labour Code? I think that has had first reading in the other place.

Hon. Mr. Bouffard: We have not received it yet.

Hon. Mr. Brooks: It is in the other place.

Motion agreed to.

THE SENATE

LIGHTING IN SENATE CHAMBER AND READING ROOM

On the Orders of the day:

Hon. Jean-François Pouliot: Honourable senators, yesterday, as we all noticed, the lighting in the Senate chamber was very poor. It was impossible to read. Today there is a great improvement which is appreciated by all. Now I would like to point out that the lighting is also very poor in the Reading Room. Perhaps it is because of the way the windows have been built or perhaps the electrical equipment is not adequate, but it is very difficult to read there.

I would, therefore, ask Your Honour if you would kindly give instructions to bring about an improvement in the lighting in the Reading Room of the Senate.

[*Translation*]

Hon. Mr. Yuzyk: Honourable senators, I wish to support Senator Pouliot's request. It is not easy for me to read the French newspapers when there is a lot of light, but I find it almost impossible to do it in the Senate reading room where the lighting is very poor.

Hon. Mr. Pouliot: Thank you very much.

[*Text*]

Hon. Paul H. Bouffard: Honourable senators, I think it would be a great pity to prevent a member of the Senate from reading the French papers in the Reading Room, and we will do our best to bring about an improvement in the lighting facilities.

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY— DEBATE CONTINUED

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

Hon. A. J. Brooks: Honourable senators, at the opening of this session a few days ago our attention was drawn to the fact that the Leader of the Government in the Senate (Hon. Mr. Connolly, Ottawa West) had been and was still quite ill. We expressed our regrets at that time, and in doing so again today may I also express our gratification that his health is now improving.

At that time we were also informed that the Deputy Leader of the Government (Hon. Mr. Vaillancourt) had resigned, as to which

we also expressed our sincere regrets. However, we are very happy indeed to see that Senator Bouffard has taken his place. I am sure we all feel that the business of the chamber is in very good hands.

There are always changes at the beginning of a session and more particularly at the opening of a new Parliament. We are pleased indeed to see you, sir, occupying the Chair as Speaker of this chamber. We have been very fortunate in the Senate—as indeed has been the House of Commons—in the choice of Speakers. They have all been very able and popular men. Our last Speaker (Hon. Mr. Bourget) was very highly esteemed, and I know that the present incumbent will be as fair and just in his decisions as was his illustrious predecessor. We all wish him the very best.

Hon. Senators: Hear, hear.

Hon. Mr. Brooks: I mentioned the Speaker in the other place. I do not think it amiss to say that I have often pitied the Speaker in the other chamber. His is usually a difficult task, and it has been so especially with minority governments in the last two years. However, in the Senate the Speaker has a much easier time. The position is an honourable and responsible one, but I believe that taken in all it is a pleasant task. Senators seem to be very easy to get along with. I have been here for five years now, and I have not heard or seen anything untoward in the Senate.

Honourable senators, I now come to the mover and seconder of the address. I am sure all will agree that both made excellent speeches. I did not wholly agree with all the material that was contained in their speeches —that is not to be expected. I think they were a little biased and slanted in favour of the Government, but I am not quarrelling with that in any way.

We are all well acquainted with Senator Gouin. He has been here for a great number of years. He has taken an active and commendable part in the public life of his native province and that of Canada. We know what to expect from him: we expect the best, because he has always given the best.

Hon. Senators: Hear, hear.

Hon. Mr. Brooks: After listening to Senator McDonald yesterday, I am satisfied that he will make a very good senator. He is a fine speaker and presents his case well. Indeed, he must have received good training in the Saskatchewan Legislature. I might also point out at this time, that he has joined an outstanding group of men in the Senate, both past and present. Senator McDonald has served as Minister of Agriculture for Saskatchewan. I recall that at the time I was appointed to the Senate in 1960 two of our number were former provincial Ministers of Agriculture. As honourable senators will remember, both the late Senator Austin Taylor, who was from my native province of New Brunswick, and the late Senator John A. McDonald, from Nova Scotia, made wonderful contributions to the debates on agricultural matters. I feel certain we can anticipate a similar contribution from our new member, Senator McDonald.

Honourable senators, we have also in the Senate other men who are greatly interested in agriculture and, as I say, he has joined that group. Sitting to my right is Senator Aseltine who, besides being a distinguished lawyer, has been a highly successful farmer. We also have from western Canada Senator Pearson, who has made a great success of farming. From Nova Scotia we have my good friend Senator Welch, an outstanding Maritime farmer. I could name others. Perhaps I should mention the honourable Senator Roebuck who, I might say, is one of the gentlemen farmers of the Senate.

Hon. Mr. Aseltine: He is an agriculturalist.

Hon. Mr. Brooks: I hope so.

It is obvious that most honourable senators are pleased to be back, to greet their old friends—and we always have a most friendly reunion—and also to meet the newly appointed members of the Senate. Frankly, I had expected there would be many more new senators. There are some vacancies, but I suppose they will be filled in due time.

May I, as a former colleague and associate of the honourable Senator Benidickson, tell him how pleased I am to see him sitting among us, and in the front row of the Government benches. Senator Benidickson was one of the outstanding members of the House of Commons, a good debater at all times and one to whom we were always very pleased to listen.

A few days ago mention was made of some of the resignations from the Senate. I intended to say a few words at that time, but what I had to say was largely said and better said by the Acting Leader of the Government (Hon. Mr. Bouffard), Senator Kinley and others.

I knew Senators Grant and Tremblay in the House of Commons for quite a number of years before they were appointed to the Senate, and I am well aware of the contributions they made. I knew Senator Robertson from his having been Leader of the Government and also Speaker in the Senate. We in the Maritime provinces were proud that Senator Robertson had contributed so much and had attained the distinction of being appointed to the two highest offices in the Senate.

I must also say that on this side of the house we very much miss Senator Buchanan who has also resigned. He is one of the most lovable men I have ever met. Despite the fact that he had a serious illness shortly after he was appointed to the Senate he always met you with a smile and worked to the capacity which his illness would allow. He was always in his seat, both here in the chamber and on the committees of which he was a member.

These senators contributed greatly not only to the deliberations of the Senate but also to the public life of the country, and it is appropriate, honourable senators, that men such as these who have served Canada so well, and for whom the time has come to retire because of ill health, can do so voluntarily with grace and with dignity.

Hon. Senators: Hear, hear.

Hon. Mr. Brooks: But I wish to emphasize the word "voluntarily," because while such men retire voluntarily, that privilege is denied many other senators, unless they conform to certain sections of the new Retirement of Senators Act.

Speaking personally—that is, expressing my own opinion—I believe that the Retirement of Senators Act should be amended so that those who were appointed for life are not compelled to resign at age 75 or lose the pension for themselves or their widow. I believe that is the correct interpretation of the act. I think the act is unfair and poor in that respect, and that some effort should be made to have that section amended.

Hon. Senators: Hear, hear.

Hon. Mr. Brooks: I have nothing to add regarding that matter.

Honourable senators, we had a long recess of seven months. I suppose it is the longest recess that Parliament has had in a great many years. I cannot remember recessing for as long as seven months at any other time.

Hon. Mr. Aseltine: Not since the thirties.

Hon. Mr. Brooks: I was not here then having entered Parliament in 1935; but there was not so much parliamentary business in the thirties.

The only interesting feature of the long recess was the election and, as we have heard on all sides and many times, it accomplished nothing. It was time wasted, and now we are back where we were seven months ago, with a tremendous backlog of business that should have been attended to long ago.

I do not think it out of place here to say that I believe the Prime Minister was very poorly advised. I know that many people were greatly annoyed and thought that instead of taking advice from the sources he did—sources which had given him very poor advice on previous occasions—he should have used his own judgment, and the country and Parliament would have been much better off.

We have started a new session, and I hope it will not be like the last two sessions. Over the past two years important business was held up. Many items mentioned in previous Throne speeches were not proceeded with. In my opinion the two previous sessions of Parliament dealt mostly with contentious matters that tended to provoke disunity in this country; matters that could very well have been dealt with at some future time. This is not a time for governments, and especially minority governments, to concern themselves with matters of a contentious nature. They do not have a mandate from the people to do so.

A moment ago I mentioned the fact that we have many problems to solve. Naturally, some are more important than others. From reading the press, the speeches of the provincial premiers and of our own colleagues here and in the House of Commons, it seems to me that we are becoming very familiar with the word "priority." Our leaders, both provincial and federal, realize that in legislation we must deal with first things first. I was very much impressed by the remarks made by Premier Duff Roblin of the province of Manitoba to the other premiers attending the recent Federal-Provincial Conference. He said that in his opinion priorities of legislation should be selected by the premiers of the provinces and representatives of the federal Government, so that we could deal first with the things that are needed most and those we can pay for.

In the so-called Deutsch Report, which I am sure all honourable senators have read, priorities are stressed. It emphasizes the fact

that we must do first the things that are necessary and that we can afford, and not be continually expending large sums of money on programs of a temporary nature which are entered into for the sake of expediency.

From that report we learn that one of the first priorities is to make definite preparations for seeing to it that all people have an opportunity of living decent lives. This is most important, and it was mentioned by the mover of the motion yesterday. The report points out that more than one million Canadians are functionally illiterate. That is a great phrase, one which I do not remember hearing before. It means that more than one million Canadians are not prepared for good jobs. They can do only menial work. These people can read and write, but not well enough to enable them to obtain good employment. Lack of sufficient education confines them to the most menial type of work.

This report points out also that this is not the fault of these people. They are usually young men who come from overcrowded homes, urban slums, and farms where there are many children and small homes. It is impossible for them to get the education they should have.

A special secretariat set up by the federal Government has put these conditions in graphic form, and it outlines the causes which begin, naturally, in the school days. The report of the secretariat reads:

> There is no point in expecting adequate homework from a student who must do homework in a small, poorly lit room where the rest of the family live, eat and sleep.

Thousands of them have to do this.

> Similarly, it is not reasonable to expect attention in class from a student who has been kept awake most of the night because he was hungry or for other interfering reasons.

Honourable senators will of course understand that there are many children in some small homes.

A satisfactory education for the poor, the secretariat concludes, cannot be provided by the free public school system when some children are unable to take full advantage of it. The result is that they leave school in the early grades.

Honourable senators will recall that in the recent conference of the eleven provincial and territorial governments the experts divided poverty into three categories. This government, and the Government of the United States, is waging a war on poverty. One group of poor people, we are told, are those who cannot work because of age or physical disability. We know this. Senator Croll's committee has been digging into this problem for some time. The second group comprises those who can work but who cannot find jobs. I am happy to say that that is now a small fraction of the labour force, and it is usually found in a few depressed areas.

The third group includes employed workers who cannot earn a reasonable income. These are the people I was talking about a short time ago. Some are farmers—and I do not mean the farmers of Saskatchewan. I listened to the remarks of my honourable friend the mover (Hon. Mr. McDonald), yesterday when he gave the average income of farmers in Saskatchewan. I could not help but think how happy the farmers of New Brunswick, of Nova Scotia, or any of the four Atlantic provinces would be if they earned anywhere near that much. The honourable mover of the motion did say that there were certain of them who did not make more than $1,000 a year. Well, I understand that in Saskatchewan there is an area where even a rabbit would starve, but that is only a very small part of that province. The fishermen and farmers of the Atlantic provinces would be very happy if they could earn the sums he mentioned, such as an average net income of $6,936 in the higher brackets and $4,300 in the lower brackets.

The older people, say the experts, must be protected by state assistance—that is not news—adequate for support and self-respect. There have been votes in the other place during the past few days on motions by which the Opposition tried to increase the amount of the pension these people receive. I do not know whether the mail of other honourable senators contains correspondence referring to our older people, but I know mine does. It seems to be increasing as time goes on. The letters I receive point out that with the cost of living soaring as it is, these old people cannot pay their bills or live decent lives on the $75 pension they receive from this Government.

The two groups, the unemployed and the underpaid workers, require a manpower policy for high employment and a high productivity economy. This policy must involve increased mobility of labour, intensive training

and retraining in modern skills, youth counselling and regional development programs. It must include also good housing and slum clearance. This goes back to the boys and girls living in poor surroundings. There must be more pleasant surroundings, giving the children in the slums and poor districts a chance to study and learn, and thus prepare themselves for something besides menial labour and starvation pay.

Honourable senators, there was a splendid part summary of the Deutsch Report in the Ottawa *Journal* of January 7. I like to read the editorials in the *Journal*; they are always good and very much to the point. This one compared especially the educational attainments in the United States and in the Canadian labour forces. The report calls it the widening educational gap and refers to the income gap in the two countries, and the ill effects this has had and is having on the Canadian economy. The report showed that in 1964 and 1965 the average income in Canada was at least 25 per cent below the United States level. That is not very flattering, I am sure.

I will read from the report:

> Over the past half-decade, the average years of schooling increased by about three-fifths in the U.S., but by less than two-fifths in Canada.
>
> In 1960, about 45 per cent of the U.S. male labor force had four years of high school or more education, compared with 24 per cent in Canada in 1961.
>
> The average number of years of schooling among Canadian male labor force increased by only two and one-half years over half a century.
>
> It will take many years for Canada to reach the average educational level already achieved in the U.S.; take decades to close the gap with the U.S.

The report goes on to say:

> There has been a substantial long-term rise in the educational attainments of the Canadian labor force. But the average level of such attainments has been considerably below that of the United States, and has increased more slowly than in the United States. There has thus been a widening 'educational gap' between the two countries.
>
> This gap appears to have widened particularly at the secondary school level in the inter-war years, and particularly at the university level in the post-war period.
>
> Differences in the average educational attainments appear to be an important element in the difference in living standards between Canada and the United States.

Honourable senators, I have emphasized the great need there, and explained why there is a priority.

Speaking of vocational training brings me to the question of higher education. This need has been recognized by the present Government in the Speech from the Throne as one of the most demanding priorities. Indeed, it was recognized as such by the former Conservative Government in its national plan for education—the first time a federal government had undertaken a massive educational project. It included both university and vocational and technical education, all in conjunction with the provinces and municipalities, for it must always be recognized that the provinces have first say in education. Today, however, it has become financially beyond their capabilities.

I was pleased to read in the Speech from the Throne that after allowing the scheme to lag, the Government plans to implement to a considerable extent the recommendations of universities for increased financial assistance. The Speech from the Throne says, in part:

> A program of Canada scholarships and bursaries for students undertaking higher education will be submitted for your approval. Amendments will be proposed to the Student Loans Act. As an initial response to the acute financial difficulties encountered by the universities and colleges, you will be asked to approve a substantial increase in the federal financial assistance to universities for the academic year 1966-67.

We are greatly pleased that the Government now intends to increase financial assistance to the universities.

An increased demand for professional and technical education in Canada has long been recognized. We are pitifully short of doctors, dentists, nurses, and engineers, and people generally who are engaged in providing medical services and hospitalization. Quite recently Premier Robarts of Ontario emphasized the particular need, and at the same time pointed out that until we have enough doctors, nurses and other services for our hospitals, it is not reasonable to press for medicare, such as it is being pressed for at the present time.

This is not surprising in the light of the rapid changes taking place in medical science and in our way of life. The challenge which has been and is confronting Canada, as well as other countries, is implicit in a famous statement by Alfred Whitehead, back in 1916. That outstanding English mathematician and philosopher had this to say:

> In the conditions of modern life the rule is absolute: 'The race which does not value trained intelligence is doomed. Not all your heroism, not all your social charm, not all your wit, not all your victories on land or at sea, can move back the finger of fate. Today we maintain ourselves. Tomorrow science will have moved forward yet one more step, and there will be no appeal from the judgment which will then be pronounced on the uneducated.'

That was said 50 years ago, and it applies equally today.

We are told that the per capita grant will at the university level be increased from $2 to $5. We have been asking for that for some time. That was the stand taken by our party in the last election. We hope that some of this money will go to lower tuition fees for students in the universities who are finding so much difficulty in meeting their financial needs.

The amount for scholarships and bursaries, we have also been advised, will be in the vicinity of $40 million. There will also be an increase in the Student Loans Act. All this is very much to the good.

The Maritime provinces are asking for further financial assistance. I forget the name of the character from Dickens who always asked for more—however, in this instance more money is needed, because in the Maritime provinces tuition fees are higher than in any other part of Canada. The percentage of students between 18 and 24 years of age is the lowest in Canada—which surprises me. The average salary we are able to pay our professors at the universities is also the lowest. We have the largest proportion of outside pupils.

With these facts in mind, and having heard that the Government is taking into consideration increased financial assistance to the universities of the Atlantic provinces, we are indeed grateful.

With regard to the needs of the individual student, I would like to recount an experience I had recently when I picked up some boys who were hitch-hiking home for Christmas from Mount Allison University. Up until my conversation with them I had an idea that perhaps we were doing too much for the students, with our loans, scholarships and bursaries, and so on, and that possibly we were taking away some of the initiative they needed to provide themselves with a university education. I checked this with some of our students, and they told me that, for one thing, jobs were scarce during the summer in the Maritime provinces, and that they were obliged to come to Ontario to seek work; that when they arrived in Ontario they were confronted with labour unions and that it was very difficult, not being a member of a union, to obtain work. One of the students told me that he required $2,000 for his schooling. He said, "I have a loan of $1,000, I earn $500, but the remaining $500 I find hard to obtain."

These young men also told me that they wanted to get married when they got through university, and they did not want to incur too large a debt over the years or have to borrow additional money which would have to be paid back. They said they might end up by owing $6,000 to $8,000 after graduating from university. After chatting with these students, and really trying to appreciate their problem, I found myself in sympathy with them.

Another problem which is sometimes mentioned is that when the people of Canada, through their Government, find that they are spending so much money to educate our young people, they ask what can be done to assure that their services will remain available to Canada and they will not be encouraged to go elsewhere. Possibly something can be done about that.

Another matter which should be high on the list of priorities is that of our national resources. I listened yesterday to the honourable mover of the address: he pointed out the immense wealth that we have in Canada. No country has such natural resources and potential wealth as we have. I want to speak particularly of our water resources.

Until recently, few people realized how important these are. Water was always taken for granted, just as the air we breathe. I am sure that the good Lord intended that every man and beast and bird and fish was entitled to water, to pure water. And it was so provided until man made it otherwise.

Take our North American continent. We had pure water up to, perhaps, the beginning of the century. I remember as a boy reading Fenimore Cooper's books, *The Pathfinder, The Last of the Mohicans* and others. He used

to write about his ancestors visiting small streams, rivers and lakes filled with pure sparkling water. Today we are told that those same rivers in most of the states of the Union are nothing more than open sewers. We have read with dismay that, even in the case of our Great Lakes, Lake Erie in particular has hundreds of miles of dead water, that is, water where neither fish nor any other life can be preserved. People have had to move back from their beaches because of the stench and smell in the summertime. The shortage of water was brought particularly to the attention of the American people last year, in the City of New York and other localities. These people have destroyed their own water resources and are looking to Canada for help. Canada will have to make some provision; she will be compelled to work in some way with the United States regarding the supply of pure water in the future.

In Canada the conditions are not as bad. We have about 70 per cent of the fresh water of the North American continent. It is also estimated that we have about one-third of the world's supply of fresh water. But it is time for us now—indeed it is long past—to begin to preserve our water supply. I can remember that when I was a boy in my own province we had sparkling rivers, but they too, as my good friend Senator Burchill can tell you, are becoming polluted and very little if anything is being done to prevent it.

Honourable senators, I should like to add on this point that there is no body in Canada more capable of studying a matter of this kind than the Canadian Senate. Instead of appointing expensive committees and commissions, as has been done time and time again, I would like to see work of this kind given to our Canadian Senate. I am sure the people would appreciate it, and the Senate committees could do a very fine job.

Mention was made yesterday by both the mover and the seconder of the address in reply to the Speech from the Throne, of Canada in world affairs. In the Throne Speech we read:

> As a member of the United Nations, as a member of the Commonwealth of which our beloved Queen is the head, and as a partner in the North Atlantic Alliance, Canada will strive to make the greatest possible contribution to improve international relations and assure peace with justice to all peoples.

Those are very fine words. Our support of the United Nations, its principles and goals, has never been in question. Our peacekeeping operations have taken our soldiers, as was also mentioned yesterday, to troubled spots all over the world. They have a splendid record, one which is well known and of which we can be justly proud.

The attitude of political parties and the Canadian citizenry in general with regard to the field of foreign affairs has a peculiar characteristic. It is that political parties have enjoyed agreement on basic external policy, whether holding office or not, while, on the other hand, the Canadian citizenry have almost consistently given broad national agreement to these policies. This has been true under all Canadian governments, as it should be.

We are proud of our peacekeeping activities in Gaza, Korea, the Congo and elsewhere. We can be just as proud of our other United Nations activities and efforts, such as the endeavours towards eradication of disease, the elimination of poverty and hunger, the wiping out of illiteracy, assistance to trade and economic advancement to developing nations, and many others. In these activities of course we recognize that our collective prosperity and security can be guaranteed only within a framework of co-operative interdependence among nations. A policy of isolation is impossible today. Speaking in general, Canada has never been an isolationist country, and I am sure she never will be. Therefore, Canada finds herself holding membership in most of the world's great political, military and economic organizations where her presence is of benefit to the world in general and to herself in particular. I refer of course to the United Nations, NATO, the Commonwealth, United States and Canada joint defence program, the World Health Organization, the Food and Agriculture Organization and many others.

I did intend to say something on Rhodesia but I will leave that to another time. This is not one of those problems where black is black and white is white. There is more to it than that. You cannot say one side is absolutely right and the other wrong. We all regret that Premier Ian Smith of Rhodesia is not more tractable. I believe and hope it is a problem that can be solved without too much trouble. It is one of the major problems in the world today. I do not think that getting tough is the solution. There must be some

other way to handle it than those which have been suggested by Prime Minister Smith or Prime Minister Wilson of Great Britain.

Speaking of foreign aid, Canada contributed more than half a billion dollars—$528,678,000—in money, services and equipment as part of the Colombo Plan from 1951 to the end of the 1964-65 fiscal year.

It is extremely difficult to estimate the number of foreign aid programs under way around the world. Canada is serving in 50 to 65 countries. This does not include Latin America or sub-continental countries.

Some contributions to be appropriated in the 1965-66 fiscal year, as far as I can find out, are as follows: To the United Nations Special Fund, $5 million; to the World Health Organization, $1,382,000; to the United Nations Children's Fund, $1 million; to the Economic, Technical Educational and other assistance, the Commonwealth Africa Aid Program, the Commonwealth Caribbean Assistance Plan, the Commonwealth Scholarship Plan, etc., $48,500,000.

Canada's contribution to foreign aid is increasing. It is expected that an estimated $250 million will be appropriated for the current fiscal year. Even at this figure I understand that although we are making very large contributions, the per capita amount that we contribute is below that of the United States, the United Kingdom, France, West Germany, Belgium and, I think, Japan.

Honourable senators it is impossible to determine how much private agencies have contributed in terms of dollars in this field. The list which I have given comprises public agencies. The External Aid Office estimates that there are from 75 to 80 private agencies assisting people overseas. Their spending cannot be estimated but it is well up in the millions or perhaps in the tens of millions.

A matter which is not in the Speech from the Throne but which is being mentioned quite commonly in Canada is as to whether or not Canada should join the Organization of American States. This was prompted by Mr. Pearson's recent trip to Jamaica, and his subsequent statements. He implied that our acceptance of membership may depend upon whether Trinidad and Tobago, and Jamaica are asked to join. Both the United States and Latin American countries for many years have urged Canada to join, so this is not something new. Presumably our position would be that of a buffer between the South American countries and the United States. The United States, of course, have long wanted our help in handling many of the very difficult problems involved, and in this connection I would just mention the Dominican Republic and Cuba. This, in my opinion, is strong enough reason not to join. Canada should not be placed in the position of a buffer. Our relations with the United States have always been of first importance and we should guard them jealously, much more than our relations with Latin American countries. If we were to join the Organization of American States we might frequently be placed in the position where we would have to disagree with the United States, and in doing so take sides, as it were, between them and the Organization of American States or various South American states.

Our association with the Caribbean countries through the Commonwealth has nothing whatever to do with the O.A.S. These countries are part of the Commonwealth and we have responsibilities towards them, but we feel that should they decide to join the O.A.S. it does not necessarily follow that we must also join. In my opinion that would be the least important reason for joining. The Caribbean countries have much more in common with Latin America than has Canada. Our political and economic thinking flows more east and west than it does to the extreme south. As the Montreal *Star* stated in an editorial on January 21, 1966:

> Membership in the O.A.S. might make sense for the Caribbean islands. It might also make eventual sense for us. But not yet.

There is simply nothing to gain. There is hardly a stable government in the South American countries at the present time. If we were to join the O.A.S. at this stage we would, in my view, simply be borrowing trouble.

There are many other matters I could mention but I do not intend wearying the house for many minutes longer. There was mention in the speech of fair wages and hours of labour, and I understand a bill has been prepared which I hope will solve our difficulties in this field. We are having far too many strikes in Canada—we have even reached the stage where school children are going on strike. It seems as if everybody wants to strike.

Then, there is mention of the Canadian Vessels Construction Act which is to be amended. Unfortunately, there is to be a

reduction in the subsidy from 35 to 25 per cent. Canada has to meet the competition of cheaper labour in other parts of the world. Nevertheless, we have built up a splendid shipbuilding industry in this country. In this regard I am thinking particularly of the Maritime provinces and especially of the City of Saint John where we have one of the best shipbuilding yards in Canada. When a subsidy of 35 per cent was paid, the employment in the shipyards in the City of Saint John increased from 300 to 3,000. This meant much to the people of that city and indeed of that area generally. I hope this 25 per cent which the Government is planning to contribute will assist our shipyards in meeting the competition from other countries.

There was mention of feed grain. This, honourable senators, is an old story. We very much need feed grain from the west and we should have storage. The mover of the address spoke about the Railway Act and what transportation and railways mean to Saskatchewan. We cannot overemphasize the importance of railroads and transportation to the Atlantic provinces. They mean our very existence, and we are consequently very much interested in the amendments to the Railway Act.

Then, there was mention of the Company of Young Canadians. I am pleased to see that young Canadians are to be sent to other countries and to different parts of our own great country. In my view there are no better ambassadors anywhere, and particularly in our own country today, than young men and women who go from one section of the country to the other the better to know their own country and their own people. We had quite a number of young people from the west come to the Maritime provinces during the summer. They received a tremendous welcome and went back home with great praise for what they had seen. Ours is a vast country and it is difficult for our people to get to know each other thoroughly. I read recently that fifty young people will leave Quebec for the west in the near future. That is the only way our people will ever get to know each other. As I have said, I do not know of any better ambassadors than our own young people. In many ways I feel they are better than some of our politicians or college professors and others who are sticking their noses into these matters.

There was also mention in the speech about Ottawa being our true capital where all can feel at home. Frankly, honourable senators, I do not know what that means. We want Canadians, no matter where they come from, to feel at home in all parts of the country, not only in the capital. How are we going to make them feel at home in the capital? I notice Mr. René Lévesque wants to change the face of Montreal. Montreal is one of the great cities of the world and the largest city in Canada. We in the Maritimes are very fond of Montreal. There was a time when we used to go to Boston or to New York, but now we look to Montreal instead. I may say that many of us feel more at home in the City of Montreal than we do in the capital. So let us hope that they will not change the face of Montreal too much.

Honourable senators, I have little more to say. I notice that there was reference in the speech to the Civil Service of Canada. I hope there will be no tinkering so far as it is concerned, and I am sure there will not be. People are appointed to the civil service because of their efficiency, as is only right. With the educational systems we have today in all parts of Canada, young people, no matter what part of the country they come from, are qualified to enter the civil service.

Speaking of young people brings to my mind the strike of teachers in Hull. There, when the teachers would not come to teach them, the young men organized themselves, prepared their own lectures and began teaching themselves. I would close by saying that as long as we have young people of that calibre in Canada we have no need to fear for the future of this country.

Hon. Paul H. Bouffard: Honourable senators, in rising at this time to participate in the debate on the motion for an address in reply to the Speech from the Throne, I of course feel the absence of our distinguished Leader (Hon. Mr. Connolly, Ottawa West).

May I at the outset congratulate the mover and the seconder of the address. Senator McDonald made a truly noteworthy and exceptionally promising contribution to this debate.

Hon. Senators: Hear, hear.

Hon. Mr. Bouffard: He comes to us from the great Province of Saskatchewan, where he has enjoyed an outstanding career. He was a member of the provincial Legislature from 1948 until his resignation last year. Senator McDonald also served for a period of time as Provincial Leader of his party and as Minister of Agriculture. We look forward to his active participation in our work and are pleased to welcome him.

[*Translation*]

The reputation of Senator Gouin, the senior representative of the Province of Quebec in this house, is so well established that it is not possible to add to it.

Son of a former Prime Minister of the province of Quebec, he followed his family's tradition. His literary accomplishments, his knowledge of history and his philosophical turn of mind enabled him yesterday to make a most excellent speech which all the members of the Senate greatly appreciated. I congratulate him and thank him for it.

[*Text*]

I would indeed be remiss if I did not at this point offer sincere congratulations to our new Speaker. Mr. Speaker, we know your lengthy experience and contribution in this chamber qualify you in every respect for the high honour you have received. We wish you well in the discharge of your duties and anticipate with pleasure your benign and informed supervision of our deliberations.

May I add this very personal remark, that for the nine years the honourable Speaker has been a member of this chamber he has never been penalized for an absence and has never missed a meeting on account of sickness.

May I also say how very pleased we are that Mrs. Smith is accompanying you. We look forward to pleasant social relations with you and Mrs. Smith during this Parliament.

Hon. Senators: Hear, hear.

[*Translation*]

Hon. Mr. Bouffard: I would be remiss if I failed to mention Senator Maurice Bourget's term of office as Speaker of this assembly. During the few years he presided over our deliberations, Speaker Bourget discharged his responsibilities with ability and dignity. Furthermore, his charming wife was a great comfort to him in the carrying out of his functions by adding that feminine touch which is so necessary to enable the Speaker to discharge the often delicate tasks with which he is entrusted.

I am happy to welcome him back to the ranks of the private members of the Senate. No doubt he will be a great credit to this house and will add further to his stature.

[*Text*]

I also wish, on behalf of the Government and personally, especially to welcome among us Senator William Benidickson. Senator Benidickson has had lengthy parliamentary experience. Trained in the law, he was first elected to the House of Commons for the constituency of Kenora-Rainy River in 1945, after distinguished wartime service in the R.C.A.F. Senator Benidickson was re-elected at six successive general elections, and also served in the other place as a Parliamentary Secretary and as Minister of Mines and Technical Surveys. In the Senate we need members who have had experience in the public affairs of our country, and we are pleased to see Senator Benidickson take his place here with us.

Before starting to talk about the Speech from the Throne, I would like to congratulate the Leader of the Opposition (Hon. Mr. Brooks) for the manner in which he has fulfilled his duties. I quite understand it has not been an easy task. Indeed, I think he would have been much better off had he spoken from my side rather than from his own.

Hon. Mr. Brooks: For different reasons!

Hon. Mr. Bouffard: For different reasons, yes. Within the very best traditions of the Senate, he has expressed his doubts and propositions with the dignity that suits this house and without the venom that sometimes one feels one must use. He can rest assured that the traditions will be observed on this side.

Honourable senators, before speaking to the proposals contained in the Throne Speech of the First Session of the Twenty-seventh Parliament, I would like to cast a glance backwards to the Twenty-sixth Parliament.

The Twenty-sixth Parliament recalls, I am sure, many memories and attitudes. It was a Parliament of near traumatic highs and depressing lows but, regardless of the political point of view one might have had, it was a Parliament of substantial accomplishments. Major legislative proposals were enacted. I am thinking of such items as the Canada Pension Plan, the Flag, integration of our defence forces, the establishment of the Department of Industry, the Columbia River Treaty, the Municipal Development Loan Board, Redistribution, the establishment of the Economic Council, reductions in personal income tax, and many others as well. Moreover, it was a period of strong economic expansion which benefitted all sectors of the economy and all sections of the country.

The Senate shared in a significant way in the workload of the last Parliament. Virtually every Government bill which within the limits of the Constitution could be introduced

in the Senate in the first instance was initiated here. Excellent work was done by this chamber in relation to such matters as the twelve-mile limit, the Canada Shipping Act, the Harbour Commissions Act and the Companies Act.

In addition, our committees actively engaged in reviewing legislation and in conducting special studies. These studies conducted in the Senate have been and continue to be invaluable. In the recent past the Special Committee on Manpower produced an excellent report which laid the groundwork for Government action in a critical area. In the same way, the findings of its Special Committee on Land Use were of great service.

In the last Parliament the Special Committee on Aging studied one aspect of what is rapidly becoming a most important problem facing Government. As I indicated the other day, its findings are almost complete and we look forward with eager anticipation to its report. I am confident that the results of this committee's work will reflect great credit on the Senate and on the members of the committee who have been so assiduous in their study.

The Senate also played an active role in the study Parliament has been making of the problems of consumer credit. Our colleague Senator Croll has been a prime mover in this area as well. That joint committee, as the Throne Speech indicates, will be reconstituted during this session, and I expect that when its work is concluded it too will have proved to have been of great value.

The Twenty-sixth Parliament had an impact on the operation of this chamber in other ways as well. The state of political tension that existed in the other place and the manner in which they conducted their business resulted in highly irregular sittings here and in frustrations and delays that were not of our making. I am hopeful that the procedural changes adopted last session by the Commons and re-adopted with a few minor variations only last Friday, will produce a more regular flow of parliamentary business.

Of course, the most important act of the Twenty-sixth Parliament which bears directly on the operation of the Senate was the adoption of the Retirement of Senators Act. This act divides senators into two main groups: those appointed after the passage of the act, and those who were members of the Senate prior to the act receiving Royal Assent on June 2, 1965.

In respect of the first group I have isolated, those senators appointed after the passage of the act, the act provides that they hold their commission until they attain age 75, at which time they retire on a pension to which they have contributed. The pension referred to is that set out in the Members of Parliament Retiring Allowances Act. The level of benefit is directly related to the amount of a senator's contribution, and he must contribute in respect of sessions in more than two Parliaments to be eligible for a retirement and a survivor benefit.

I should also point out that senators in this category need not be in receipt of a retirement allowance in order that their widow or widower receive survivor benefit. The maximum pension available under the Members of Parliament Retiring Allowances Act is $9,000, and the maximum survivor benefit is $5,400.

In respect of the second group of senators I have referred to—those who were members of this house prior to the passage of the Retirement of Senators Act—the first and foremost observation to be made is that there is nothing whatever in the act which curtails the privilege of holding a life commission. In other words, there is absolutely no interference with the right to hold one's place here for life.

However, the Retirement of Senators Act also provides certain options and grounds for retirement for senators holding life commissions. The fact that since last June seven of our colleagues have availed themselves of the opportunity to retire, suggests to me at least, that these additional options are a welcome feature of the legislation.

Under the act a senator holding a life commission may, if he so chooses, retire within one year of his attaining age 75, or within one year of the passage of the act if he had already attained that age when the act became law. Additionally, a senator holding a life commission may retire if he is or becomes the victim of a permanent disabling infirmity. This second basis for retirement operates independently of any age requirement.

A senator who retires for either of the reasons I have just mentioned is entitled to an annuity equal to two-thirds of his sessional indemnity, and the widow of a senator who had been in receipt of such an annuity is entitled to an annuity equal to one-third of that which her husband had been receiving.

Honourable senators, the Retirement of Senators Act provides one further option to senators holding life commissions. It is available only to those under age 75, and must be exercised within one year from the coming into force of this act—that is, by June 2 next. This option permits eligible senators who so desire, to come under the provisions of the Members of Parliament Retiring Allowances Act. The effect of this option is to place senators who elect such a course in exactly the same position as senators appointed after the passage of the Retirement of Senators Act.

Honourable senators, it is with some reservation that I have spoken at length of the last Parliament, and of the statute which has so many implications for the membership of this chamber. I have done so in order that there be on record a summary of how the act operates, and I am prompted to do this by the large number of queries received about the effect of the new legislation. I hope the summary I have given will be of assistance.

Turning to the Speech from the Throne itself, one finds in it, first of all, a confirmation that the increase the last decade or so has witnessed in the workload of Parliament continues unabated. The speech has come in for considerable comment, much of which appears to centre on the fact that there is little that is "new". Be that as it may, I am sure most honourable senators will agree that it contains much that is "necessary", and this, I believe, is a more valid point of view from which to examine the contents of the speech.

The same comment has been made with respect to the Speech from the Throne given at the opening of the Quebec Legislature yesterday. Nobody seems to be satisfied with a Speech from the Throne unless it contains something completely unexpected.

For example, the Speech from the Throne proposes parliamentary consideration of such subjects as banking, railways, agriculture, fisheries, rural development, reorganization of government departments, fiscal arrangements with the provinces, the Canada Assistance Plan, assistance to universities and university students, training allowances for members of the labour force, medicare and many other subjects as well.

These are subject areas of great importance. I know I speak for all when I say the Senate stands ready to give these matters its closest and most constructive attention. And while it would be too much to expect that there will be unanimity in this chamber over the courses of action the Government will be proposing—indeed, I am not sure that such unanimity, even if attainable, would be desirable—I am sure that our differences in outlook will be sincere, and the positions we adopt will be taken in the interest of Parliament and Canada.

Honourable senators, we must await the appearance of the resolutions and bills themselves in order to have the information that is necessary for a complete assessment and judgment of the Government's proposals. However, in anticipation of these details being made available to us, there are several matters referred to in the Speech from the Throne that I would specifically draw to your favourable attention.

The Speech from the Throne contains the sentence:

> Our country is enjoying an unprecedented period of prosperity and growth.

This deceptively simple statement is the key to much of what is proposed in the Throne Speech. It also sums up an amazing economic performance by the country. The year 1965 saw the broadly based economic expansion we have been enjoying, not only continued but in some areas accelerated. Final figures are not yet available, but it would appear that last year our gross national product increased a shade faster than the 8.9 per cent growth rate of 1964. With price changes excluded, real output rose by over 6 per cent, following gains of 6½ per cent in 1964 and 4½ per cent in 1963. The value of our gross national product in 1965 was for the first time in our history more than $50 billion. This rate of growth is encouraging in itself. It is also encouraging in comparison with the rate experienced in other western countries.

In respect to the labour force, the year just passed has been one of progress and continuing improvement. Unemployment dropped to the lowest point in nine years, and the unemployment rate for the year as a whole was 3.9 per cent. In recent months it has been significantly below that level.

I believe it fair to say that with the national rate below 4 per cent, the dimensions of the whole problem of unemployment have been substantially reduced. In fact, the combination of increasing job opportunities and declining unemployment has produced labour shortages in certain occupations and areas of the country. Our responsibility more and more lies in developing programs to aid those areas of the country and those people who

are not sharing fully in Canada's prosperity, and programs aimed at realizing this objective will be placed before Parliament for consideration and action.

In the year ahead of us, we can expect higher levels of employment, production and incomes. Present indications are that the main sources of demand will continue to be strong, and a further major increase in business investment appears likely. However, with less slack available in our physical resources, expansion of output in 1966 will likely be somewhat less than the high growth rates experienced in the last two years.

In fact, with the economy working closer to capacity, the expansion in national output for 1966 will depend to a greater extent than in the past on a more effective use of available resources and manpower.

The Government is acutely aware of this, and rightly so, for it is only out of the increased revenues generated by an expanding economy that its vital proposals can be met.

The Speech from the Throne contains many references to the effective use of valuable resources. A new department of government, to be known as the Department of Energy, Mines and Resources, is proposed; so also is a science council to further encourage scientific research; and effective rural development, to take another example, is also part of the proper utilization of valuable resources.

In another and related vein, the Speech from the Throne includes a passage which reveals the Government's determination to prevent the boom we are enjoying being jeopardized by excessive costs and prices. The Government's intention "to continue its policy of stretching out its expenditure on public construction projects in areas of heavy pressure on the construction industry" is a clear indication that it is prepared to do what is necessary to ensure economic stability.

The effective use of manpower is another critical necessity of an expanding economy. As such it has received a considerable amount of attention in the Speech from the Throne. A new department of government called the Department of Manpower is to be established. It will bring together the Immigration Branch of the Department of Citizenship and Immigration and various sections of the Department of Labour— the National Employment Service, the Technical and Vocational Training Branch, the Civilian Rehabilitation Branch, the Manpower Consultative Service, and other services relating to manpower. This will make it possible for the Government's manpower policies to respond more quickly and efficiently to the ever-changing needs of the country.

There are many immediate tasks. Production in many industries is now being hampered by lack of skilled labour. These shortages must be relieved, preferably by up-grading the existing labour force, but, if this is not sufficient, through immigration. It is equally important to ensure that the available skills are in the places where industry wants them and at the time they are wanted. For this purpose, steps are being taken to improve the effectiveness of the Government's employment services.

Honourable senators, I would like also briefly to refer to another proposal in the Speech from the Throne which will be engaging our attention and is of the highest importance. I refer to the Government's intention—as the speech reads:

> ...to foster more effective development of the human resources of Canada by assisting the expansion of institutions of higher education, and by providing greater and more equitable opportunities for young Canadians to attend such institutions.

There is a tendency in many quarters to dismiss summarily this type of proposal as an invasion of provincial rights. It is true that the provinces have jurisdiction in relation to education, but for many years the federal Government has been assisting institutions of higher education in a manner which fully respects the jurisdiction of the province. The additional assistance envisaged in the Throne Speech will be very substantial—a 150 per cent increase in the per capita grant has already been pledged as interim assistance for universities in the academic year 1966-67, and will be rendered in a manner consistent with the jurisdictional position of the provinces.

Government assistance to individuals seeking higher education takes the form of scholarships, bursaries and loans. Student aid, originating with the federal Government, has a long history. Perhaps the best known example is the crash program developed for returning veterans in the years following World War II. But there are numerous other programs as well, and in the last Parliament we added to them. We adopted a system of youth

allowances designed to encourage youth of 16 and 17 to stay in school. We also established a student loan program, which has been extensively used and very favourably received, so much so, that amendments authorizing increases in the amounts available will come before us this session.

What is now proposed is a comprehensive program of scholarships and bursaries to round out the student aid picture. The fundamental objective is to insure that no young Canadian of ability be deprived of higher education. It is an objective that all can subscribe to without reservation, and I am sure we all look forward to its enactment.

Honourable senators, I want to dwell for a minute on the reasons for the federal Government making additional resources available for higher education. It seems to me that there are two very valid reasons for the federal Government's concern and involvement. The language of the Throne Speech puts it on the basis of developing the "human resources of Canada". H. G. Wells put it in another and perhaps more graphic, way, when he wrote:

> The history of man is becoming more and more a race between education and disaster.

A second explanation of federal Government assistance to higher education can be developed from a view of education as investment. The Second Annual Review of the Economic Council of Canada, published a few weeks ago, traces in detail the relationship of education to economic growth. Its analysis clearly shows that society's educational "stock" is a vital conditioning element of its gross national income. The Council concludes its analysis of this relationship by underscoring "the need for sustained and unflagging efforts to strengthen and expand the educational base for long-term future growth of the economy and the living standards of Canadians."

Before resuming my seat, there is one other subject referred to in the Throne Speech upon which I would like to comment. I am thinking here of the Canada Assistance Plan, which has been a subject of discussion of at least two federal-provincial conferences, and which will shortly come before Parliament for approval.

It is with some trepidation that I refer to this subject because it is now part of the great—and, if I may be permitted to so describe it—political debate about Old Age Pensions. In order to place the Canada Assistance program in its proper perspective, I must ask for your indulgence while I briefly review the actions taken in respect of pensions by this Government.

Since taking office in April 1963, the Government has increased the Old Age Security pension to $75 per month, and is reducing by successive stages the qualifying age for these payments to 65 years. Beginning in January of this year, they are paid to persons age 69, and by 1970 will be paid to everyone from his or her 65th birthday. In addition, Parliament has legislated that in future pensions will automatically be adjusted upwards in line with changes in living costs.

This Government has also established the Canada Pension Plan, which came into operation January 1 of this year and is the greatest single advance ever realized in providing adequate retirement income. It is an earnings-related pension plan with a ten-year transitional period, with a maximum pension of $104.00 per month available from age 65. Benefits from the Canada Pension Plan are, of course, in addition to the $75 per month payment out of Old Age Security funds. The combination of the Canada Pension Plan and Old Age Security will provide an adequate retirement income for the great majority of Canadians.

However, in the Government's programs for retirement income for our senior citizens there exists a gap which needs to be filled. This gap centres on those now retired and who, therefore, get no benefit from the Canada Pension Plan, and on those who will be retiring and who will get little or no benefit from the Canada Pension Plan.

The Government has two proposals to provide additional assistance for this particular group.

The first proposal is the Canada Assistance Plan. This is a program which has been worked out in consultation with the provinces, because it will operate in an area where provincial jurisdiction is paramount. In brief, the plan will help those who, because of age or other reasons, could not qualify for the benefits that will become available under the Canada Pension Plan or who will need additional benefits. It will help such people according to their needs without a means test, and there is no ceiling on the level of payment envisaged.

Under this plan the provinces, which certainly have exclusive jurisdiction in the matter of help to the poor and needy, will determine the amount needed to meet the cost of living in each province. This assistance will be available whether persons receive Old Age Security or not, whether they are young or old, whether sick or disabled—the only criteria will be the one of need, and the federal Government will share the cost of the contribution each province makes to its needy.

In this way, no pension will be paid to those who do not need it, as exists at the present time. However, every cent available will be paid to people who do need it, whether they receive the Old Age Security pension or not. If a province decides that the minimum that is needed in certain areas is $100 a month, and proposes to the federal Government that $100 a month pension shall be paid, then the federal Government will share the cost with the province, whether the $100 goes to a person of 65 or 70 years of age or more, or whether the person is disabled, or is only 20 years of age.

The second proposal which will assist senior citizens is medicare. When in effect—and the target date is July 1, 1967—it will relieve all pensioners of a major expense. Indeed, it will assist all Canadians in a most important area, that of developing and maintaining a high standard of national health.

Honourable senators, that is the framework within which Mr. Pearson's Government proposes to make additional assistance available to retired persons. It features an approach which is flexible and capable of providing effectively the additional assistance required.

In discussing this topic there is one other observation I would make. We in the Senate will shortly be in a position to examine this problem in a comprehensive fashion. I refer to the fact that the Special Committee on Aging, which has been studying this question, will very shortly be making its report. I know we all look forward to receiving its findings on this important topic.

Honourable senators, we are just beginning work in a new Parliament on the eve of the centenary of Confederation. When our forefathers decided to create a new independent country on the northern half of this great continent, they took upon themselves a heroic and difficult responsibility.

They had to strike a delicate political balance between the various regions of the country and between the two founding races. They found this balance in the establishment of a federal state and their creation has endured for almost 100 years. Indeed it has more than endured. It has flourished, and Canada has made the transition from a small agricultural community to a modern industrial state. Moreover, it has done this in a way that has served to strengthen national unity.

To the statesmen of Confederation and to their successors is due much of the credit for our progress. I say this in a very deliberate way, because Confederation itself was the product of a conscious political decision. The establishment of an independent nation was only one of the alternatives facing Canada in the period 1864 to 1867. But it was this alternative that commanded the sympathy and the enthusiasm of the Fathers of Confederation. It may be, in fact I am sure it was, that the task the Fathers set themselves was more difficult than even they realized. But in their efforts and desire for a strong, independent and free Canada they never wavered.

I think of Macdonald, the first Prime Minister, whose great contribution it was to ensure that Canada truly had Dominion from sea to sea. Sir John pursued this goal with every power and ounce of strength at his command and he changed the destiny of a continent in realizing his dream.

I think of Laurier, under whom the West was opened up to settlement and Canada's identification as an independent country advanced. And Laurier proved and did something else. He was the first Canadian prime minister of his race, and he proved for all time that his people are a fundamental part of the fabric that is Canada.

The successors of these men were also political statesmen of the first order. They each had a vision of a free, independent and strong Canada, and all of them conducted themselves to further this goal.

Honourable senators, the people and parliamentarians of the Canada of today are the heirs to a magnificent heritage, and it is good on the eve of our centennial to reflect on the legacy of our history. But how much better it is to resolve that we of this generation will be worthy of our history, that we will find within us the determination to go forward in peace and unity towards an even greater and more glorious second centennial.

[*Translation*]

To my French-speaking compatriots, I must say how proud I am of the steps they have taken in the last few years with a view to a greater participation in the economy and progress of Canada. They are proud of their cultural heritage. They want their culture to improve in all fields. They feel that the efforts they have made for a more general education, for higher, technical and specialized education are continuing; that is a vital investment. They want, and rightly so, to direct their own culture and to have complete autonomy in this field; besides, they have an absolute right to that. This is what has enabled French-speaking Canadians, in the last few years, to play, at least in an important part of Canada, an unquestionably greater role than they ever had. If we compare the Province of Quebec today with what it was even less than ten years ago, we are surprised at its tremendous economic and cultural progress and at the increasing respect which it has won through these attitudes from non-French-speaking Canadians.

Let us hope that English-speaking Canadians and French-speaking Canadians have more frequent contacts and that these result in feelings of increased mutual dignity and respect. I remain convinced that if so much progress has been accomplished in the space of a few years, a deeper and more complete knowledge of one another and co-operation in all fields will bring for us all, and especially for the whole of our country, the economic and cultural progress which, accompanied by an atmosphere of respect and dignity, will lead all Canadians whatever their languages to feel at home in each and every part of Canada.

Canada cannot expect such economic developments without the co-operation of one with the other and without an economic stability which will encourage foreigners to invest in our country the capital that we need and are obliged to get elsewhere. A Canadian unity which will respect the dignity and pride of both our great cultures is essential to the prosperity of Canada and each of its regions.

Let us hope that our politicians and our businessmen, our economists and our scientists, will succeed in creating such a climate in Canada, so that the second centennial of Confederation can bring to the two cultures all the advantages which Canada has to offer and which unity, stability and mutual respect cannot fail to provide to our country.

[*Text*]

On motion of Hon. Mr. Fournier (Madawaska-Restigouche), debate adjourned.

The Senate adjourned until Tuesday, February 1, at 8 p.m.

THE SENATE

Tuesday, February 1, 1966

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

Prayers.

DOCUMENTS TABLED

Hon. Paul H. Bouffard tabled:

Report on the Administration of Allowances for Blind Persons in Canada for the fiscal year ended March 31, 1964, pursuant to section 12 of the Blind Persons Act, chapter 17, R.S.C., 1952. (English and French texts).

Report on the Administration of Allowances for Disabled Persons in Canada for the fiscal year ended March 31, 1964, pursuant to section 12 of the Disabled Persons Act, chapter 55, Statutes of Canada, 1953-54. (English and French texts).

Report on the Administration of Old Age Assistance in Canada for the fiscal year ended March 31, 1964, pursuant to section 12 of the Old Age Assistance Act, chapter 199, R.S.C., 1952. (English and French texts).

Statement of Receipts and Expenditures under Part V of the Canada Shipping Act (Sick Mariners) for the fiscal year ended March 31, 1965, pursuant to section 321 of the said Act, chapter 29, R.S.C., 1952. (English and French texts).

Report on the Administration of the Fitness and Amateur Sport Act for the fiscal year ended March 31, 1965, pursuant to section 13 of the said Act, chapter 59, Statutes of Canada, 1960-61. (English and French texts).

Report on the Administration of the Members of Parliament Retiring Allowances Act for the fiscal year ended March 31, 1965, pursuant to section 18 of the said Act, chapter 329, R.S.C., 1952. (English and French texts).

Copies of correspondence exchanged between the Prime Minister of Canada and the Premier of the Province of Quebec, dated between January 20 and January 26, 1966, concerning a constitutional amendment formula. (English and French texts).

Capital Budget of Polymer Corporation Limited for the year ending December 31, 1966, pursuant to section 80(2) of the Financial Administration Act, chapter 116, R.S.C., 1952, together with a copy of Order in Council P.C. 1966-98, dated January 17, 1966, approving same. (English text).

Report of the Commissioner of Penitentiaries for the fiscal year ended March 31, 1965, pursuant to section 30 of the penitentiary Act, chapter 53, Statutes of Canada, 1960-61. (English and French texts).

Report of Operations under the Atlantic Provinces Power Development Act for the fiscal year ended March 31, 1964, pursuant to section 6 of the said Act, chapter 25, Statutes of Canada, 1957-58. (English and French texts).

Report, dated December 30, 1965, of the Restrictive Trade Practices Commission, under the Combines Investigation Act, concerning the Distribution and Pricing of Pesticides. (English and French texts).

Statutory Orders and Regulations published in the *Canada Gazette*, Part II, of Wednesday, January 26, 1966, pursuant to section 7 of the Regulations Act, chapter 235, R.S.C., 1952. (English and French texts).

Report of the Department of Industry for the fiscal year ended March 31, 1965, pursuant to section 16 of the Department of Industry Act, chapter 3, Statutes of Canada, 1963. (English and French texts).

Report of Corporations and Labour Unions made under the Corporations and Labour Unions Returns Act for the fiscal periods ending 1962, pursuant to section 16, chapter 26, Statutes of Canada, 1962. (English and French texts).

Order in Council P.C. 1965-1521, dated August 18, 1965, authorizing under section 21 of the Export Credits Insurance Act, contracts of insurance by the Export Credits Insurance Corporation for the sale of 200,000 metric tons of wheat to the People's Republic of Bulgaria, pursuant to section 21B of the said Act, chapter 105, R.S.C., 1952, as amended 1960-61. (English text).

Order in Council P.C. 1965-2109, dated November 24, 1965, authorizing under section 21 of the Export Credits Insurance Act, contracts of insurance by the Export Credits Insurance Corporation for the sale of 300,000 metric tons of wheat to the Polish People's Republic, pursuant

to section 21B of the said Act, chapter 105, R.S.C., 1952, as amended 1960-61. (English text).

Order in Council P.C. 1965-2235, dated December 15, 1965, authorizing under section 21A of the Export Credits Insurance Act, long-term financing by the Export Credits Insurance Corporation for the purchase from Canadian General Electric Company Limited, Peterborough, Ontario, of services, material, equipment, heavy water, nuclear fuel and ocean freight and marine insurance, by the President of Pakistan, for the construction of a nuclear electric power station near Karachi Harbour, West Pakistan, pursuant to section 21B of the said Act, chapter 105, R.S.C., 1952, as amended 1960-61. (English text).

Order in Council P.C. 1965-1287, dated July 14, 1965, authorizing under subsection 2 of Section 21A of the Export Credits Insurance Act, long-term financing by the Export Credits Insurance Corporation for the purchase from Pelletier Engineering (International) Limited, Montreal, Quebec, of engineering and procurement services, and generation, substation, transmission and distribution equipment from Canadian exporters, by the East Pakistan Water and Power Development Authority, Dacca, East Pakistan, pursuant to section 21B of the said Act, chapter 105, R.S.C., 1952, as amended 1960-61. (English text).

Order in Council P.C. 1965-1461, dated August 11, 1965, authorizing under subsection 2 of section 21A of the Export Credits Insurance Act, long-term financing by the Export Credits Insurance Corporation for the purchase from Canadian Transoceanic Technical Services Limited, Vancouver, British Columbia, of engineering and procurement services, and equipment for a lumber, plywood and furniture component complex, by the Vocational Assistance Commission for Retired Servicemen, Taipei, Taiwan, pursuant to section 21B of the said Act, chapter 105, R.S.C., 1952, as amended 1960-61. (English text).

Report of the Auditor General to the House of Commons for the fiscal year ended March 31, 1965, pursuant to section 70(2) of the Financial Administration Act, chapter 116, R.S.C., 1952. (English and French texts).

Public Accounts of Canada. Volumes I, II and III, and an Abridged Version thereof, for the fiscal year ended March 31, 1965, pursuant to section 64(1) of the Financial Administration Act, chapter 116, R.S.C., 1952. (English and French texts).

INTERPRETATION ACT

BILL TO REVISE—FIRST READING

Hon. Paul H. Bouffard presented Bill S-9, to revise and consolidate the Interpretation Act and amendments thereto, and to effect certain consequential amendments to the Canada Evidence Act and the Bills of Exchange Act.

Bill read first time.

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

Motion agreed to.

PRIVATE BILL

INTERPROVINCIAL PIPE LINE COMPANY—FIRST READING

Hon. Hartland de M. Molson presented Bill S-10, respecting Interprovincial Pipe Line Company.

Bill read first time.

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

Hon. Mr. Molson: Honourable senators, this is the third time that this bill has been presented in this chamber. I therefore move, with leave, that it be placed on the Orders of the Day for second reading at the next sitting.

Motion agreed to.

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY—DEBATE CONTINUED

The Senate resumed from Wednesday, January 26, consideration of His Excellency the Governor General's speech at the opening of the session, and the motion of Hon. Mr. McDonald, seconded by Hon. Mr. Gouin, for an address in reply thereto.

Hon. Edgar E. Fournier: Honourable senators, I appreciate the honour of your indulgence for a few minutes to discuss with you what I call the nation's number one problem.

Before I do so, I wish to compliment both the mover and the seconder of the motion for an address in reply to the Speech from the Throne, on the way in which they carried out

their duties. All honourable senators will agree that they deserve much praise for their successful effort and for their ability, as there was so little to talk about in the Speech from the Throne.

May I congratulate the honourable Senator Sydney J. Smith on his new assignment as our honourable Speaker. Three years ago, when I was appointed to the Senate, one of my first acquaintances here was Senator Smith. He was our leader at the Commonwealth Parliamentary Association Convention at Lagos. It was then that I met him, worked with him, and learned to appreciate his wisdom and his friendship, and to know him as a true and devoted Canadian. I am sure that Senator Smith will carry out the duties which have been bestowed upon him with that same degree of success as did his predecessor, Senator Bourget, whose ability and wisdom we held in high esteem when he was our honourable Speaker.

May I wish a speedy recovery to the Leader of the Government in the Senate, the honourable Senator John J. Connolly. May I also extend our best wishes to my own Leader, Honourable Mr. Brooks. May the good Lord protect them for a long time.

[*Translation*]

Senator Bouffard, who replied to Senator Brooks' remarks, also performed his task in a masterly manner.

However, I must admit that I was much more impressed by his eloquence than by his utterances.

We are well aware, for that matter, that if the shoe had been on the other foot, if Senator Bouffard had been required to criticize the Speech from the Throne, he would have shown the same eloquence, but he would have used a different vocabulary.

I should, therefore, congratulate him for the skill with which he fulfilled his task, and as we would say in French: *Il parla avec éloquence;* in English: *He spoke with eloquence*; in Spanish: *El hablo con elocuencia;* and as Senator Croll would say: *Goot os ga Dreekt.*

[*Text*]

Honourable senators, before I embark on this nation's number one problem, may I be permitted to make a few remarks on some other matters. First, I should like to say a few words about the Atlantic Development Board. I have some appreciation even for the little this board has done. Its grant of $20 million to the New Brunswick Electric Power Commission was a good move, and should be beneficial in reducing the cost of electricity in our province. But much more could be done. I am one who does not share the opinion of the board that some of this money should be spent to build highways or bridges. Highways and bridges should be built by using sources of financing other than the funds of the board.

I am of the opinion that this money should instead be used to assist struggling industries and so promote employment. For instance, a good move would be to allocate some of the board's money to fill the gap in shipbuilding assistance, which has been reduced to 25 per cent from 35 per cent by the Government of the day. This extra 10 per cent would greatly assist the Maritime shipbuilding industry and make it more competitive with that of central and western Canada, and thus promote the construction of ships which would not otherwise be built. Some of this board money could very easily be placed to assist railway passenger service in areas where such service has been discontinued. And, honourable senators, let us not forget that in areas where such services have been discontinued the economy is seriously affected. Some of that money could be used to give assistance to local or municipal airports, to assist our New Brunswick coal industries, which would result in cheaper electrical energy, and to assist other small industries.

Now I offer a word about the Saint John River development. This is a subject of great confusion at the moment. May I just say briefly that the upper Saint John River development has become a political squash, where the people of the northern region of the State of Maine and of New Brunswick are being led to support a white elephant under the pretense that a great new era of progress is in sight.

I am quite prepared to admit that during the construction, even if more than 80 per cent of the work and equipment does not benefit the region—as such equipment will be built hundreds of miles away at industrial American centres—there is no doubt that the construction period will bring some benefit, but after the construction nothing will be left but old shacks, debris and shrubs.

I am afraid that the people of that region have not yet understood the difference between peak power and firm power. This proposed dam—and I am referring to the Dickey Dam—is only for peaking power, except for approximately three months out of twelve when it will be firm power, because of a lack of water.

From experience I can say very frankly that peaking power does not interest or promote industries, but serves only to assist existing industries at peak load or at difficult load periods. What will it benefit the northern Maine and the New Brunswick region if this peaking power is taken down to Boston or the New England States, as is admitted in the plans?

I still cannot see how any responsible people will approve the spending of $227 million for such a power plant and $75 million to construct high-line voltage to carry this power hundreds of miles away to the Boston area—to build a hydro power plant depending solely on water where there is actually no water for the better part of the year. No one would like more than I to see this area energized with ample electrical energy to revive the economy of the region. If this is what we want, the answer is not the Dickey Dam but rather nuclear power which would not cost more than the initial cost of $225 million and then the area would have some millions of kilowatts of firm power, around the clock 365 days a year. This is the type of power needed to help these industries.

It is my hope that those interested would think twice before buying an "elephant" which could be more expensive to feed than the work which it will produce.

During my days as Chairman of the New Brunswick Electric Power Commission, the Dickey Dam was not even in sight or in contemplation, but a site some four miles east of the Dickey Dam, called Rankins Rapids, was the selected site. This Rankins Rapids site would include all the benefits of the Allagash River and its numerous lakes. And even at that, the Rankins Rapids power plant was rated as a peaking power plant to firm the tidal development of the Passamaquoddy. The Passamaquoddy has now been ruled out as being too expensive, and what is here is similar to the offer to firm the Dickey Dam power. I appreciate the ambitions of some politicians to build this huge dam but, dollar for dollar, is that the best project for the region?

I remember very well when we had the honour of building Beechwood Dam on the Saint John River, which dam depends entirely on the waters of that river.

While we were carrying out this project we were building a 60,000 kilowatt thermal plant at Grand Lake. Then we built another 100,000 kilowatt plant at Saint John, and while the Government of New Brunswick is building this new dam known as Mactaquac, 200,000 kilowatts of thermal power are being added at Saint John, because one cannot work without the other.

I would like also to say a word on capital punishment as one who twice had occasion to witness the carrying out of capital punishment. Those are experiences which cannot be described without some feeling of emotion. However, I must say that at this moment, even with these sad and regrettable memories, I still favour capital punishment.

I regret to say that up to now the group favouring its abolition have not convinced me of what they are proclaiming, and they have spent more time telling of the cruelty and inhumanity of this penalty than exposing the causes which lead to such action. As far as I am concerned, they have not yet arrived at a positive decision. To me there are only two aspects to this problem. Firstly, if capital punishment is abolished, what provision will be made to take proper care of the criminals who refuse to accept a free society, and what is there to protect society?

Secondly, if capital punishment is retained and carried out by the present method, is it the best humanitarian way?

Honourable senators, I come now to my main topic. Each and every one of us in this chamber who is over 50 years of age has lived during and witnessed a century of evolution. We can remember when we were boys and heard our parents talk about the possibility of carrying voices over wires, by which means you could talk and be heard at great distances, later to be followed by the telegraph and wireless. Then came the horseless buggy, followed by the lighter-than-air vehicle, the balloon and the airplane, and the submarine, and tanks of the First World War. Then there was phonograph—oh, that magical box, the motion picture first with its silent films soon to be followed by the talkie, the voices being recorded on a phonograph record and synchronized with the film, when synchronization became possible.

Then came the radio. I remember as if it were yesterday, when at home we had one of the first radio sets in the region and people would travel long distances in buggies at night to see and hear this curious invention which was nothing more than a complicated wired box which housed tubes, grids, condensers, resisters, coils, and fuses combined and connected to a series of hand-controlled knobs connected to a floor covered with batteries—A battery, B battery, C batteries. Then there was a 300-foot antenna running from your home to a neighbour's. When another neighbour across the road told you that this

electrically charged wire connected to his home could set fire to his building, then you would have to find another location for your antenna. Or this neighbour would get so interested in your radio set problem and the fact that your antenna was attached to his property, he would spend more time in your home with all the answers than in his own, and again you would have to move the antenna to another location.

To add to all the commotion, this new invention would very seldom function when your visitors were at your home but, after a couple of hours of patience, finally you would hear the very weak sound of voices or music. Then you would call your visitors to approach slowly, to walk lightly so as not to disturb the radio, and you would all gather around one head-set earphone to listen.

What a change, honourable senators, to the transistor of today!

Then came television and, again, what immense progress there has been leading to colour television of today. Practically the same basic elements of progress which have developed electronics and nuclear fission, leading to the atomic bomb which now frightens our civilization, has taken place in transportation industries, where the horse and buggy of 15 miles per hour of 50 years ago has developed into jet transportation at 600 miles per hour and on to space ship travelling at 17,000 miles per hour.

With all this progress one sometimes wonders whether we really have accomplished anything, or are we racing toward a world-wide destruction.

Honourable senators, through this so-called progressive century the horses and buggies have been replaced by automobiles that have hurled us into a century of massacre, destruction and horror. Today there are hardly any families on American and Canadian soil which during the last 10 years at one time or another have not been victims of highway accidents.

Furthermore, it is a deplorable fact that over 75 per cent of those accidents could so easily have been prevented.

This year on Canadian highways some 5,000 people will lose their lives, some 150,000 will be injured, and the material loss will be in the vicinity of $600 million. I could add that some 14,000 hospital beds are used daily for the care of victims of highway accidents.

Today, honourable senators, this is the nation's number one problem, and it is a problem that is all the more serious because we have come to accept it as a part of our daily routine. On the highways of Canada one person is killed every two hours, one person is injured every four minutes, and an accident happens every 90 seconds. How have we failed? How have we arrived at this unhappy circumstance?

We have in Canada—and these are only approximate figures for 1966, but they will prove to be very close—approximately 7 million motor vehicles, including trucks, cars, motorcycles, and so on, driven by 7,500,000 drivers who will travel some 60 billion miles of road. This can be accepted as the nation's number one business. Of the 7,500,000 people driving motor vehicles, over 6 million are drivers like you and me, who obtained our driving permits some 30 or 40 years ago when the only requirement was that you were able to pay the required fee, and when you did not have to have any knowledge of the driving rules. In those days when the number of motor vehicles was limited that standard was acceptable. However, over the years the situation has changed, and we have failed to keep up with the pace of the evolution of the motor vehicle.

You may be interested to know that the worst year for motor accidents per capita was in 1935. It was in that year that the governments of the United States and Canada became aware of the situation, and since then much time has been devoted to the implementation of rules and regulations, and the commencement of a nation-wide road construction program.

It is interesting to discover from statistics that people like yourselves and myself who have been driving cars for 25 or 30 years without an accident would probably fail the driving test if we had to make a new application for our permit. Although we may have been driving cars for a great many years, our poor driving habits and lack of knowledge of the rules may not have led us into any accident, but may have led others into a fatal accident.

Let us see how we drive. We drive by routine and habit; we are guilty of carelessness, ignorance of the rules, nervousness, selfishness, fear, anger, revenge and, I could add, a disregard of the laws of motion and the laws of nature which involve kinetic energy, centrifugal force, gravity, traction and friction.

Let us look at some of these faults. What do we mean by "routine"? We drive by routine because when we get into our car we usually look at the clock and say: "Well, I have to be in Montreal in three and a half

hours." This is all we think of; we drive with this thought in mind. We drive with the thought that we are going to be at a certain place at a given time.

We drive under pressure. We drive thinking of just about everything but the attention required of us when at the wheel. This is a habit we have acquired. Very few people while driving their cars think of the danger they are facing. Not only do they not think of their own driving, but they do not think of the oncoming car and the other driver over which they have no control. This is habit, and we have developed many such bad habits.

Then, there is carelessness. Routine and habit lead to carelessness. We are very careless, and I repeat that we do not think of the car or of our families. We think of about everything but safety as we drive.

Ignorance of the rules means lack of knowledge and poor judgment. In my opinion, governments at all levels have failed miserably in this field during the last 20 years. Governments annually have brought into effect new regulations and amendments to the existing regulations, and yet they have failed to pass this information on to the public. They have failed to educate the public as to the new rules. This reminds me of the school teacher who gave a handful of books to his pupils and said, "I will come back next June and ask you to write a test. I hope you will pass it." Such a teacher could not have much success.

Some people are very healthy, but they get nervous when driving a car. Many people who suffer from nervousness should not be driving. The situation in this respect is getting worse all the time. When you are driving a car you should be calm, relaxed and have full control of yourself.

Selfishness is one of the greatest offenders. We are selfish because we do not care about the other fellow. You are selfish when you adopt the attitude: I will not have an accident, but I believe you will have an accident; or when you say: I believe the rules are not for me, but for you—and the other person is thinking the same thing. This is selfishness, and it is a feeling we have acquired over a period of years. It is the feeling that nobody can make you believe you will have an accident.

We drive with fear, and this is a bad thing. Today we fear taking our cars out as we did years ago on a Sunday afternoon to let the family see the countryside. Our fear of other cars is a bad habit to acquire.

Anger or bad temper is one of the main causes of accidents. You cannot drive a car unless you have full control of your temper. You cannot drive a car if you are mad. You cannot drive a car perfectly or sensibly if you are irritated by some problem. I could tell you some stories about this, and of some most unfortunate accidents that occurred because of it. Temper control is within our own powers and not that of governments or lawmakers, and we can do something about it.

We have feelings of revenge if, while we are driving along the road at 60 miles an hour in our big and expensive car, we are passed all of a sudden by a little jalopy. What do we do when this happens? We say that we are not going to put up with that; we are going to teach him a lesson, and we pass him. He is driving at 65 miles an hour, and we have to drive at 70 or 75 miles an hour to pass him. This may appear to be humorous, but the number of accidents it causes is surprising, especially among the teenagers. You may be a politician on your way to Ottawa and be passed by a vehicle driven by your opponent. When such a thing happens you say to yourself: I am not letting this fellow get away with that. So you have a race. You are driving with anger and feelings of revenge. Courtesy is just about forgotten as far as driving is concerned.

I shall not go into the laws of motion because that involves other problems, but why is it that you cannot make a curve at 50 miles an hour as well as you can make it at 10 miles an hour? There you have the laws of motion coming into play, about which honourable senators know more than I. Drivers give in to the human laws and forget the laws of nature, but then the laws of nature take over and the outcome is not always good.

There is kinetic energy, which is a power or tendency of a body to keep in motion, and which has a great effect upon driving, as does centrifugal force and gravity. I want to say something about traction and friction, and point out that no matter how big or how little your car is, your only security is the spot between the tires and the pavement, and the area of road in contact with your tires at any given time is less than the size of a dollar bill. You have only that much area to depend upon. If the road surface is dry and clean, and you have good tires, then you can depend upon friction to a certain degree. But, if the surface of the road is wet, or covered with snow or ice, then you have not that amount of friction to depend upon, and it is a different story altogether. This is the reason why so many accidents happen during snow and

sleet storms. People do not realize that very dangerous situations exist, and they continue to drive with all their bad habits.

It must be remembered—and this is something very few people think about—that when you get into your car there are only four points of landing. The first is your proper destination, whether it be your home or business. Second, it could be in jail, and that has happened to many people. Third, it could be in hospital, resulting from an accident. Lastly, it could be the morgue. Those are the four choices.

Then we have the problems of the teenagers—a serious problem which I will not go into detail tonight. For some reason or other, it seems to me that today they cannot enjoy themselves without alcohol—bottles and high speed cars—and you know the massacres that occur on our highways on account of that combination.

For a long time speed was blamed for all accidents. Often, a driver travelling at 60 miles an hour on a good stretch of the Trans-Canada Highway decides to raise the speed to 70, knowing that the increase in speed is not dangerous. However, not overlooking that speed kills, if someone drives out onto the highway from a back road and a collision occurs, nine witnesses out of ten will say that the driver on the highway was going too fast, whereas the actual cause of the accident might be misjudgment on the part of the other driver coming onto the highway in front of the other car. Speed should always be accompanied with judgment.

Years ago, we used to speak about our right to drive. A person would say, "I have a licence, so I have a right to drive." And we know that many people have died exercising their rights. Now driving is called a privilege. However, we fail to include with that privilege the obligation that should go with it.

Now they are talking about a defensive program of driving. Why not promote a preventive program?

Honourable senators, it is not my intention to lengthen the list of driving problems, but I deplore the lack of attention our Government gives to these problems. Today, and for the last five years, the general public has become aware of this situation, and we hear more people voicing their opinion that some measure must be taken to slow down the race to one last drive. Much is being said, but little is being done, and no one seems to have the answer.

Once again, I deplore the fact that the federal Government, whom I am confident wishes to do a good job, means well and proclaims itself as the great saviour of the nation, spends less than one cent per person to promote highway safety in Canada. The contribution of the federal Government to the Canadian Highway Safety Council is $25,000 as a grant to assist the great safety promoting institution. This institution has to exist on a skim budget of approximately $140,000, of which 38 per cent is financed by the federal Government's contribution of $25,000, and 13 per cent by the provinces. The balance of 49 per cent is financed from various industries.

The Canadian Highway Safety Council is capable of doing considerably more than it is now doing, and it is ready to do more. It already has plans to do more towards highway safety education and an accident prevention program, but the council is paralyzed by reason of lack of funds.

I urge the Government to take a serious look at the situation. If there is a better field where Canadians will appreciate an effort than that of curtailing highway accidents, I should like to know what it is. The Canadian Highway Safety Council needs an increase of at least $200,000 a year for the next three years, and eventually a budget of $1 million would be money well placed.

Honourable senators, before I close, let me offer a few suggestions. It is one thing to criticize, but it is another to give constructive suggestions. I now offer fifteen suggestions.

1. A special federal and provincial conference to initiate a full investigation of this problem. Incidentally, I note that the United States is discussing such an investigation.

2. A closer co-operation on the provincial level of all departments and personnel involved in highways security and law enforcement.

There is a great lack of co-operation between various departments. For instance, in New Brunswick the R.C.M.P. comes under the department of the Attorney General. Highway signs and markings come under Public Works. Other branches of the service come under the Revenue Department. These seldom come together for purposes of co-relation. Everybody works by himself in his own little corner. In business he would not get very far without the co-operation of all departments. Everybody involved should get around the table and find out how these problems originate and of what they consist.

3. A standard motor vehicle act for all provinces.

4. The introduction of some educational programs.

I have heard from top men in business that we have lost a generation as far as educational programs for training is concerned. They have certainly lost my generation. Perhaps we can do something for the new generation, by starting off with proper training, at the proper place and time for these young people. Whether they are going to school, in grade one or two, they will be the drivers of tomorrow.

5. A reform of highways accident judicial court.

There is need for reform of the highway accidents judicial court. You lawyers know what is going on in these courts, and I will leave that to you. There is need for reform. The patrol officers need better assistance from the court. Again I will leave that to your judgment.

6. More physical punishment to be implemented.

This can be done by means of a traffic court clinic. Fines of $10 or $15, or whatever the amount may be, in many cases do not provide an answer. A small fine to the great majority is something like an aspirin in water—it purports to clear up all the medical problems of the times. Often a teenager will go to court, and his father comes in, pays the fine, even if it is $25. If that teenager were sent to wash the speed signs on the highway with soap and water, and if a list of similar punishments were imposed instead of fines of money, it might be more helpful. A fine is not the answer in some of these cases. However, we have neither sufficient courts or judges, nor have judges the time to do what they would like to do. It is all a matter of rush —Next case! Next case! There should be more time devoted to finding out why a driver had an accident instead of looking in the book and saying so many dollars.

7. A program of highway safety with more effort directed to remove from the highways irresponsible drivers.

This is where we fail so many times. Patrol officers talk about bad drivers. They will say, "We were expecting that; we were not surprised." Every patrol officer knows that a drunken driver, sooner or later, is going to have an accident, there should be ways and means to remove such a person from the highway. Otherwise, such a driver eventually is going to kill someone, either himself or someone else. So we need an all-out effort to remove those irresponsible drivers from our highways.

9. A close co-operation with the car manufacturers so as to limit the speed and power for the safety of new cars.

Again, we are failing sadly in this respect, especially in the form of training or highway patrols.

10. A classification of roadworthy vehicles based on their number of years in use and mileage.

11. A special uniform training for the highway patrols. We need less specific rules and better judgment.

12. A much greater sum of money from the federal and provincial governments to promote safety.

13. A more realistic use of radar and speed traps, with a lighter view of using these instruments as a means of revenue.

In some cases, believe me, all they think of is revenue. In some instances, they have built a Berlin Wall between the speed of say 29 and 31 miles an hour, or 34 and 36, 39 and 41 and 49 and 50 and so on—if you go one or two miles above the mark, you have had it. Yet 75 per cent of the accidents are caused at a speed of less than 45 miles an hour. There is not enough spread between the mileages allowed and the margin of safety. A serious accident may well occur at 39 miles an hour in a 40-mile-an-hour zone. Yet the punishment is quite severe for a speed one mile above the limit.

14. A wider use of common sense and good judgment by the patrols, rather than being guided by some unrealistic and unacceptable, rigid rules.

15. To sum up, driving privileges will have to be harder to obtain and easier to lose.

Honourable senators, may I recommend that the Senate form a committee—perhaps like the Aging Committee which is doing so much to deal with the problem of the aged people—to study this nation's number one problem of highway accidents.

What a tremendous job could be done and what could be more welcomed by the Canadian people! Thousands of people are waiting for something like this. It could make a full study of accidents.

Our cars today are unsafe in many ways. Little attention is given to the safety of the drivers and of the car itself. Our car insurance cost has reached an alarming situation, with no modification in sight. By forming such a committee we must not expect an immediate cure of this problem, but it would be a step in the right direction.

Let us remember that there are always three sides to a story: the right side, the wrong side and the true side. Let us look at it from the true side.

Honourable senators, I feel that I have taken enough of your time and I do not wish to take advantage of your indulgence. This is a subject which I have deeply at heart and on which much more could be said. I have but scratched the surface. Perhaps another occasion will grant me the possibility to elaborate.

In closing, may I express a word of thanks to the management and staff of the local television station, Saint John, New Brunswick, CHST-TV, who made it possible, by giving me 30 minutes of free time weekly, to present a highway safety educational program called "It could happen to you." This is a semi-yearly program which has been continuous since 1961 and has some 375,000 viewers in New Brunswick, Nova Scotia and Maine.

I would like also to express my appreciation to the Canadian Highway Safety Council executive director and staff at Ottawa, who have assisted us by their co-operation and who have kept a fatherly eye on the program. Honourable senators, may I use now the usual formal closing phrase of the television program and say: "Drive safely, because it could happen to you."

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

PRIVATE BILLS

AETNA CASUALTY COMPANY OF CANADA—SECOND READING

Hon. A. Hamilton McDonald, for Hon. Mr. Cook, moved the second reading of Bill S-4, to incorporate Aetna Casualty Company of Canada.

He said: Honourable senators, I am sure that many of you will recall that this legislation was before this assembly on June 29 last. As a matter of fact, it proceeded through third reading and was sent to the other place, where it received first reading before that house adjourned. The fact that the house adjourned before it could be given second and third readings meant that it had to be reintroduced in this chamber at this time.

Honourable senators, you will probably also recall that this company has been doing business in Canada for the past 47 years and now wishes to incorporate in Canada for the purpose of transacting business here in the future.

The first directors of the company will be the provisional directors. The capital of the company will be some $5 million, of which the first $1 million in capital and surplus must be paid before the company can commence business in our country.

The head office will be situated in the City of Toronto. This company will be carrying on business in the fire, casualty and surety field, but not in the life insurance field.

If honourable senators see fit to give second reading to this bill, I shall move that it be referred to the Standing Committee on Banking and Commerce, where the promoters of the bill will be present and all honourable senators will have an opportunity of questioning them at that time.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. McDonald, bill referred to the Standing Committee on Banking and Commerce.

UNITED GRAIN GROWERS LIMITED—SECOND READING

Hon. Gunnar S. Thorvaldson moved the seond reading of Bill S-5, respecting United Grain Growers Limited.

He said: Honourable senators, ordinarily in presenting a bill for second reading I would confine myself to explaining the sections of the bill to the house and thereafter I would ask the approval of the Senate for second reading. However, in this case I am dealing with a company, an institution, an organization, which is one of the most important of the grain companies of western Canada. Its history coincides to a large extent with the story of the grain trade of the west.

Ordinarily, honourable Senator Crerar would be presenting this bill for second reading, because he is a past president of the company and was one of its early founders. The company probably owes more to Senator Crerar than to anyone else. Unfortunately, he is not here this evening.

Honourable senators, may I say a word or two about this most interesting company. I find that its predecessor was first incorporated by an act of the Legislature of the Province of Manitoba in 1902, under the name of Grain Growers Grain Company Limited. Indeed, I am proud to say that my grandfather, who was a farmer, was one of the early shareholders of that company. In 1911 there was incorporated by chapter 80 of the Statutes of that year a company by the same

name, Grain Growers Grain Company Limited, one of its powers being to purchase the provincially incorporated company by the same name. The bill was assented to on March 19, 1911, and among the incorporators the first name is that of the Honourable Thomas Alexander Crerar. I am sure this fact is of interest to members of this house. The names of the other incorporators include John Kennedy and Roderick Mackenzie, those three being residents of the City of Winnipeg. Among the incorporators there are other names of persons all of whom throughout the years became outstanding leaders of the farming community of western Canada.

If I recall rightly the honourable Senator Crerar was the company's first president and remained its chief executive for many years. I think it must be said that he was the main architect of its future.

The company now has assets, as shown by its balance sheet for the year ended July 31, 1965, of $79 million. Consequently, you will see that it is a large company.

The company operates elevators at 600 points in western Canada and owns two terminals, one at Port Arthur and one in Vancouver. As I indicated previously, this is a farmer-owned company. According to the statutes which I have before me the qualification for shareholder membership of the company was to be a farmer, a lessee of a farm, or the wife of a farmer, and this provision has remained such throughout the years.

There have been various amendments to the company's charter over the years, and this afternoon I took the time to examine the various statutes amending the original act of incorporation of 1911. Amending statutes were passed in 1915, 1917, 1918, 1941, and 1950. It was a matter of great interest to me to observe that the provisions of the statutes generally conform to the growth and development and the new ideas which have come about in the grain-handling business of western Canada over the years.

This company has two classes of shares. Class A is essentially an investment share, on which it pays a dividend of a certain percentage to which I shall later refer. Its class B share is a membership share which is entitled to a percentage dividend as well as dividend based upon the production of the particular member. As my honourable friend Senator Vaillancourt knows very well, these are really patronage dividends.

I mentioned that Senator Crerar was one of the original incorporators of the company; he was the president of the company in 1911. Later, the Honourable John E. Brownlee, former Premier of the Province of Alberta, became president and chief executive officer of the company. His leadership of the company for many years was both successful and distinguished. The present president of the company is Mr. A. M. Runciman. Some honourable senators may recall that he appeared before the Senate Banking and Commerce Committee last year when a bill relating to the grain trade was being considered by that committee. I am sure honourable senators who heard him at that time will agree that he is an outstanding leader in agricultural activities in western Canada. He will probably be here again when this bill is presented before the Standing Committee on Banking and Commerce.

Now, honourable senators, I should like to refer to the bill itself and explain its provisions. The present capital of the company is $7,500,000, and subsection 1 of the operative sections of the bill proposes to increase the capital to $12 million. This will be divided into 550,000 class A shares of a par value of $20 each, and $200,000 class B shares of a par value of $5 each, the class B shares being designated as "membership" shares.

The purpose of subsection 2 of section 4 of the bill is to ensure that the rights and restrictions now attaching to present class A and class B shares shall continue to attach to the new shares.

Subsection 3 authorizes the directors of the company to increase the dividends on the class A and class B shares from its present limit of 5 per cent to 6½ per cent.

Honourable senators, I trust that with this explanation the bill will receive second reading from this house.

Hon. Mr. Paterson: May I ask the honourable senator if this company enjoys exemption from taxation by virtue of being a co-operative company like the co-operatives in Regina, or does it pay taxes like the rest of us?

Hon. Mr. Thorvaldson: Naturally, this company is subject to the provisions of the Income Tax Act in the same way as other companies and individuals are. It is known, however, that there are certain exemptions enjoyed by the co-operative grain companies of western Canada, which we ordinarily refer to as the pools—the Manitoba Pool, the Saskatchewan Pool and the Alberta Pool. Furthermore, as far as the profits of the United Grain Growers are concerned, the dividends they pay on class A and class B shares, as I understand it, are subject to the identical

form of taxation that governs other corporations. However, as regards the patronage dividends, I presume that these dividends, so far as taxation is concerned, are dealt with in the same way as are patronage dividends declared by the pools. However, not having studied the question of taxation for the purposes of explaining this bill, I think this is as accurate an explanation as I can give of the taxation provisions applicable to this particular company.

Hon. Mr. Roebuck: Will the honourable senator allow me a question? I understand from what he has told us that the restriction on the amount of dividends that may be paid is to be relaxed by this bill. What was the purpose of the restriction? Was it in the interest of some parties and, if so, have those parties or classes of people consented to the increase?

Hon. Mr. Thorvaldson: I think I can say to my honourable friend that the increase has been consented to, because this bill comes before us as a result of a resolution of the board of directors which has been approved by the shareholders of the company. When I refer to shareholders, I refer, of course, to both class A and class B shareholders. I might add that we are all aware of the fact that a 5 per cent dividend on invested capital in this day and age is somewhat unrealistic, and consequently the company is proposing to remove this limitation and to provide for what I, at any rate, deem to be a very modest increase, from 5 per cent to a limit of 6½ per cent on its invested capital.

Hon. Mr. Roebuck: What was the purpose of the restriction in the first place? Other companies have no restrictions on the amount of dividends they pay other than the amount of the profits which they earn.

Hon. Mr. Aseltine: They wanted money for expansion.

Hon. Mr. Thorvaldson: I can hardly explain the reason for the restriction to my honourable friend, except to say that this is not a commercial company in the ordinary sense; it was developed as and still is a farmers' co-operative.

Perhaps my friend Senator Vaillancourt could explain this further, but in western Canada we have always understood that the United Grain Growers Company was the precursor of the farm co-operatives that later became engaged in the handling of grain. This method of soliciting capital from farmers only consisted of the offer of a modest rate of dividend in order that the company could develop surpluses with which to expand its operations. We in western Canada are well aware that this company has been very successful, and paying modest dividends has been its method of reducing the cost of capital. This has made possible the great growth of the company's assets without a heavy capitalization, which is $7½ million. It is now proposed to increase this to $12 million.

Hon. Mr. Roebuck: Senator Aseltine said it was for the purpose of developing the capital of the company and thus extending its facilities. Is that the purpose?

Hon. Mr. Thorvaldson: Yes, that is the purpose of the bill, to give the company an opportunity to increase its share capital to $12 million.

Hon. Mr. Molson: May I ask my honourable friend a question? Would you not describe the Class A shares as preference shares? Is that not the reason for the fixed rate of dividend, because of the preference limitations?

Hon. Mr. Thorvaldson: Well, as a matter of fact, ordinarily one might believe that to be the case, but it is not. The Class A shares are not preferred as to payment of dividends over the Class B (Membership) shares. I have just read the statute of 1911, and find that the provision is that any dividend that is paid on the Class A shares must be paid equally on the Class B (Membership) shares. I might add that the par value of the Class A shares, which are the investment shares, is $20, and the par value of the membership share, the Class B, is $5, but both of them are entitled to the same dividend, and I believe the present bill thus provides.

Hon. Mr. Hugessen: I would like to ask my honourable friend a question. I do not think the bill does provide for that. If you look at page 3, the schedule to the bill, you will see that section 3(a) declares:

> That to Class "A" shares shall be attached the following rights:
>
> (a) The right to receive as and when declared by the directors a preferential dividend of five per cent on the amount paid up on the par value thereof payable as regards each year out of the profit earned in that year . . .

And under section 3(c) they have the right to rank in a winding up of the company. So, they are preferred shares in this sense.

Hon. Mr. Hayden: There is no obligation on the directors to pay dividends.

Hon. Mr. Molson: They are non-voting.

Hon. Mr. Thorvaldson: In answer to the honourable Senator Molson's question, I would refer honourable senators to subclause (3) of clause 4, which reads:

> Notwithstanding subsection (2), the directors of the Company may, for any fiscal year, declare an additional dividend of one-half of one per centum, or any multiple thereof to a maximum of one and one-half per centum, of the par value of the Class "A" shares, out of the profits earned in that year and available for dividends, as the directors may deem proper: Provided that, in the event of such declaration, provision shall be made for dividends for Class "B" (Membership) shares for such year at a rate not less than the total rate declared on the Class "A" shares for such year.

I hope that answers the question of the honourable Senator Molson, because as I read that it indicates to me that the dividend of both classes of shares is identical.

Hon. Mr. Vaillancourt: To answer Senator Roebuck, the principle of the co-operative organization is not to pay high dividends to shareholders, because the shares are not placed on the market for a price, but in the co-operative organization we want to give, what we call in French the "ristourne"—

Hon. Mr. Choquette: "Kickback".

Hon. Mr. Vaillancourt: —to the producers because they are responsible for developing the company, and the interest on the shares is always at the same level, the price always being $20 or $5, as the case may be. That is all.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Thorvaldson, bill referred to the Standing Committee on Banking and Commerce.

THE PACIFIC COAST FIRE INSURANCE COMPANY—SECOND READING

Hon. Mr. Thorvaldson moved the second reading of Bill S-6, respecting The Pacific Coast Fire Insurance Company.

He said: Honourable senators, this bill was before this house before dissolution last year and, if I remember rightly, it received second reading and then died on the Order Paper because of dissolution. Consequently, I am presenting it again.

The bill is a simple one, being an amendment to the act incorporating The Pacific Coast Fire Insurance Company. Clause 1 provides for a change of name to The Century Insurance Company of Canada, in English, and, in French, La Compagnie d'Assurance Century du Canada.

Clause 2 is the usual one which saves existing rights, providing that there shall be no impairment of the rights or liabilities of the new company.

Clause 3 provides that the capital stock of the new company shall be $2 million, divided into shares of $5 each, the previous capital of the company being $1 million.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Thorvaldson, bill referred to Standing Committee on Banking and Commerce.

EVANGELISTIC TABERNACLE INCORPORATED —SECOND READING

Hon. Mr. Thorvaldson moved the second reading of Bill S-7, to incorporate Evangelistic Tabernacle Incorporated.

He said: Honourable senators, this is a bill to incorporate a religious body under the name of Evangelistic Tabernacle Incorporated. The head office of the corporation, if it is incorporated, is to be in the City of Winnipeg.

The objects of the corporation, as they appear in the bill, are similar to those of many such corporations created by Parliament, namely, to promote, maintain and carry on various works and endeavours in accordance with the Christian faith. If this bill is passed by Parliament the corporation will have the power to establish missions, seminaries, schools, colleges, hospitals, dispensaries, parsonages, orphanages and other institutions for religious, educational, congregational, social or recreational purposes.

The corporation asks also for various other powers such as the power to erect and purchase houses of worship and parsonages, and the right to administer its properties in the manner of such bodies.

The bill would also empower the corporation to purchase real and personal property for the purpose of its various endeavours. The other powers requested in the bill are those with which corporations similar to the one proposed in this bill are usually endowed.

The petitioners for incorporation named in clause 1 are five persons whose homes are in the City of Winnipeg. The religious body referred to in the bill is not old, but it has already a missionary outside of Canada. There are ministers associated with this group in the United States and other parts of western Canada. The purpose of the corporation is to spread the gospel of Christianity in the manner in which it would present it, and in this respect it is similar to scores of others which are interested in the preaching of the Christian gospel in Canada and in other parts of the world.

Honourable senators, if this bill receives second reading I shall move that it be referred to the Standing Committee on Miscellaneous Private Bills, where it can be given further consideration.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Thorvaldson, bill referred to the Standing Committee on Miscellaneous Private Bills.

GENERAL MORTGAGE SERVICE CORPORATION OF CANADA—SECOND READING

Hon. T. D'Arcy Leonard moved the second reading of Bill S-8, respecting General Mortgage Service Corporation of Canada.

He said: Honourable senators, this bill is in all essential respects the same as a bill introduced at the last session of the last Parliament on behalf of the same company. That bill received second reading in this chamber on June 30, which was the last day of the last session, and consequently it died with Parliament. It is now necessary to reintroduce it. My explanation, therefore, can be very brief.

Clauses 1, 2 and 3 of the bill change the name of the corporation in English by omitting the word "Service". Instead of being called "General Mortgage Service Corporation of Canada", the corporation will be called, if the bill passes Parliament, "General Mortgage Corporation of Canada".

It is not necessary to change the name in French because the word "Service" was not in the French title.

Clause 4 changes the descriptive title of two classes of bonds that the company issues. These bonds are called Series A Mortgage Bonds and Series B Mortgage Bonds. The purpose of this clause is to have the word "Mortgage" omitted from that title so that the bonds will be called Series A Bonds and Series B Bonds.

The word "Mortgage" caused the title to be something of a misnomer inasmuch as the expression "mortgage bond" is generally used to describe a bond that is secured directly by real estate, whereas these bonds are secured by the mortgages, which, in turn, are secured by real estate.

If this bill receives second reading, I propose to move that it be referred to the Standing Committee on Banking and Commerce.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Leonard, bill referred to the Standing Committee on Banking and Commerce.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, February 2, 1966

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

Prayers.

THE ESTIMATES

AUTHORITY TO PRINT FINANCE COMMITTEE PROCEEDINGS

Hon. T. D'Arcy Leonard, Chairman of the Standing Committee on Finance, presented the following report of the committee, to which was referred the Estimates laid before Parliament for the fiscal year ending 31st March 1966:

> Your committee recommends that authority be granted for the printing of 800 copies in English and 300 copies in French of its day to day proceedings.

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

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

Report adopted.

SPECIAL COMMITTEE ON AGING

FINAL REPORT TABLED

Hon. David A. Croll: Honourable senators, I beg leave to table the final report of the Special Committee on Aging.

May I have your permission to make a statement at this time?

Hon. Senators: Agreed.

Hon. Mr. Croll: Honourable senators, I assure you my statement will not be as long as the report. I intend to deal first with the highlights and then summarize the report itself. I am one of those optimists who believe that all honourable senators will read the report, although at times I am not at all sure of it.

In any event, as this report represents a great deal of work by the members of the committee, it would be well that the house know who were the members of the committee. They were, Senators Blois, Brooks, Croll, Dessureault, Fergusson, Gershaw, Grosart, Haig, Hollett, Inman, Jodoin, Lefrançois, Macdonald (Brantford), McGrand, Pearson, Quart, Roebuck, Smith (Kamloops), Smith (Queens-Shelburne) and Sullivan.

The steering committee consisted of myself as Chairman, Senator Haig as Vice-Chairman, with Senators Fergusson, Lefrançois and Quart as members.

The committee, which was established in July 1963, was given broad powers to examine the problem involved in the promotion of the welfare of the aged and aging persons. The work of the committee turned out to be not only a responsibility but a great privilege. For all of us I think it was a labour of love, because we had all more or less relived the problem of aging, and some even that of aged.

We were very fortunate to have as our consultant Richard Davis, who is very well known throughout the nation as an outstanding authority in the social and economic fields. He planned and organized the hearings, and in the main prepared the report. We were also very fortunate—particularly I as chairman—in having Mrs. G. H. Josie as a researcher. Her contributions are reflected in the report.

We began our sittings in October 1963 and we finished about December 1964. The report was prepared and ready for September 1965. We held 32 meetings and we took 1,712 pages of evidence. We have several boxes of exhibits which were submitted to us.

We started out by extending a general invitation to anyone who wished to come, and witnesses of great experience and knowledge came forward willingly and at their own expense. We heard them; we considered their briefs ansd we questioned them. In all we received 98 briefs. Representatives from seven departments of the federal Government and representatives from nine provinces appeared before the committee.

After our committee was established the Province of Ontario established its own aging committee which held hearings and issued an interim report—an excellent report, I might add—and that province is now taking steps to implement some parts of its report. Our cooperation with the provincial committee was pleasant and we exchanged much information.

We heard from three provincial, 36 municipal and 60 national organizations, and from 13 individual experts. In addition to those individuals we heard from a half dozen persons in this particular area who appeared before us and told us of their own experience.

It took us six months to complete the accumulation of that evidence. We had 225

typewritten pages—it could have been a thousand—and the final report will be about 200 pages long. It has gone through many drafts.

The report contains 92 recommendations and, strangely enough, they are all important, because this was the first national examination of this problem that had taken place in the history of this country. True, there had been an inquiry in Saskatchewan and others elsewhere, but never before had the Parliament of Canada looked at this problem on an overall basis. Of necessity, the deliberations of the committee were lengthy because we had to examine so many problems and provide guide posts. I will admit that when we began we were apprehensive and had some misgivings about entering upon this virgin field, but in the end we weighed the evidence of the provincial governments, the national institutions and the experts who appeared before us, and we present to you today what I am prepared to say is a bold, brave and imaginative report, and yet one which is practical because what we recommend the country can afford. It will not strain the economy, it inflicts no inflationary pressures, but it does break new ground.

We are propounding a philosophy that may well herald our approach to social welfare and social justice as we enter the twenty-first century. The theme of our report is urgency: what we say over and over again is that the old cannot wait; what they need, they need now. Moreover, we take this country at its face value, and if the people of this country are interested in eradicating poverty, as we think they are, then we have located a considerable pocket of poverty that needs immediate attention, and we prescribe what we think is a remedy for that particular situation. It is our war on poverty.

In our report we do not, nor would we want to, deny that education in this country should be given high priority, for the need is overwhelming. If some of you will take the opportunity—and I am sure a great number of you already have—of reading the second review of the Economic Council of Canada, and particularly chapter 4 on education, you will realize that you have been mistaken in your views on education in this country. We have to educate our young people far more than we are doing at the present time in order that we may have increased productivity, that we may have increased growth, that we may be able to pay for some of these things we are suggesting here today.

There can also be no denial that there should be retraining of those who are no longer young but yet not old. Our retraining policy today, by all counts, has been somewhat of a flop. It needs new direction. It needs a new approach and a new plan. It may come under the manpower policy, but it has not come yet.

We spend a great deal of money on machines, but sometimes we forget that it is people who invent the machines, who make the machines, and who create the advanced technology. I think we have to do everything within our power to prevent student dropouts. Every student should complete some course, either professional or mechanical, and students, in the same way as those whom we retrain, should be helped financially if that becomes necessary.

It is not difficult in this country to spark interest in education which is associated with the young, and retraining which is associated with those who are somewhat older than young, but it is not as easy to direct attention to a program that involves the elderly poor. Yet, this report argues time and again that in sharing priorities they are entitled to share on an equal basis. We do not ask for an exclusive priority, but we do think that there can be no higher priority than that which we advocate in this report.

I said that our recommendations are bold and courageous. Our first recommendation is a very dramatic one, but if you turn it over in your minds I am sure it will make the same sense to you as it made to us. We recommend that the Government guarantee a minimum income as of right to all persons of 65 years of age who have resided in Canada for ten years, without a means test or a needs test, of $1,260 for a single person and $2,220 for a married couple; that the Government should pay the difference between these levels and the actual income, this to be adjusted annually on the basis of consumers' price indices.

We did not take this figure out of the air. We used a much-recognized and established figure that has been in existence for some time. These figures are the maximum incomes permitted under the Old Age Assistance Act.

With that recommendation we leave the door open for the extraordinary needs that may come from the Canada Assistance Act, that may come by way of increase in the Old Age Security allowance, and those that may come in some other way. We are talking about people who are 65 years of age and over. In this respect, who are we talking about? Well, frankly, I am talking about my own generation and your generation—the people who came through two world wars, a depression, a recession, an inflationary period,

and now, finally, when they are retired they find that the standard of living on which they have retired has eroded because of the spiral in costs. We find also a new group coming along who are retiring but who cannot benefit from the Canada Pension Plan because it is a contributory plan.

I point out that there are 1½ million people in that group. They are not all in need, but the statistics in the report will indicate to you how great their need is.

I said their standard of living was eroded by the rising prices. They cannot keep their pre-retirement standard. They have already abandoned that in the face of rising prices and depleted resources, and they are having a struggle for the necessities of life. For them time is running out and they cannot wait. I repeat, what they need, they need now.

I know that most of these people equate their needs with money. Well, a study of the problem makes one realize that they are not quite right—but it is hard to convince them otherwise. They need our concern, our continuity. They need part-time work and they need retraining, if they are in good health. They need ways to overcome loneliness, and they need to feel that they are not redundant. Above all, they need to be looked upon as human beings and with dignity.

The problem that besets the aged and the aging in the second half of the century is so unlike the problem of the first half that it is largely unknown in realistic perspective. It is quite obvious that neglect and lack of planning and direction, in fact basic ignorance of what are the real needs of the elderly, economically, socially and culturally, has led us to recommend the establishment of a National Commission on Aging, whose purpose it will be to co-ordinate, plan and organize programs for the aged.

We were not unduly harsh on the departments concerned mainly because we felt that the civil servants are doing their level best without too much encouragement or direction. We did bruise the departments a little, which is our way of showing them our displeasure.

Again, I beg to add that we were not unmindful of the fact that if it were not for private voluntary agencies we would not have made the meagre progress recorded to date. We also recommend that a National Council of Social Research be established to do research on aging so that we shall know what we are talking about—this I will deal with a little later.

When we started the preparation of the report, we started with a philosophy. You either have one or you do not. When you get into this type of study you try to see where you are going. I think this was the underlying philosophy: The committee, generally speaking, did not treat the problems of the aging as welfare problems in the sense that we were providing for the poor or inadequate.

As pointed out in the foreword to the report:

> Only a small minority, perhaps 15 per cent of those over 65, are in receipt of public assistance. The great majority, although pitifully poor in many instances, manage on their own with the aid of the Old Age Pension and those who come to public attention are the exception, rather than the rule.

The attitude of the aging adult is summed up in this way:

> In their desire for continuity, the elderly are asking society to let them keep the image they have earned in their prime, and protesting the tendency to lump them all together. They are saying in effect that they want to be treated like other adults; that to segregate them on the basis of age is degrading. Since each human being is part of all that he has met, he asks the right to bring with him into his later years a lifetime of growth and experience. He asks not to be required to leave his comfortable old coat at the door, accepting in its place a uniform style worn by all those, and only those, who have reached age 65. Old people are individuals representing a cross-section of characteristics much like those found in the general population. Personal attributes are more pronounced than ever when we reach a time of life in which the need to conform is less important.

We had to take a look at the older people in our society and some of their characteristics, and we laid down some guiding principles.

While the number of old people is naturally growing rapidly, the proportion is not disturbing. In 1901, 5 per cent of Canada's population was 65 or over. In 1961, it was 7.6 per cent. It is estimated that in 1991 it will be just a little under 9 per cent.

Actually, Canada has a relatively young population. The proportion varies with the provinces, with a high of more than 10 per cent in British Columbia and Prince Edward Island, and less than 6 per cent in Quebec and Newfoundland.

As in every age group, there has been a trek from farm to city.

On the average, Canadians live longer than they did a generation ago. This is due to a change in infant mortality rather than in adult mortality. Women, on the average, outlive men, and there are more widows than widowers.

Older people are less likely to live with their own grown-up children.

One of the most serious and difficult problems faced by society in relation to older people is to help them maintain some satisfying foothold in the community and to have a sense of worth.

We laid down a few principles which we tried to steer by. The report has emphasized the need for a positive approach in planning for the aged, something which welfare programs, while they can make a contribution, can be only a part. For such planning it is essential that programs and services for older people be planned in the context of the whole community and its needs; that, while there must be authority to make and enforce decisions, the accent should be on co-operation and consensus. Planning bodies should have official status and involve responsible participation of governments. Over-all planning for the needs of older people should not be viewed solely as a welfare operation. While health and welfare measures are important, there must be the positive aim of creating greater opportunity for older people to lead satisfying lives and to continue as useful members of society.

The committee divided the responsibility for providing services and facilities for older people into three groups: the individual, when he or she has the means and capacity; voluntary agencies, where they can be financed this way and society is not prepared to make such services generally available; and government, to assure that older people have a sufficient income and a desirable minimum standard of living.

The committee found that 38.5 per cent of males and 85 per cent of females between 65 and 69 had incomes below $1,500. At 70 and over, 60.6 per cent of males and 84.7 per cent of females were below $1,500. This, however, includes married women supported or partially supported by husbands. The real problem of the policy-maker seems to be widowed and divorced women of which, in 1961, there were 287,000 over 65.

You will find in the report a couple of very interesting tables. These tables at this stage showed that the role of government payments has increased significantly in the last decade, and that there has been a relative decline in the level of investment income. If this trend towards larger dependence on transfer payments is extrapolated, it becomes clear that the aged must depend more and more on some kind of retirement pension rather than on labour income.

Families with heads aged 65 or over have an average income of $4,047 and a median income of $2,831. For those not in families the average annual income was $1,458 and the median was $829.

Another important source of income is private pensions and annuities. In 1961, 228,000 Canadians of all ages, 166,000 of them men and 62,000 of them women, reported incomes from this source. Assuming all of them would be over 65, this is 12 per cent of that age group. One-third of male pensioners had incomes of $5,000 or more and 11 per cent had incomes under $1,500. Of women recipients, 15 per cent had incomes above $5,000 and 28 per cent below $1,500.

In 1961, 77 per cent of households, whose head was aged 65 or more, lived in owner-occupied homes and over 90 per cent of homeowners of 65 and over owned their homes mortgage free. However, the quality of the housing occupied by elderly people is much below average.

The report says:

> To sum up, the committee, while recognizing and regretting the gaps and deficiencies in existing knowledge about the income status of older people is fully persuaded on the basis of the evidence presented to it and its own analysis of available data, that the economic problems of the aging population continue to present a serious challenge. Everything we learned confirms the view, expressed at the outset, that older people and more especially those denied the support of a family, are a low-income group, both absolutely and by comparison with younger adults. Not only so, but older people, unlike the younger adults, have little prospect of improving their condition through their own efforts. Only about one in six of them (one in four of the men) is in the labour force, and even this low rate of participation is definitely falling. Older people, therefore, are not able to benefit from the gains resulting from increased industrial productivity, while at the same time their meagre incomes are subject to erosion as the cost of living rises.

The committee points out that the Canada Pension Plan does nothing to benefit those already retired and that, on grounds of equity as well as need, something must be done. The report has this to say:

> Any suggestion that these older people, when the $75.00 pension is not sufficient, should be expected to depend for supplementation on public assistance after a needs test is utterly unacceptable. Public assistance should, of course, be available to them, as to others in the population, to meet residual needs and to deal with special circumstances, but it is the Committee's conviction that main reliance for meeting their ordinary requirements should be on benefits to which they are entitled as a matter of right and that the proportion of older people requiring needs-tested supplementation should be very small at all times.

We gave consideration to these suggestions but we felt, after considering them all and weighing them carefully, that a guaranteed annual income would best meet the present situation. With the adoption of that approach, the committee recommends as follows:

> (1) The establishment of a technically competent body to study the income needs of older people and to develop a socially acceptable minimum budget for single persons and couples, which would be adjusted automatically each year on the basis of a suitable index of consumer spending or of earning, with a review every five years to reflect changes in the relative circumstances of the working population and the retired population.
>
> (2) Until this study has been made, acceptance as a working standard of the maximum annual income permitted now under Old Age Assistance, namely, $1,260.00 for single persons, and $2,220.00 for married couples.
>
> (3) The establishment of an Income Guarantee program to provide allowances throughout life to all persons beginning at age 65 on the following lines:
>
> (a) That the only conditions for eligibility under the Income Guarantee Program be age, as indicated above, ten years' residence in Canada, and net cash income from all sources, including Old Age Security and the Canada Pension Plan, below the above amounts.
>
> (b) That the program be administered and financed by the Federal Government and that applicants be required to complete a simplified tax return showing cash income from all sources (excluding the family).
>
> (c) That there be "sample checks" periodically, as under Unemployment Insurance, to catch abuses, but no means test enquiries on traditional lines.
>
> (d) That income, capital and deductions be defined and treated as for income tax purposes so far as possible, except that all public transfer payments other than temporary needs-tested supplements would be included.

It was difficult to know what exactly that would cost. We estimated the cost to be approximately $100 million. I said earlier in my speech that I felt we could afford it. There would be no unusual pressure upon the economy, nor would it lead to an inflationary trend.

One of the most difficult problems, in addition to income, which of course is the predominant one, is the matter of employment. The committee report emphasizes that no policy for employing the aging will be successful without an effective program for a high level of general employment. Simply improving the competitive position of the aging worker will tend to shift the problem to another age category.

The committee felt that the root of the employment problem for older workers in the mid and late 1950s was to be found in the relatively slow rate at which the economy was expanding. At such times the very young and older workers suffer most. The older worker is often not as well educated and less capable of meeting the challenge of modern technology. He is also less mobile. Home ownership and community relations are more important to him than to younger workers. Health factors often enter the picture, affecting both mobility and adaptability.

The problem of employment is likely to arise at any time after a worker reaches the age of 45, and becomes most serious at 65 if there is inadequate income for retirement. Where adequate pensions are available, many at 65 leave the labour force voluntarily and have no problem.

In an analysis of job vacancies, it was found that almost 100 per cent were closed to workers over 65 years of age; 97.6 per cent to those over 55; 88.4 per cent to those over 45; and 43.6 per cent to those over 35. In terms of actual placement experience in 1959-60, 27.6 per cent of the applicants were 45 and over, but this age group represented only 12.3 per cent of total placements.

There are many other statistics in the report. I am sure I have whetted your appetite sufficiently that you will want to read them. They are too long to read at this time. Regarding those statistics, the report then says:

> Several inferences may be drawn from the above figures: (a) People that work for themselves, as in agriculture and professions, tend to retire later. (b) The same is often true in occupations where judgment and experience are positive factors, as in management (although an important consideration here for the group beyond 65 might well be whether the manager controls the business); and where there is a shortage of skilled workers, as in certain manufacturing trades and types of office work. (c) The proportion of men and women in the service occupations rises with age.

That is most interesting.

> Most of the women were in a category designated by the census as "housekeepers, waiters, cooks and related workers," and it can be assumed that the majority of the men similarly were in poorly paid, and probably seasonal occupations.
>
> While in some instances the reluctance of employers to take on older workers may be well founded, the National Employment Service is convinced that much of it is due to the general tendency in our society, with its accent on youth, to underestimate the capabilities of people beyond middle life. Such attitudes, unfortunately, persist in spite of numerous studies which clearly show the relative advantage older workers have over younger workers for a considerable variety of work, and in respect of a number of characteristics like reliability, judgment and a low rate of absenteeism. Hiring and retiring practices, often related to pension plans, which discriminate against older workers are part of this general picture.

Limited schooling and the fact that vocational skills, adequate at one period of life, may become obsolete under changing conditions, have been important contributors to unemployment among the aging. Brief after brief submitted to the committee stressed the need to adapt the content and methods of training courses to the interests, attitudes and background of older trainees.

The report continues:

> Program 5 of the scheme (Manpower Technical and Vocational Training Programs) is central to our concern, since it is intended to provide training for the unemployed. Federal support for meeting costs of the program and allowances for trainees is generous. An initial problem has been the reluctance of provinces to commit themselves to their relatively small proportion of financial support. The program has also failed to attract participation. Not only has enrolment been low, but drop-outs have equalled completions. It is apparent that retraining of the unemployed has made very modest progress. Underlying this limited progress is the absence of known employment opportunities, so that there is little information on job possibilities for trainees. In addition, the program lacks adequate provision for compensation. Allowances are not paid in some provinces and are only minimal in some others. The chief difficulty in educational terms is the lack of basic education of most of the trainees.

Older workers may not always need or want full-time jobs, and part-time employment may offer a solution to the problems of many of them. Between 1953 and 1964, while full-time employment increased by 25 per cent, part-time employment increased by over 200 per cent.

The committee finds that programs under the Technical and Vocational Training Assistance Act have met with only mixed success, that there are problems of inconsistency across Canada and lack of co-ordination between various provincial departments and municipal agencies involved.

The committee regards the following as essential characteristics for an effective attack on the manpower aspects of increasing employment opportunities for the aging worker.

Continued attention should be given to the problem at national and provincial levels. The problems surrounding manpower policy are extensive and complex. It would be useful to integrate and co-ordinate government study and action through the National Employment Service and its local offices throughout the country. This agency should be responsible for analysing basic demand and supply conditions and should develop programs to facilitate the adjustment and mobility of workers. The federal Department of Labour should undertake, promote and

finance comprehensive research into aging and employment.

Financial assistance to unemployed employables should be increased and extended. The main elements of assistance in training and the provision of living and moving allowances and loans are now part of policy, but the incentive levels are inadequate.

A more realistic approach should be taken toward education itself. Training should be based not only on the skills required but on the characteristics of the trainees themselves.

While the report does not discount the importance of automation in assessing the problems of employment and recognizes that it will mean shifts and displacements, especially among older workers, it rejects the idea that in this generation at least the total volume of employment need decline.

Health status is, of course, very important. It is estimated that nearly eight out of every one hundred persons 65 years or over are residents of some form of institution and that at age 75 and over this might rise to about 15 per cent. Eliminating those in hospital for less than two months, this still leaves 90,000 or more long-term patients in general and allied special hospitals, mental hospitals, tuberculosis sanatoria, nursing homes, homes for domiciliary care and others. Canada is extremely short of facilities for these long-term patients. Many are occupying beds in hospitals when care in a nursing home only is required and, on the other hand, lack of nursing homes for the aged means that the bedridden are placed in municipal homes for the aged that are unable to provide for them properly. Even nursing homes of such poor quality that they should not be operating have long waiting lists. There are 1,500 homes for the aged in Canada.

> Moreover, nursing homes, with a few exceptions, are not included under the hospital insurance program, so that unless patients are admitted as indigents and paid for as such out of public funds, they or their relatives must meet the full cost which we are told runs on the average of $8.00 to $10.00 a day and may be much higher.

As a matter of fact it is much higher in many cases.

The committee emphasizes the need for a clear-cut policy to determine what facilities are necessary, to what extent they should be left to private enterprise, what standards are essential and what arrangements should be made to cover cost. Among other things, it recommends:

That provincial departments of health determine the place of nursing homes in the picture of health care and that, assuming they are accepted as essential, steps be taken to increase supply.

That approved non-profit nursing homes be eligible for federal-provincial grants, for operating costs under the hospital insurance program and training grants for training staff in rehabilitation nursing.

That all nursing homes be licensed and supervised and that local and provincial health departments make consultation services available on medical and nursing care, nutrition, recreation and other aspects of administration.

It is emphasized, however, that well over 90 per cent of all Canadians aged 65 or more are carrying on outside of hospitals and institutions, although many of them need some degree of health care.

> The Senate Committee subscribes to the principle that older people should remain in their own homes as long as possible. It is frequently better for them, they are generally happier there, and it is usually a great deal cheaper. We must not be inflexible in applying this rule, but old people's homes, nursing homes and hospitalization should be considered only if absolutely necessary. There is a great deal more preaching of this principle in Canada than actual practice!

I regret to say that is the situation.

> Until we give home care a real trial in . . . Canada, we must continue to be institution-oriented and the proportion of those unnecessarily institutionalized will keep ahead of European countries, where home services are much more liberally available.

The Canadian Medical Association, in its brief to the committee, has urged more organized home care and homemaker services as a desirable alternative to institutional care and believes that this should be a public responsibility. This was also a recommendation of the Hall Royal Commission on Health Services, and the committee fully accepts this point of view. It recommends grants under the Hospital Insurance and Diagnostic Services Act to finance programs for those either not admitted to hospital during illness or discharged early, which would include medical and nursing care, physiotherapy and other forms of rehabilitation, homemaker services and use of sick room equipment.

They strongly support the development of organized home care under any auspices and the cost should be shared with municipalities on a basis which would permit the latter to provide this important service free to all old people who have an income less than the figures I have already given.

It is recommended that homemaker services be accepted as a sharable cost under the Canada Assistance plan, not only for persons on public assistance, but also for all others to whom this service is provided free by the provinces and the municipalities.

The committee recommends that local health and welfare departments keep a register of all people in their community aged 65 and over and that public health nurses or social workers visit them periodically, if such visits are necessary or desired. More geriatric clinics and special clinics concerned with mental health, speech and vision defects, dental care and rehabilitation are urged where sick elderly people can be given on-the-spot assessment, treatment and counselling and that periodic health appraisals be more widely available. The report suggests that services be made available in rural areas by training lay personnel to assist.

We dealt with housing. The committee found that if the housing requirements of older people and older families were to be met with decent standards, Canada, by 1980, must have an additional 511,000 units, either new or converted, for this purpose.

Its conclusions generally can be summarized as follows:

The inclination of older people is to live in their own home as long as possible.

Very few older families double up with relatives, but this is a common pattern with individuals.

Forty-three per cent of all older people in 1961 were single, widowed or divorced. One-third of all older men and one-half of the older women were in this group.

Half of the older people own their homes or are the wives of homeowners and the majority of these homes are mortgage-free. However, the quality of dwelling is below average, with 7 per cent in need of major repairs, more than 25 per cent of them without separate toilets and close to 30 per cent without bath or shower.

For these homeowners, it is recommended that improved provision be made for loans for essential repairs and for alterations that would enable them to secure modest rental revenue.

> At present home improvement loans under the National Housing Act are not usually available to older homeowners on limited income who, for this reason and limited life expectancy, are not considered acceptable risks.

For those who do not own a home that is fully paid for, the problem of securing decent housing "may well be nigh insuperable without community aid."

> The poor among the old are the most seriously disadvantaged when for whatever reason they are compelled to move from their present dwellings. Necessarily, their search must be for cheap quarters, which are hardly to be had except in deteriorating neighbourhoods.
>
> So far public measures to help this latter group have not been very successful. Low dividend housing under section 16 of the National Housing Act, during the period 1946-63, yielded only 8,000 units for the use of old people and at present costs the economic rent for these runs at around $60 a month. Public housing is necessary to yield lower rents, but Canadian communities up to now have been slow to adopt this method of meeting the needs of low income families generally. Since provision for public housing was first introduced in 1949, only 13,000 rental units have been produced throughout the whole country and of these, precisely 167, mostly one-bedroom units for couples, were earmarked for old people.

In planning for old people, there should be no segregation. It should be a normal mixed community where young and old can mingle naturally. Accommodation should be within easy distance of transportation, neighbourhood stores, churches, libraries and so forth.

> In general, the net effect of federal and provincial policies in the area of housing for the aged has been to pass the burden on to the poorest and most hard-pressed level of government in this country, the municipalities, assisted by those voluntary organizations active at the local level. Theirs has been the task of awakening and maintaining community interest, of gathering the initial capital, of finding architects, builders and specialized personnel, of acquainting themselves with the complexities of the relevant legislations and bureaucracies. They have had to initiate and carry out often protracted negotiations with distant provincial and federal offices, to vouchsafe for the administration of the completed projects and for the deficits, if any, that could

materialize. It is certainly a tribute to the public-spiritedness of many Canadians that so much has been done against such odds, even if much more still remains to be accomplished.

A strong argument can be made that the National Housing Act has so far benefited mainly the younger Canadian middle class. The conditions which may have justified such a policy in the immediate post-war period are now largely over. The important resources and knowledge available within C.M.H.C. must urgently be directed to that area which only the corporation can tackle: low income housing for Canadians who need it.

The C.M.H.C. should educate the public to the opportunities under the National Housing Act to provide new and converted housing for older people, including hostel accommodation, and that periodic conferences be held with public and voluntary bodies.

One or more persons with specialized knowledge in this field should be appointed to the C.M.H.C. staff to give advice and technical assistance to housing authorities and other sponsoring groups.

C.M.H.C. should consider establishing a national committee to advise on policy and programming in housing for low income families and for the elderly.

Provincial governments should establish departments or housing agencies to be responsible for low income housing, including the elderly and these should establish priorities for the variety of accommodation needed by old people.

Provincial grants should be sufficient to reduce to no more than token payments capital required by voluntary organizations under the limited dividend section of the National Housing Act.

Old people requiring hospital or nursing-home care should be allowed to retain for a reasonable period the right to return to previous living quarters in assisted housing projects. The committee found that many old people had been deprived of their homes through such a break, and this has brought to these people great anxiety which had seriously affected their recovery.

Now let me say a word about community services. Having recommended provision of adequate housing and shelter for Canada's older population, the committee report turns to the community services which should be made available. Home care and home nursing have already been discussed.

The committee recommends that service for shut-ins who need help with chores and meals should be made available.

The committee recommended that municipalities consider the need for sheltered work and workshops which would be open to everyone, including the aged who are unlikely to enter or re-enter the labour force, but require activity. It is suggested that grants be made available through a federal-provincial shared-cost plan for these as well as day-care centres and community recreation centres for training courses. It is recommended that the federal Department of Labour assist the provinces.

Facilities for old people who want something to do, social contacts or who are interested in educational, cultural or community services should be adapted to their capacity. The usefulness of old people's clubs and centres is recognized, but it is suggested also that schools, churches and libraries adapt their program to old people's interests.

Without the enterprise and devotion of voluntary agencies, very few of the services we now have for older people would exist at all. Their continued interest and leadership are essential and should be encouraged in every way possible. It is our view, however, that the accelerated development of community services, which is now called for, depends on the active participation of the public authority. Government support is also necessary for planning and co-ordination, the need for which was stressed continually in the course of the hearings.

We heard a great deal about research and planning, and the committee was very disturbed by the lack in Canada of any careful evaluation studies of programs for the financial support and care of older people in which large commitments of public funds are involved. In areas of housing, income maintenance and health care, major decisions are often made on the basis of much less complete information about the needs and wishes of the elderly and the merits of particular proposals than planners and administrators recognize as desirable.

We are convinced that, whatever may have been true in the past, the point has now been reached where deficiencies of this sort need no longer be accepted as inevitable. What is required, once we recognize the importance of scientific knowledge as a guide to sound planning, is a deliberate effort on a bold scale to

stimulate the development of research on aging at all levels—basic, applied and operational.

A National Council on Social Research is recommended, which would include in a broader program research on gerontology.

The committee found that while grants were available through the Department of National Health and Welfare, and to a lesser extent through other federal departments and agencies, for research in the field of aging, few were being used and nearly all had to do with medical care rather than welfare and social policy.

The federal Department of Labour and the National Employment Service have studied employment problems. The Department of Veterans Affairs has a research program in geriatrics dealing specifically with veterans. The Ontario Department of Public Welfare has sponsored studies, and voluntary organizations have made contributions. But the committee found in that aspect that Canada was lagging behind the United States, the United Kingdom, the Scandinavian countries and New Zealand.

The United States had gone through this process. In the United States, dissatisfaction with the fact that federal expenditures on research on aging was mainly concentrated on health led to a recommendation for the creation of a National Institute of Gerontology. This was later replaced by a recommendation for a high-level Commission on Aging, which would have the conduct and promotion of research as one of its responsibilities.

We looked about us, and it appeared to us that Denmark had the best research facilities. In 1958 the government there established a Danish National Institute on Social Research as an independent body, with its own board but financed out of public funds. As the name implies, it is not confined to aging, but includes it as a major area of interest.

The committee, acting on the principle that problems of the older people are interlinked with those of the total population and that, while society has a particular responsibility for the elderly, it cannot neglect the problems of other age groups, favours the Danish plan as a model for Canada. It recommends:

(a) that a National Council on Social Research make specific provision for research on gerontology;

(b) that the Council conduct or commission research on its own, particularly in the area of social policy, and that it also make or approve grants for social research and training in social research to universities, professional schools and non-profit organizations;

(c) that one-third of the Council membership be respresentatives of federal government departments and agencies concerned with social research;

(d) that the responsibility for health research on the aging continue to be placed on the Medical Research Council;

(e) that the National Council maintain liaison with the Dominion Bureau of Statistics, departments of government and voluntary organizations, to improve collection and analysis of data and to stimulate research projects.

The Dominion Bureau of Statistics is urged to match its achievement in the economic field with an integrated system of social statistics to include a section on aging. It is suggested that it consult with federal and provincial government departments, as well as non-government organizations, to see what statistics are needed.

As a counterpart to the National Council on Social Research, the report recommends a National Commission on Aging to provide the over-all planning structure and to ensure effective organization of services. It finds misdirection of energy and proliferation of *ad hoc* projects with little regard to priorities and standards or the wise use of scarce resources.

In some twenty of the larger centres in Canada community welfare councils have been established to carry the principal responsibility for whatever social planning is taking place. The committee recommends that all municipalities establish officially recognized bodies to plan and co-ordinate programs, facilities and services for older people.

At the provincial level it is recommended that appropriate bodies be established to plan and co-ordinate, and that consideration be given to separating these from existing government departments.

The first assignment for the National Commission would be to examine and follow up the recommendations in the Senate Committee report. On a continuing basis, it would:

(a) develop working relationships with government and voluntary agencies concerned with the aging, and review needs;

(b) serve as a clearing house of information;

(c) provide technical and financial assistance in program development and staff training, and sponsor conferences, seminars and training courses.

The Commission would have a basic budget and would report annually to Parliament, but would be able to receive contributions from other public and private sources. It would have an advisory committee representing provincial planning bodies and voluntary agencies. At the end of five years its work would be reviewed, and consideration would be given to linking it with a broader body on social planning for the population generally.

Hon. Mr. Aseltine: I thought this explanation was going to take only a few minutes.

Hon. Mr. Croll: I did not say it would take only a few minutes, but I shall not take up much more time. Think of the time you will have been saved in not having to read the whole report.

Hon. Mr. Choquette: Only an hour and a few minutes.

Hon. Mr. Croll: Honourable senators, if the majority of the recommendations of this report are implemented, that can well change the face of social welfare and justice in Canada. I feel that we have made a significant contribution that will appeal to all Canadians, and will show that, as they say in the "Pepsi" generation, we are with it. It can be proclaimed that we not only preach social justice, but practise it; that we not only talk about our war on poverty, but that we mean to eradicate it. This is a very good beginning.

I ask honourable senators, when have we had a responsible body come forward with so realistic and so feasible a formula for meeting one of our most pressing and distressing problems, a formula for meeting it effectively and with dignity. I know there are those who constantly take pleasure in harassing the Senate by introducing resolutions and bills, and talking about the need to lead the Senate into the twentieth cenutry. We are glad to take them by the hand to help them into the twenty-first century.

I said that this report is breaking new ground, but in it we have scratched only the surface. It seems to me that the tabling of this report is well timed. I assure honourable senators that we did not plan it that way, but the Government has a problem and we have a solution. It is now up to the Government.

Hon. A. J. Brooks: Honourable senators, I am not rising to comment on this report but to point out that the honourable senator who has just taken his seat (Hon. Mr. Croll) has given us an excellent summary of the report of the Special Committee on Aging. I am advised that there are others who would like to speak on this subject. Rule 87 of the Rules of the Senate reads:

> Upon the presentation of a report no discussion takes place—

That is, without unanimous consent.

> —but the report may be ordered to be printed, with the documents accompanying it; or it may be placed on the Orders of the Day for future consideration.

I move, honourable senators, that the report be placed on the Orders of the Day for future consideration. I so move because I know that there are other honourable senators who wish to speak with respect to it.

Hon. Mr. Croll: When Notices of Motions are called, I shall move that it be printed in the record.

Hon. Mr. Brooks: The honourable senator has covered already most of the material in the report.

Hon. Mr. Croll: But we must have it printed in *Hansard* before you make your motion.

Hon. Mr. Brooks: I said that the honourable senator gave us a splendid résumé of the report, and that is all in the record. I am suggesting that the report be placed on the Orders of the Day for future consideration.

Hon. Senators: Agreed.

Hon. Mr. Croll: Honourable senators, I move, seconded by Senator Roebuck, with leave of the Senate,

> That the final report of the Special Committee of the Senate on Aging, tabled today, be printed as an appendix to the *Debates of the Senate* and to the *Minutes of the Proceedings of the Senate* of this date and form part of the permanent records of this house.

Hon. Paul H. Bouffard: Honourable senators, this is a magnificent report. So much work has been done in connection with it, and it contains so many recommendations on the subject, that I wonder if the report should not be printed as a book. That has been done in the case of many other reports. If the report were printed it could then be distributed not only among the members of the Senate but also to the various provinces, to attorneys-general, family organizations and ministers who have as their responsibility the making of recommendations for family allowances, and so on. May I therefore suggest that the report be printed as a separate book, instead of merely as an appendix to today's proceedings.

Hon. Mr. Croll: Honourable senators, the committee recommended that 2,000 copies be printed at the expense of the committee. It will then be on sale at the Queen's Printer at $2 a copy.

Hon. Mr. Bouffard: Will the report be printed in French as well as in English?

Hon. Mr. Croll: Yes; the French translation has been completed. It will be in both French and English. Of course, many senators are taking the precaution of ordering copies of *Hansard* in advance for their friends.

Hon. Mr. Brooks: Will the report of yesterday's committee proceedings be presented to the chamber?

Hon. Mr. Croll: No. That is not the usual practice.

Motion agreed to.

For text of report see appendix, p. 89 et seq.

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY— DEBATE CONTINUED

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

Hon. F. W. Gershaw: Honourable senators, my contribution will be extremely brief, because I shall be dealing with only one part of one subject.

First of all, I wish to congratulate the mover (Hon. Mr. McDonald) and the seconder (Hon. Mr. Gouin) of the address in reply to the Speech from the Throne, on their eloquence and on the subject matters of their respective speeches.

I sincerely hope that the leader on this side of the house (Hon. Mr. Connolly, Ottawa West) will soon be restored to good health.

Mr. Speaker, I have long enjoyed your acquaintance and I know that you have always been an outstanding success in everything you have been called upon to do. Now that you are called upon to perform your present very important function, I am sure your record will prove to be equally good.

Honourable senators, the opinion of the doctors of Canada is very definite on the subject of medicare. In the first place, they believe in a policy of pre-payment of medical services, as expressed by the Canadian Medical Association, which in 1962 issued the following statement:

> Canadian doctors advocate plans of medical service insurance which provide for those who cannot pay and leave those able to insure themselves to do so voluntarily.

In order to give the opinion of another group, let me quote the following:

> The medical profession of Alberta wishes to make clear to the people of Alberta its position on medicare. We believe in medicare and have actively assisted the Alberta Government to develop a medical services program in the province. Under this program the people of Alberta enjoy benefits similar to those proposed under the federal plan. We sincerely believe that the Alberta Medical Plan type of program ensures high quality medical care while preserving for the individual citizen the important principle of freedom with responsibility.
>
> It is our belief that any federal assistance should not interfere with, or destroy, the right of the citizens of a province to provide the type of medicare for themselves which is best suited to their needs. The magnitude of a national medical services program is so great that it is vital to set up priorities, that is, to do first things first.
>
> The most important consideration for the citizens of Canada is to maintain and enhance the quality of medical care. For this reason we applaud the establishment of the Health Resources Fund which is designed to assist the provinces to provide the facilities for the training and production of all kinds of workers in the health field. This is properly the first priority.
>
> Any program which is to be successful over the years must recognize the right of the citizen to consult the physician of his choice without losing the financial benefits for which he has paid through taxes or premiums. This is vital because the physician of his choice may have found it necessary to practice outside the plan . . .

With regard to costs, I have tried to come to a decision concerning that. It is said that the cost of government administration is around 10 per cent, and that the non-profit organizations can operate at about 5.3 per cent. The association has this to say:

> We do believe that a government agency cannot administer a plan as efficiently

and economically as do the existing competent and experienced agencies such as M.S.I.

We believe that taxpayers' money should be concentrated on providing assistance for those who need help.

The medical profession of Alberta will support a national medicare program based on these principles.

Now, I want to say one thing. Whether we have medicare or not we need in this country more doctors, more nurses and more hospital accommodation.

A recent article says in Toronto on one day 1,022 hospital beds were required, but were not available. Even in Ottawa, two hospitals reported 500 urgent cases waiting to get in. The City of Hamilton Hospital had a list of 147, and Calgary some 5,000 people on the waiting list. We all know that it is very difficult at times to get hospital accommodation. Therefore, no matter what is done, we need more doctors, nurses and hospital accommodation.

We also need more research. Many complaints, such as heart disease, cancer, backache and so on, need to be examined and to have specialized work done to find some solution.

I wish to say right here that doctors are not opposed to medicare by reason of income; in fact, they make far more money under medicare than under any other system. I understand that doctors in Saskatchewan make very large incomes. It is because they get paid for all they do, whereas in private practice a doctor will only collect about 65 per cent for the services he renders. However, doctors feel that this whole medicare scheme is an expensive and elaborate cure for a disease that does not exist, or hardly exists.

Hon. Mr. Sullivan: Hear, hear.

Hon. Mr. Gershaw: Few people suffer and die from lack of medical attention. All down through the years doctors have been most generous in attending to patients, whether or not the patients have funds to pay, and at the same time hospitals have admitted such persons. As I say, it is a disease that hardly exists. If there are people who cannot pay, then a scheme such as that in existence in Alberta will cover their cases.

Honourable senators, tuberculosis is practically a curable disease; we know the cause of it and how to prevent it and how to treat it; but last year 700 people in Canada died of tuberculosis. We should be spending some money in that direction.

Again, there are pockets of poverty in this country, poverty brought about by the sickness or the death of the income earner, by the large family, by old age, by alcoholism, by a number of different things. These pockets of poverty are where you find real suffering and hardship, and where help is very seriously needed.

We have heard Senator Croll tell us something about the aged people, people who are suffering loneliness, poverty, poor food, sickness of all kinds, and they need help and they need it very acutely.

It is said that 1.2 million of the people of Canada are functionally illiterate; that is to say, they can sign their names but they cannot read orders or carry out ordinary work. It is among those people there is the greatest unemployment. Everyone agrees we should give a lot more help along educational lines, as only 33 per cent of the young people of Canada get through high school.

Honourable senators, it is a long time since World War I and World War II took place, yet there are people going to doctors and saying, "Since the war I have been suffering, I have been sick." They are asked, "Well, why don't you go to a military hospital?" They reply, "We have been there and they say that it is pre-enlistment or that it is not attributable to war service. They say that the X-ray does not show anything." However, that suffering and that disability is real to them. Those few remaining men who, when Canada was in desperate need, offered their services, should not now be forgotten. They should be dealt with most generously.

There are some other things that doctors think about. For instance, everybody does not employ the ordinary orthodox doctor. There are different fields of medicine. The orthodox only takes in one of them. Some people employ chiropractors, osteopaths, Christian Science practitioners. What are they going to do? Are they going to be paid or to be neglected?

Furthermore, some doctors stay outside the scheme. Even in Saskatchewan about eight per cent are outside the scheme. If I want to employ one of those doctors, what am I to do? Must I pay him myself or will the government pay him? His fees may be high and I wonder how payment is to be arranged.

It is a long time since the system was established in England, away back in 1811, when Lloyd George instituted medical protection for men who were employed. In 1948 the national medical system came in, but every year, every month since that time, there has been friction, debate, negotiations;

and even at this time there is trouble. It is said that that scheme is almost on the verge of collapse. Some of the doctors have put in resignations. Some are on a capitation system by which they get a certain form of salary, which does not seem to be very satifactory to medical practitioners and which, consequently, is giving constant trouble. The doctors do not like starting in on a system which means negotiations of this kind for years to come.

Also, doctors like to practise medicine and do not feel they should turn to filling in forms. With all these government schemes, many reports and many forms have to be completed.

As regards abuses, I do not think there will be very many needless calls. People do not call the doctor unless they really need him or at least feel that they need his services. I do not fear such abuse, but at the same time if you have a universal system with payment for every service you are putting a strong temptation before the doctors and before the people to make too much use of it.

Honourable senators, there are other considerations. I have tried to stick strictly to those that the doctors feel. It is generally believed that all responsibility should not be left to the state. It is in giving and in doing for somebody else that all life's splendor depends. If people can give something, even though it means a little self denial, it is something really worth while. To give to children or to sick people brings results. It brings a reward that makes a person feel at least not guilty and that he has accomplished something. When the children are grown up and gone there is always a certain amount of satisfaction, a feeling that when they were in trouble or when they were sick we got them what they needed, even though it meant some sacrifice and some efforts on our own part.

Therefore, honourable senators, I hope that when this subject comes up for discussion, the views of the medical men will receive consideration.

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

PRIVATE BILL

INTERPROVINCIAL PIPE LINE COMPANY—SECOND READING

Hon. Hartland de M. Molson moved second reading of Bill S-10, respecting Interprovincial Pipe Line Company.

He said: Honourable senators, this bill is identical with two previous bills, both presented in the Senate, considered at length in the Committee on Transport and Communications, and passed by this chamber.

The first one was presented as Bill S-42 and received second reading on November 25, 1964. After study by the committee, at which the president of the company and the general counsel appeared and gave full explanation, it was passed by this chamber on December 14, 1964.

The second occasion on which the Senate saw this proposed legislation was as Bill S-7 in 1965, when second reading occurred on May 11, 1965. After full consideration again by the Committee on Transport and Communications, it was reported and was passed by this chamber on May 25, 1965. Unfortunately, on both these previous occasions the bill did not come to a vote in the other place.

In the intervening time nothing has changed except that all arguments in favour of this bill are perhaps more valid today than they were previously.

I am sure that the opinion of this honourable chamber has not had any reason to be reversed. For this reason I do not think that I should take up the time of the house in the same lengthy explanations as were given on the two previous occasions. Those explanations were fully set forth in *Hansard* of November 25, 1964, pages 1121 to 1123, and again on May 11, 1965, pages 53 to 55.

Just to refresh your memories, honourable senators, I would state that the Interprovincial Pipe Line Company is asking Parliament to permit it to subdivide its shares on the basis of five for one, and to change from a par value of $5 each to a par value of $1 each in order that a larger number of small investors and a greater number of its employees may find it possible to invest in the shares of the company if they wish to do so. In the latter connection it is interesting to note that last summer the employees of the company were invited to express their opinion on the company's proposal to subdivide the shares, and an overwhelming majority expressed their approval, believing it would make it easier for them to participate in the company's future through investing in the company's savings plan. The company has for some years had a savings plan which permits the employees either individually or jointly to participate in its future through share ownership. Thus, we have the voice of the employees added to that of management in asking Parliament to look with favour on the bill.

There are just two matters I would like to emphasize. The first is that there is not under contemplation any issue of shares consequent

upon the proposed subdivision. In other words, there is no suggestion that by being permitted to split the shares, five for one, the company or its officers or directors or anybody can in some mysterious way improve their own financial position. The real purpose of the bill, as is stated, is to bring the price of the company's shares down so that they become within the reach of a greater number of small investors and of their own employees.

Secondly, I would like to re-emphasize that all the thousands of Canadian companies who from time to time subdivide or split their shares do so by the very simple process of having a special general meeting of shareholders to approve the proposed split, and then seek supplementary letters patent from the Secretary of State. The splitting of the shares then becomes a *fait accompli*. They do not have to go to Parliament. The only reason this company has to come to Parliament and ask permission to do something which in the course of business has become a very ordinary procedure is because it is a special company incorporated by a special act of the federal Parliament.

Honourable senators, I believe the explanatory notes provide a clear statement of these points, and if this chamber is satisfied with the brief explanation I have given and with the explanatory notes, and gives second reading to the bill, I shall move that it be referred to the Standing Committee on Transport and Communications—for the third time.

Hon. Mr. Aseltine: Can the honourable senator tell us the market value of those shares at the present time on the exchange?

Hon. Mr. Brooks: $88.

Hon. Mr. Molson: I can give you an approximate figure. I have not seen the market quotations today, but it is in the vicinity of $88. Obviously someone is watching the market more closely than I. They have been in the vicinity of $88 for the last few weeks.

Hon. Mr. Flynn: Was this bill discussed in the other place?

Hon. Mr. Molson: I cannot say whether there was some discussion, but I think there were some words spoken on it. I am not sure whether it was talked out or lost its place in the line.

Hon. A. J. Brooks: Honourable senators, it was talked out in the other place on one occasion, and on another occasion Parliament dissolved and it lost out on that account.

I have no intention of speaking on this bill. I have already spoken on it on two previous occasions, and this is the third time it has been before the Senate. On both occasions the Senate passed the bill, as was explained by the sponsor, and it went to the other place. It is a very important bill dealing with one of our great transportation systems, the pipe line. However, I would not like the public to think that we were passing it over without comment. It has already been discussed both here and in the other place. There were quite a number of speakers in the other place as I discovered on looking this matter up the other day.

The honourable senator has given the reasons for presenting the bill, and I think they are understandable. One is that if the company wishes to split the shares five for one, it cannot be done without coming to Parliament, as has been explained. The idea has also been advanced that the company wishes to have more subscriptions from the general public and also subscriptions under the employees' savings plan of the company. To my mind, this is an excellent idea.

I have also understood from remarks made by the honourable senator on previous occasions, that when this company makes large profits, as it has made in the past, it applies the profits towards a reduction in its tariffs. I think that is correct. The tariffs are lowered if the funds are available to do so. As we know, honourable senators, they have certainly had the funds. I think we may take it for granted that in the future when adequate profits are available the tariffs will again be lowered so that the public may have the benefit of the money earned.

I hope that large numbers of the employees and small investors will take advantage of this opportunity to purchase shares if the request to do is granted. In this respect I would like to ask the honourable senator to give us some idea of the number of employees in this company, and also what encouragement or what promotion is given to this plan so that the employees may take advantage of this opportunity. We all know that the Imperial Oil Company, the Shell Oil Company, and the British-American Oil Company own a majority of the shares. I think that out of some five million shares that have been sold, these three companies own at least 50 per cent. Could the honourable senator give some idea of the extent to which employees and others are likely to take advantage of this offer?

Hon. Mr. Molson: Honourable senators, I would like to thank the Leader of the Op-

position (Hon. Mr. Brooks) for his questions because they will do much, if I answer them properly, to bring out this information which perhaps I should have given you in the first instance.

There are 561 employees eligible to join the savings plan of the company, and the only test for eligibility is six months' service and participation in the company's retirement plan. So, of the 561 eligible employees, of whom 559 are participating, there are only two employees who have not an interest in the employees' savings plan. Purchases since the inception of the plan by employees amount to 46,280 shares.

Hon. Mr. Brooks: Out of the five million?

Hon. Mr. Molson: Yes, out of the five million. As we know, the stock has always been high priced; as a matter of fact, that is a very substantial investment.

I stated that they had been asked their opinion and had backed the management in its application to split the shares. This occurred last summer, when the employees were asked two questions. One was:

> Would it be more attractive to you as an avenue of investment of your planned savings if the stock were subdivided?

The second question was:

> If you presently allocate your planned savings to cash savings, would the lower unit price of the stock encourage you to change your allocations from cash to the purchase of the company's stock?

To the first question 93.5 per cent of those who replied answered "Yes". This, as I said, is a very substantial majority. To the second question, which was a little more complex in form, 78.8 per cent of those who replied answered "Yes." It is obvious, therefore, that the employees look with great favour on the idea of having the stock at a level that is a little more easily reached.

As to the employees being informed that the stock would be more available because of price, that would certainly occur the moment the stock was officially split. It would of course be very apparent to any of them who happened to take a look at the price of the stock, to see how their investments are doing, because the day after it is split it will obviously come back at one-fifth of the price it was the day before. I am quite sure that, if it is $90 today and tomorrow morning an employee picks up the paper and sees it at 18, he would not just think there had been a weak market overnight. Certainly he would know the reason for the change.

Is there any other part of your question, senator, I have not answered?

Hon. Mr. Brooks: No, except that the small investor also has to be assisted. In splitting the stock the small investor is supposed to be helped. Have you any indication as to what extent he would be helped?

Hon. Mr. Molson: It is very hard to say, but in the research that has been done on this subject by investment houses, financial men, and so on, it has always shown a substantial increase in the number of shareholders when the price of the stock is reduced—or, at least, reduced from high levels like the $80 to $100 bracket. It has happened so many times on the market that a pattern has emerged which I think is undisputed. It is not commonly the practice of a person with a modest sum to invest, to buy one share or even two or three shares at $100. They would infinitely prefer to buy a stock of good repute selling in the range of $15 to $25, when they can get 20, 30 or 40 shares of that stock. So the impact of a split in a stock selling close to the $100 mark, such as this, could quite easily mean an increase in the number of shareholders to the order of 10 or 20 per cent. Certainly, it would invite a lot of smaller investors to participate who are not at present shareholders of the company.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Honourable Mr. Molson, bill referred to the Standing Committee on Transport and Communications.

OTTAWA TERMINAL RAILWAY BILL

SECOND READING

Hon. A. K. Hugessen moved the second reading of Bill S-2, to incorporate the Ottawa Terminal Railway Company.

He said: Honourable senators, in the rather unusual circumstances in which this bill appears for a third annual session before this chamber, I am inclined to introduce it by referring you to a condition which existed in the English Parliament in the last century.

You may recall that during the whole of the last century it was forbidden for an Englishman to marry his deceased wife's sister. There was a member of the British Parliament for the last 30 or 40 years of the last century called Sir Wilfred Lawson who, being quite determined to change that position, introduced a bill to legalize marriage between a man and his deceased wife's sister. The bill did not get very far; it was only a

private member's bill. It received no support from government, and there were some ecclesiastical objections, of which I do not really recall the basis. However, he was a persistent gentleman and every year, for years, he introduced his bill to legalize marriage with a deceased wife's sister, and it became the fact in British parliamentary life that no session of the House of Commons was deemed to have been complete without this bill having been introduced and there having been a debate upon it.

In fact, those of you who remember your Gilbert and Sullivan will recall that in *Iolanthe*, that comic opera which takes off the British Parliament, there are a couple of lines that are sung by the chorus about "that annual blister, marriage with deceased wife's sister."

I suppose some of you may be asking yourself what this has to do with an act to incorporate the Ottawa Terminal Railway Company. Well, it has this to do with it. This is the third time in three consecutive sessions that this bill has been introduced and, unless we can get rid of it in some other way, I am afraid it is going to become as much an "annual blister" to this house as the deceased wife's sister bill was to the English House of Commons last century.

The bill itself was introduced in this house by our late lamented colleague Senator Lambert in 1964. It was debated in the house and then referred to the Standing Committee on Transport and Communications. It heard a number of representations, made a number of changes to the bill, and sent it back to this house, which eventually passed it some time in the summer of 1964. It then went to the House of Commons which gave it second reading and referred to its Standing Committee on Railways, which held a number of sittings but did not succeed in completing its examination before the session came to an end, and so the bill failed to pass.

Last year the same bill with the amendments that had been suggested by us in the previous year came before this chamber. It was then Bill S-3. It was again explained on second reading by the late Senator Lambert, and was again referred to the Standing Committee on Transport and Communications. That committee held two long and complicated meetings and dealt with every detail of the matter.

Honourable senators will recall perhaps that one thing happened in that connection, largely as a result of the activities of my present deskmate, the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck), who caused the railway unions to become interested in the bill. This bill, as honourable senators know, provides for the incorporation of a railway company, of which 50 per cent is to be owned by the Canadian National and 50 per cent by the Canadian Pacific, which is to own and operate the new passenger terminal and the new freight terminal now in the process of construction by the National Capital Commission, as a consequence of the general relocation of the railway structure in and around the City of Ottawa, as proposed in the Greber report.

The railway union officials began to wonder what would be the position of the former employees of the C.P.R. and the C.N.R. who would be employed by this new company. They wondered whether they would lose any of their existing rights under their present union contracts, and so on.

The committee, in conjunction with the railway companies, was able to get these people together, and correspondence passed between the railway companies and the representatives of the unions, by which the unions became satisfied that their rights would be completely protected, and they withdrew any objections they might have had to the bill.

The bill then came back to the Senate, passed third reading, and was sent to the other place, but did not get any further before dissolution. That was the second time that this bill failed to pass Parliament.

The present bill corresponds exactly word for word with the bill which honourable senators considered during the last session of the last Parliament, with only one rather minor exception, which is perhaps a little interesting.

Clause 10 of the bill is a sort of omnibus clause giving various general powers to the company with respect to the carrying on of its operations, and is divided into a number of subclauses. Subclause (e) gives the company power to

> acquire, erect, manage, operate or control restaurants, offices, shops, warehouses, storage and other rooms and conveniences and in connection therewith or any portion thereof, grant leases or concessions.

In the previous bill the word "hotels" was in that subclause.

I understand the reason for the omission of the word "hotels" is that both railway companies have agreed there is not the slightest likelihood of either or both of them wishing to establish a hotel in the new passenger terminal area.

As I have said, honourable senators, this bill has been considered twice before by the Senate. It has been considered in great detail by the Standing Committee on Transport and Communications. Under those circumstances it seems hardly necessary for me to repeat the details of it. To do so would be, perhaps, a work of supererogation. I suggest, however, if the Senate is willing to give second reading to the bill, that it again be referred to the Standing Committee on Transport and Communications. At the last meeting of that committee in June the chairman of the National Capital Commission, General Clark, appeared and gave a most interesting explanation of what had been done and what was in the process of being done in connection with railway relocation in and around the City of Ottawa. If the bill goes again before the committee I am sure General Clark will be able to tell us about the further work that has been done in the meantime.

All I can do now, honourable senators, is to refer again to my old "deceased wife's sister bill", and say that the bill referred to earlier by me did finally get the approval of the British Parliament, and now it is quite legal for a man in England to marry his deceased wife's sister. I hope this bill will follow the same process and that we shall be able to get it on the statute books.

Hon. Mr. Pearson: Did he marry the deceased wife's sister?

Hon. Mr. Hugessen: No.

Hon. Arthur W. Roebuck: Honourable senators, I think that what went on with respect to this bill during the last session is a good illustration of the services that have so often been performed by this chamber. I noted at the last session that the bill made no reference to the employees who would leave the employ of the two great railway companies and become employees of the new corporation. I called the Senate's attention to this at the time, and in consequence the Brotherhood of Railroad Trainmen, and the unions that follow Mr. Hall, were notified. They appeared before the committee in quite considerable numbers, and the committee heard from them at length and also from the employers at the same time.

Very largely due, I may say, to the skill and diplomacy of the chairman of the Standing Committee on Transport and Communications (Hon. Mr. Hugessen), who is now introducing this bill the third time, the parties were brought together, and some kind of agreement was reached between them, which was confirmed by a letter from the railroads to the unions.

Hon. Mr. Hugessen: And which was included in the report of the committee.

Hon. Mr. Roebuck: Yes, and which was included in the report of the committee. I presume that that situation exists today. I approve very highly of this bill being referred to the same committee.

My honourable friend says that he will send notices to the railroads. I hope that the same notice will go to the unions—to Mr. W. G. McGregor, who was the representative of a number of unions, including the Brotherhood of Railroad Trainmen, and to Mr. F. H. Hall, who was the chief speaker for the non-operating unions.

Again I say, we performed a very great service on the last occasion, as we so frequently do when we look over bills of this kind. I agree that the bill should be referred to the committee.

Hon. Lionel Choquette: Honourable senators, as time is getting on, I shall be brief. As the honourable sponsor of this bill (Hon. Mr. Hugessen) has told us, it is being introduced in this house for the third time, but coming from Ottawa, as I do, and having always taken an active part and a great interest in the development of the national capital area, I thought I should add my voice to what has been said already.

We have heard that on June 10, 1964 the late and esteemed Senator Lambert moved the second reading of the Ottawa Terminal Railway bill, which was at that time Bill S-33, to incorporate the Ottawa Terminal Railway Company. His opening remarks were as follows:

> Honourable senators, Bill S-33, to incorporate the Ottawa Terminal Railway Company, represents the attainment of an objective in the development of the National Capital area which has been discussed and recommended repeatedly during the past 50 years by official commissions and parliamentary committees.

He then proceeded to give us a picture of the background of this bill, and to refer to maps and illustrations showing the growth and development of the national capital area since the beginning of the century.

The late Senator Lambert had taken a very active part in the planning of the national capital area, and had become a personal friend of Jacques Greber who, in 1950, published a book entitled "Plan for the National

Capital—a General Report". This report provided, among other things, for the relocation of railway lines and terminals, and it was well explained to us by the late Senator Lambert.

Then on June 11, 1964, the honourable Senator Grattan O'Leary had many constructive remarks to make concerning the bill. After that, as honourable senators are aware, we had prorogation.

The second occasion was on May 12, 1965 when a new bill, S-3, to incorporate the Ottawa Terminal Railway Company was introduced.

Bill S-33 of the previous session was passed by this house on July 22, 1964, but failed to pass the other place before prorogation.

This bill, to my mind, is non-controversial. I think we all agree on that. In the plans made years ago to beautify our capital city some radical changes had to be made in its structure. One of the casualties is the old Union Station, which is presently situated in the very heart of the old city. The new railway station is to be located near what we commonly call in Ottawa the Hurdman's Bridge area, and the bill before us provides for the setting up of a company which would construct and operate a railway and related facilities in and about the City of Ottawa for the purpose of providing a transportation terminal.

I am sure that honourable senators will all agree that, technically, the new station will be located in the best available zone, although some complaints have been made by local businesses on the grounds that they would lose the tourist traffic by train, and also by many members of both Houses of Parliament who claim that the new location will require them to make use of buses, taxis and other less convenient methods of transport in order to reach Parliament Hill or their favourite hotel.

Since it is hoped that debate on the bill will finally conclude, and that the bill will be passed, I think that I should repeat in this debate a short statement made by the present sponsor (Hon. Mr. Hugessen) regarding this very point. On May 12, 1965, at page 75 of the *Debates of the Senate*, he stated:

> If I may speak again, some years ago I objected rather strongly to moving the station out from the centre of the city. My feelings were along the same lines as my friend Senator Macdonald (Brantford) has in mind. For this reason, I was particularly interested in the evidence given by both railway companies on this point at the sittings of tne Standing Committee on Transport and Communications last year. I had been very much concerned that they would feel that they were being pushed away from the centre of the city, and that thereby they would lose a considerable amount of their passenger traffic to the air line companies and the buses. However, the railway representatives did not take that view at all; they said, as an honourable senator said today, that the centre of the city is moving out in a southerly direction, and they felt that the majority of people living in Ottawa who desire to travel by train will be better served by the station in its new location than they are by the station in its present location where there is considerable traffic congestion. Apparently the new station will be situated where there will be a convergence of through highways which will make it very easy to get to.

I think it is as well to put those remarks on record again, because I hope that we are going to deal finally with this bill, to which I give my wholehearted approval.

Hon. Mr. Roebuck: May I ask what is going to happen to the old station?

Hon. Mr. Choquette: There is some discussion as to whether it will be demolished, or whether it will be kept as a monument to old Ottawa, but nothing has been decided yet.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Hugessen, bill referred to the Standing Committee on Transport and Communications.

INTERPRETATION ACT

BILL TO REVISE—CONSIDERATION TOMORROW

Hon. Mr. Roebuck: Honourable senators, before we adjourn, may I have the privilege of calling to the attention of the leader (Hon. Mr. Bouffard) the fact that tomorrow, Thursday, Bill S-9, an act to revise and consolidate the Interpretation Act and Amendments thereto, and to effect certain consequential amendments to the Canada Evidence Act and the Bills of Exchange Act, will be before us. I am concerned about this bill. We had a similar bill before us previously.

Hon. Mr. Bouffard: Exactly the same bill.

Hon. Mr. Roebuck: I am concerned about it in this way: we are giving an artificial statutory meaning to words that will apply retroactively to all statutes now on the books, as well as to those in the future. The implications of such a bill are great, and it is something that we should watch with the very greatest of care.

I have looked in my file, but cannot see that bill. I do not know if other honourable senators have received it. Since this is a measure with which we should proceed with considerable care, I would like to see the bill before it comes before us for second reading.

Hon. Mr. Bouffard: Honourable senators, I have seen the bill; it has been distributed, and I cannot understand why my colleague has not yet received a copy. I did not look in my file, but the bill was in my office. However, the bill will be before honourable senators tomorrow.

Hon. Mr. Roebuck: The bill has received first reading, and it is too important a measure to be dealt with lightly.

Hon. Mr. Bouffard: The bill will be available tomorrow and presented for second reading then. Senator Macdonald (Brantford) will explain it, as he did last year. If the bill receives second reading it will be referred to a committee. If you want to discuss the bill, or if you have any question to raise about it on second reading, you will have ample time to do so.

Hon. Mr. Roebuck: Thank you.

The Senate adjourned until tomorrow at 3 p.m.

APPENDIX

(*See p. 80*)

FINAL REPORT OF THE SPECIAL COMMITTEE OF THE SENATE ON AGING

WEDNESDAY, 2nd FEBRUARY, 1966

The Honourable DAVID A. CROLL, Chairman
The Honourable J. CAMPBELL HAIG, Deputy Chairman

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Foreword

It hardly seems necessary to explain why the Senate of Canada decided to embark on this study. The problems of the aged and aging have been receiving attention in recent years in many parts of the world. There is ample evidence in Canada of public interest in the subject, and many organizations and individuals are involved in trying to improve the lot of aging citizens. Until now, however, no attempt has been made to examine the problems of aged Canadians as a whole on a national scale.

Special Committees of the Senate have in recent years conducted inquiries into broad issues of public concern. Among the many proposals now being made for the improvement of our parliamentary business is the provision of a small permanent research staff for the use of the Senate and the House of Commons. It would certainly facilitate inquiries of this kind if such services were available. Nonetheless some of the inquiries already carried out by the Special Committees of the Senate, such as the inquiry into Manpower and Employment and the Investigation of Land Use, have resulted in informative reports which have been judged by independent observers to be a useful contribution to public understanding of the issues. We are pleased to help in disseminating authoritative information on which Canadians can base their own opinions and judgment.

We have tried not to lose sight of the main subject of our inquiry, which is the problem of the aged and aging. It has been necessary to avoid being drawn into the wide and related area of welfare problems as such, or slipping into the trap of regarding the aged themselves as a problem group rather than a group beset by problems.

As our inquiry progressed, it became very clear to us that the word "welfare" had as many meanings as there were witnesses. There appears to be two broad categories of meaning for this word. There are those people, and the number of them is steadily increasing in our complex technological system, for whom "welfare" is an essential activity of the community, ensuring that every citizen is able to call upon community services that he may need as a right of membership within the community. The word "welfare" in this sense covers a wide range of services intended to provide for a condition of "well-being" for every citizen.

Then there are those, and there are still a great many of them in Canada today, who think of welfare services as those provided for the poor and socially inadequate. Our own position is closer to the first than the second of these two groups. We have concentrated our attention on the subject of the aged and of aging in its broadest sense. It is a normal and natural phenomenon of human life which

concerns all of us and we have deliberately rejected the idea of defining "services" to the old people as "welfare services".

In pursuing its inquiry, the Committee has placed principal reliance on the knowledge of the many government and voluntary bodies throughout the country that have had experience in this field. The Committee is grateful to all of them for their assistance. The fruits of their labour are in a substantial degree incorporated in this Report. In addition, the main submissions made to us, as well as the verbatim proceedings, have been published separately in order to make this authoritative information available to all who are interested in pursuing lines of inquiry on particular topics.

May I repeat what I said to my colleagues when urging them to undertake this work? Senior citizens are not some indefinable group, separate and apart. They are our mothers and our fathers. They are ourselves in a few years. They are those who have made contributions to society and to our country. They are those who have given their energies, their skills and their children for the good of society. What the senior citizen needs is to retain his earned right in his own world.

In our investigation of ways and means of promoting "the welfare of the aged and aging persons," extending over many months, we have not only studied the wealth of material put before us, but being sensitive to the current social climate, we have tried to take a broad view of the whole question of aging. Our collective experience in living has helped us to place in perspective the problems raised and the solutions advocated.

Although some kinds of help needed by older people can be provided on a universal basis, many of their problems require individual attention. To ensure that this is available in a vast country with widely varying local conditions is a big order. It is always easier to suggest things for others to do than to point the finger at one's own responsibilities. We have, therefore, kept in mind the continuing part that all of us might play individually. Concern about the need to improve public services is evidenced by the number of official inquiries that have been going on into the division of responsibilities between provincial and municipal governments. But in addition to all that governments do to help the aged, there is need for the personal interest of citizens both in supporting public programs and in lightening the load of their own elderly relatives, friends and neighbors.

Our terms of reference, with emphasis on the need to develop "positive and preventive" measures which would enable older people to "continue to live healthy and useful lives as members of the Canadian community . . . .", clearly imply concern for all elderly people and not only for those who are in trouble. Moreover, we assume that older Canadians will benefit by any measures that promote the general welfare in its broadest sense.

Aging is a normal process that goes hand in hand with living. It is not a disease; neither is it an inborn handicap. What we see as problems of aging are the

difficulties more likely to be encountered by people who have passed their 65th birthday. For those who are seeking work, we are convinced that, generally speaking, problems related to age descend into the forties.

Recognition that older people are vulnerable to certain kinds of threats does not imply—and we reject any suggestion of the kind—that the elderly are a problem group. A high proportion of people continue to enjoy and to contribute to life to the end, and they are the individuals most likely to live to an advanced age. Although ailments naturally accumulate with time, more than 90 per cent of the elderly are not physically or mentally incapacitated to the extent that they must be taken into care. And only a small minority—perhaps 15 per cent of those over 65—are in receipt of public assistance. The great majority, although pitifully poor in many instances, manage on their own with the aid of the old age pension and those who come to public attention are the exception rather than the rule.

What we believe to be the universal desire of the elderly was crystallized for us by the Canadian Association for Adult Education in the word "continuity". Continuity involves expectation of sameness or change that is planned for and, if at all possible, self-chosen. It gives a feeling of security to maintain as long as possible the continuity of life as represented by place of residence, employment, family, church, clubs, hobbies and personal care. It is open only to a small minority to continue at the same job after age 65, and the risk of losing the lifetime partner—often all that remains of the family of origin—it is very great at that age. It becomes increasingly important to bolster up those areas in which things can go on more or less as they are. And when a fundamental change must be made in the interests of health and safety, freedom of choice should be preserved in as many areas as possible.

In their desire for continuity the elderly are asking society to let them keep the image they have earned in their prime, and protesting the tendency to lump them all together. They are saying in effect that they want to be treated like other adults; that to segregate them on the basis of age is degrading. Since each human being is a part of all that he has met, he asks the right to bring with him into his later years a lifetime of growth and experience. He asks not to be required to leave his comfortable old coat at the door, accepting in its place a uniform style worn by all those, and only those, who have reached age 65. Older people are individuals representing a cross-section of characteristics much like those found in the general population. Personal attributes are more pronounced than ever when we reach a time of life in which the need to conform is less important.

Resistance to being identified as aged is very great in a youth-worshipping society, where the negative image of old age is almost universal. It is said to be fixed in the mind of a child by the age of 10 and to be so firmly rooted that a graduate student retains it even after a course in the psychology of aging. Even professional people are apt to have a distorted image of aging. Doctors and nurses see the aged

sick, social workers the aged poor, employment officers the aged (and often uneducated) job-seekers. It is not surprising that these people—with so many other fields of activity open to them—are not generally attracted to working with the elderly. Furthermore, in this area as in some others, theory and practice are sometimes divorced. We were informed that employers support campaigns to encourage employment of older workers, but seldom see a place for them in their own establishments.

Our objective should be to keep to a minimum the number of old people who must have special attention, something that is bound to require heavy outlay in money as well as in time of scarce professional staff. Further investment in the preventive aspects of aging should pay big dividends.

The universal need, which only a small minority of old people can provide for themselves, is a floor of income security to maintain self-reliance. Organizations serving older people understandably concentrate on the need for services and on plans for improving the administrative structure, but the elderly themselves equate money with freedom.

The financial prospects of many older people should be greatly improved by measures taken since our hearings began. Particular mention should be made of the Government decision to reduce the age of eligibility for Old Age Security so that by 1970 it will be available to all at age 65. The coming into force of the Canada Pension Plan will help to ensure more adequate income in retirement for most of those who have been in the labour force. These will make retirement easier for the next generation of older people. They do nothing, of course, to improve the lot of those who have already reached their 70th birthday.

We deplore the tendency to confuse economic dependency with social or psychological dependency. To assume that one who needs financial help must be an inadequate individual will help to make him feel unworthy and preclude satisfactory solution of his plight. The elderly are particularly sensitive to any implications of that kind. The fact is that it is often the cost of expensive and lengthy health care that reduces elderly people to destitution. Institution of a comprehensive system of health services will save many from economic dependency.

The evidence convinces us that the great majority of older people continue to enjoy the love and support of relatives and friends. In modern industrial societies in which the family has long since ceased to be the common unit of economic production and consumption, this does not usually take the form of three generations living under one roof, an arrangement which is seldom desired by the elderly and is practically always less than ideal for the younger family. Some witnesses told of seeing "controversy and friction" in families where several generations share a small house. Almost intolerable strains are sometimes imposed by family loyalty.

It would hardly be realistic to represent old age as generally more satisfying than youth or the middle years. On the other hand, continual harping on the problems of old age is apt to make those for whom it is still ahead live in dread of it. Those who are already old need no reminder that the sands of time are running out. "The old men know when an old man dies." There is wisdom in the repeated warnings that fear of aging makes us reject the aged as a group. One way to allay these fears is to do all we can to eradicate the intolerable conditions under which many of the elderly now exist. It is the true situation of these individuals that provides the basis for the public image of old age. Because of their serious plight, there has been a tendency to consider the whole situation of the aging in a context of welfare. The Canadian Association for Adult Education suggested to us that to view aging in the context of welfare makes it "incapable of solution."

We have seen our task as assessment of the position of the elderly in today's society and consideration of what appears likely to be their lot in the foreseeable future. In Canada as in all advanced countries, the number and proportion of people who live to later ages is growing. At the same time, changing conditions have made it more difficult for the elderly to maintain their place in the community. Increasing productivity per worker, with fewer individuals required to do the nation's work, has created problems for them in the labour market even before the age of normal retirement, and we have yet to develop the attitudes and conditions necessary for older people to live useful and satisfying lives within the new circumstances of modern society.

The genuine interest of the committee members is attested by their faithful attendance, often at great inconvenience and during periods when the Upper House was not in session. Among them they brought to the subject not only their interest, but both breadth and depth of knowledge and experience. Some, but by no means all, could qualify for membership in a senior citizens' club. Those on the Committee included doctors, lawyers, farmers and businessmen. They were drawn from all ten provinces, and many are well acquainted with rural as well as urban life. Now that the older years are becoming in many ways a women's world since, as statistics indicate, women live longer than men, we are happy to report that four of the members of our Committee were women.

DAVID A. CROLL,
Chairman.

23031—7

Order of Reference

EXTRACT from the Minutes of the Proceedings of the Senate, Monday, July 29th, 1963:

"With leave of the Senate,

The Honourable Senator Connolly, P.C., moved, seconded by the Honourable Senator Vaillancourt:

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

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

That the Committee have power to engage the services of technical, clerical and other personnel as may be necessary for the purpose of the inquiry;

That the Committee have power to send for persons, papers and records, to print such papers and evidence from day to day as may be ordered by the Committee and to sit during sittings and adjournments of the Senate;

That the evidence received and taken on the subject at preceding sessions be referred to the Committee; and

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

After debate, and—

The question being put on the motion, it was—

Resolved in the affirmative."

J. F. MacNEILL,
Clerk of the Senate.

NOTE: The Committee was reconstituted during the three succeeding sessions of Parliament. See Journals of the Senate, February 19th, 1964, April 6th, 1965, and January 19th, 1966.

23031—7½

Acknowledgements

Reference has already been made in the Foreword to the generous co-operation accorded to the Senate Committee in its inquiry by governmental and voluntary agencies throughout Canada. In addition to extensive memoranda prepared on request by six departments and agencies of the Federal Government and presentations by nine of the Provinces, the Committee received briefs from some fifty citizen organizations. The latter, including societies of old people themselves, were located in many parts of the country and represented, not only the fields of health and welfare, but such varied interests as religion, education, business and labour. The Committee is grateful to all of these interested groups which, in most instances, went to great trouble and expense to share with us their knowledge and experience.

Acknowledgement is made here of the debt owed by the Committee to the members of its small professional and clerical staff who carried heavy and demanding responsibilities throughout. Their ability, hard work and devotion over the past two years have been important factors in bringing this Report to completion. We wish to mention particularly Mrs. G. H. Josie, who served so faithfully as Executive Assistant to the Chairman and prepared very helpful summaries of the Committee's Proceedings, as well as useful research, which is reflected in the Report. Appreciation should also be expressed of the wholehearted cooperation received from the Library of Parliament throughout the period of the Committee's inquiry, and not least of its specific contribution in preparing the index of the Report.

We should like to commend Mr. John A. Hinds and Mr. Dale Jarvis of the Committees Branch of the Senate, for the competence and despatch with which they handled the many administrative details relating to the Hearings, the meetings of the Committee and the translation and printing of the Report. To Mrs. Cathy Carpenter, Mrs. Susan Irvin, Miss Vera Fisher, and Miss Marion Ballantyne, who in succession served as secretaries to the Consultant, we wish to express thanks for the efficient and cheerful way in which they performed their duties.

Special reference should be made to the contribution of a small group of experts from various disciplines whose help was enlisted in the final stages of the investigation. Members of this group, on time taken from their leisure hours, worked with the Consultant in analyzing the mass of evidence submitted to the Committee. They are also responsible for the basic content of the Chapters comprising Part II of the Report as follows: Mr. Gilles Paquet, Department of Economics, Carleton University, (Chapter 9); Dr. Meyer Brownstone, Department

of Political Economy, University of Toronto, (Chapter 10); Dr. Cope W. Schwenger, School of Hygiene, University of Toronto, (Chapter 11); Mr. André Saumier, Assistant to the General Manager, General Investment Corporation of Quebec, (Chapter 12); Donald H. Gardner, Social Planning Council of Metropolitan Toronto, (Chapter 13); Dr. Peter C. Pineo, Department of Sociology, Carleton University, (Chapter 14); Mrs. Freda Paltiel, Ottawa. (Chapter 15); and Dr. Robert Kohn, whose experience as Assistant Director of Research for the Royal Commission on Health Services, was invaluable in many areas.

We were very fortunate in being able to retain the services of Mr. R.E.G. Davis as Consultant, whose knowledge and advice were of inestimable value. Upon him rested the overall staff responsibility for planning the inquiry, organizing the hearings, and preparing the report. To this task he brought his wide experience in the social and economic fields, which was of the greatest assistance to the Committee in the conduct of its study.

Introduction: Older People in Canadian Society

In this Report, which touches on many aspects of the life of older people, considerable information, in statistical and other form, related to income, employment, health, housing and social conditions, is presented in individual chapters. The purpose of this introductory chapter, based largely on demographic data supplied by the Dominion Bureau of Statistics, (DBS),[1] is to indicate a few general but salient characteristics of the older population, which have enabled the Committee to view their situation in some perspective.

Growth and Geographic Distribution of the Older Population

1. Older people in Canada are a rapidly growing group. Using the customary, if arbitrary, age line of 65 years we find there are now nearly 1,500,000 of them (DBS estimate for June 1, 1964, was 1,468,000), five times the number there were in 1901. And looking ahead we can be reasonably sure the present figure will more than double in the next twenty-five years to yield a total in excess of 3,000,000 at the time of the 1991 census.[2] By contrast the total population of Canada only tripled between 1901 and 1961 and is expected not quite to double by 1991.

It may be observed further that the rate of increase shows some *tendency to rise with age*. The population aged 75 and over has increased nearly six times since 1901 and the estimates are that the present number will increase two and a half times by 1991. This, of course, is the group most likely to make heavy demands on health, welfare, and other services.

2. There are those who view these trends as alarming, economically, which is the reason for their concern about them. How, they say, shall we ever be able to support such large numbers of non-producing and needy people? The fact is, however, that numbers in themselves throw little light on the answer to this question. What we have to consider rather is the *proportion* of older people in the population and here the statistics are much less disturbing. In 1901, 5 per cent of Canada's population was in the 65 and over age group; by 1961, sixty years later, it had risen considerably, but only to 7.6 per cent, and in 1991 the estimate is it will still be less than 9 per cent.

Moreover, even if we lump together the whole dependent population, not merely the elderly but the children at school as well, and relate this total to the

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[1] For fuller information see *Selected Statistics on the Older Population of Canada in 1961*, (Catalogue 91-507) prepared at the request of the Special Committee of the Senate on Aging.

[2] Estimates given in Table 44, *Report of Royal Commission on Health Services* (based on net immigration of 50,000 annually), Vol. 1, pp. 114-5.

population of working age that must support them, the ratio will according to the estimates remain more or less constant in the foreseeable future.[3] Added to the fact that this ratio, roughly 40 per cent dependent to 60 per cent working, is not likely to change, there is the further consideration that the economy's output per worker can reasonably be expected to rise from two to three per cent each year. We need have no fear, therefore, older people in Canada will become an insupportable financial burden.

Actually, Canada has a relatively young population. As the following figures show, it is well down the list of Western countries in terms of the proportion of its population that is 65 and over. Using 1960 statistics, Sweden is at the top with 12 per cent, followed by the United Kingdom (1961) with 11.9 per cent, Norway 10.9 per cent, West Germany and Denmark 10.6 per cent, the United States 9.3 per cent, the Netherlands 9.0 per cent, New Zealand 8.6 per cent, Australia 8.4 per cent, and Canada 7.6 per cent.[4]

3. However, it should be noted that *the proportion of older people in the population varies considerably by provinces;* from highs of 10.4 per cent in Prince Edward Island and 10.2 per cent in British Columbia to lows in Quebec and Newfoundland of 5.8 per cent and 5.9 per cent respectively. This variation is tied in with a number of factors, notably inter-provincial migration. Since migration is most likely to involve people at working ages, the Maritime Provinces, Manitoba and Saskatchewan, which have lost more people than they have gained since 1941, have been left with relatively high proportions of older people. British Columbia is a special case due to its favourable climate which attracts people in later years. Although B.C. is the province showing the largest population gain due to inter-provincial migration, its population of older people is larger than that of any other province except P.E.I.

4. *An important characteristic of population trends is the steady trek from farm to city,* largely determined by industrial development, which has been most marked in Canada during the years since the outbreak of World War II. By mid-century this movement was well advanced in the industrialized provinces of Ontario and Quebec, and also in British Columbia, and it has continued in these three provinces since at an accelerated pace. The urban population had become the majority also in Manitoba and Nova Scotia at the time of the 1951 census, but the other five provinces at that time continued predominantly rural. By 1961 only Prince Edward Island, Saskatchewan and New Brunswick had larger rural than

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[3] *Ibid.* Actually the numbers in the labour force vary considerably according to the state of the economy, and there is a large potential of workers among married women.

[4] *Health Services. Health Insurance and Inter-Relationship* by Dr. K. C. Charron, Director of Health Services, Department of National Health and Welfare, Canada, 1963.

urban populations and all provinces were moving in the direction of increased urbanization.[5]

Those trends are naturally reflected in the distribution of the older population. In 1961, 70 per cent of those aged 65 and over lived in urban areas, 20 per cent in rural non-farm areas, and 10 per cent on farms. Moreover, a comparison with the situation in 1951 reveals that during the 1951-61 period the number of older people in urban areas increased by 40 per cent, and in rural non-farm areas by 36 per cent, whereas the number living on farms declined 31 per cent, some 11 per cent more than the decline in the total farm population.

Note should also be taken of the distribution of the older population by sex. In rural areas, farm and non-farm alike, older men outnumbered older women, which has been the pattern for some decades, whereas in urban areas, older women in 1961 comprised 54 per cent of the total population aged 65 and over.

Sex and Marital Characteristics of the Older Population[6]

1. *On the average Canadians today live longer than they did a generation ago,* but this is due much more to the changes that have occurred in infant than in adult mortality rates. Deaths fell from over 100 in the first year per 1,000 live births during the early 1920's to a record low of 27 in 1961. The result is that at present according to the 1961-2 Canadian Life Table, a male infant at birth has a life expectancy of 68 years, and a female of 74 years, respectively, 8 years and 12 years more than in 1931.

However, life expectancy for adults has also increased over this period, notably for women. The latter at age 45 may now expect to live 4 years longer than women of the same age 30 years ago, and even at age 60 they have a 2.7 year advantage. By contrast men have improved their position very little. For those aged 45 the gain in life expectancy is less than 1 year and at 60 approximately only 6 months over that of their predecessors in 1931.

2. *The fact that women on the average outlive men goes a long way to explain why there are so many more widowed women than widowed men in the population.* Other reasons, are of course, the greater tendency there is for widowers to remarry, and their likelihood in doing so to choose younger women as partners. According to the 1961 census, 71.6 per cent of the widowed population aged 65 and over were women as compared with some 66 per cent twenty years earlier.

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[5] DBS No. 99-512- Table 4. According to the DBS definition, "the *urban* population represents that portion of the total population residing in cities, towns, and villages of 1,000 population and over, whether incorporated or not, including persons residing in metropolitan areas and the urbanized fringe of urban centres of 10,000 population and over." The balance of the population is classified as *rural* and is divided into two sub-groups: *rural non-farm,* who are people living in communities whether incorporated or not, of less than 1,000 population and *farm,* people living on farms as defined by the census of agriculture.

[6] See Submission of *A. H. LeNeveu, Chief of Population Analysis, DBS,* to the Special Committee of the Senate on Aging, Nov. 5, 1964, No. 20, p. 1357.

Commenting on this general situation Mr. LeNeveu in his submission to the Committee remarked: "At all ages there were about twice as many widowed women as widowed men in the population of Canada in 1941, while in 1961 there were almost three times as many. This disparity in relative numbers of widowed men and widowed women in the older age groups is a factor of some importance in the consideration of family and housing problems of older people in Canada."[7] As will be seen in later chapters, the majority of older widows in 1961 had no other source of income than the Old Age Security Pension.[8]

The Social Setting of Older People

To round out the present brief review of basic statistical data something should be said about other aspects of the situation of older people, such as their income, employment and housing status. However, as the Report developed, so much of this material came to be included in the specialized chapters that it has seemed unnecessary to repeat it here. We conclude this background chapter with two or three general observations related to the social position of the aged.

1. *Old people are not nearly as distinct and homogeneous a group as is sometimes imagined.* Many of their needs and interests are very like those of other members of society, while in such obvious respects as income, health, cultural activities and social behaviour they vary widely among themselves. Even in the matter of age gerontologists are coming to distinguish between the young-old, the middle-aged old, and the old-old, and to recognize that these categories cannot be defined altogether in terms of years, but must take account of psychological and sociological factors.

What this implies is that older people can often satisfy many of their needs and interests through existing or emerging community arrangements, or could do so if the opportunity were as readily available to them as to other age groups, in areas like education and community recreation, for example. It also implies that where special provision has to be made for old people, as in regard to housing and health care, pains should be taken to ensure the widest possible variety of choice and opportunity.

2. *Older people are less likely today than formerly to live with their grownup children.* In the main this is due to the changed conditions of urban living, which in contrast to conditions in a rural economy make a large family burdensome. City families have smaller dwellings and a much narrower spread of social and economic functions. Another factor is modern mobility, which may mean the young family is located a long way from the place where the parents have their roots. And, finally, there is the consideration that many older people prefer to be independent and to maintain their own way of life.

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[7] *Ibid.*, p. 1363.
[8] See Chapters 2 and 9.

The Committee discussed this latter situation on the several occasions when it met with older people and discovered some interesting attitudes, at any rate among the young-old and middle-aged old. What we were told was that, while older people want to be near their married children, they would prefer not to live under the same roof. This statement, it might be observed, is supported by census statistics. These suggest, although the data is not complete, that between 1951 and 1961, due no doubt to the introduction of the universal Old Age Pension, there was a shift away from older parents living with their children, even on the part of those who were widowed.[9]

The Committee's informants among older people also spoke of their wish to be financially independent of their children, except where the help could be mutual. The trend, which is supported by other evidence, seems to be for older people to turn for assistance of this sort, when they need it, to government and specialized community agencies rather than to members of their families.

3. *One of the most serious and difficult problems faced by society in relation to old people is that of helping them maintain some satisfying foothold in the community and with it a sense of self-worth.* In earlier times when old people had a scarcity value they not only enjoyed considerable respect, but were turned to as a source of wisdom and experience. Today, with the world changing as rapidly as it is, and moving along technical and scientific lines, such wisdom and experience tend to be at a discount. The result is that the older person, and more particularly the man, retired early from his accustomed occupation, frequently feels himself an economic and social supernumerary. He has ceased to belong in the important world of work and, consequently, has lost many of his social contacts. And his children, who could give him a sense of family rooting, may well at this point be at the other end of the country.

There is the further consideration, pointed out by Frederick Elkin that "when someone reaches the age of 65 or 70 others often define him as *old;* they treat him differently and expect different behaviour from him, and the elderly person may, no matter what his physical condition may be, accept this definition."[10]

Professor Elkin concludes that it is difficult in modern society to provide older people with "meaningful and satisfying" roles. Perhaps eventually the aged will work out this problem for themselves, or at any rate there is the possibility of it becoming less pressing, as we all learn to use more creatively the increased leisure the machine is now making available to us during our active working years. Meanwhile, there are many bored and lonely men and women in the old age group, which would seem to indicate the need for deliberate community planning and

[9] *Dominion Bureau of Statistics,* brief, prepared for the Special Committee of the Senate on Aging, Oct. 22, 1964, No. 18, pp. 1264-5.

[10] F. H. Elkin, *The Family in Canada,* p. 130, published by the Canadian Conference on the Family, 1964.

action to relieve their condition or prevent it arising. One obvious place to begin is with housing, recreation and institutional projects. In present circumstances these are often so planned as to segregate old people and remove them unnecessarily from familiar scenes and contacts.

4. *Finally, it should be observed, and indeed emphasized, that many of the personal problems of older people are the result of social and economic trends that are affecting all of us.* Old people may be in a particularly vulnerable spot but so, in varying ways and degrees, are the members of younger age groups. One has only to think of automation which, with its impact on early retirement, is giving a new meaning to "age" and "aging." A fact of life, significant for this Report, is that increasing numbers of people are retiring from the active labour force, or are being forced out of it, at ages when they are still relatively vigorous and resourceful. And yet people at all stages of the aging process wish to go on living as close to normal as possible, and to be regarded as still having a useful contribution to make.

Problems like these have to be considered in their broadest social context. What kind of a society is likely to be the outcome of our advancing technology? Will it be as mechanized and automated, and also as sterile, spiritually and culturally, as some thinkers and writers seem to imagine? Lewis Mumford was thinking along these lines in an article on Aging written as far back as 1956 which is still timely:

"The first step toward framing a sound program (for old people) is, I believe, to examine the human situation as a whole, not to center attention solely on the problem of destitution, chronic diseases, and hospital care. We shall not, perhaps, be able to care for the aged, on the scale their needs and our national wealth demand, until we are ready to put into the rebuilding of human communities something like the zeal, the energy, the skill, the dedication we give to the monomaniac production of motor cars and super highways . . . . but to say this is also to say that there is no easy shortcut to improved care for the aged: to do well by them, we must give a new direction to the life of the whole community. If we fail here we shall in prolonging life only prolong the possibilities of alienation, futility and misery."[11]

The Committee's outlook is not pessimistic. We believe that, without sacrificing economic growth or specialized efficiency, we can create in Canada a society where youth and age alike will find satisfaction and fulfilment. It is our hope that the present Report, which attempts to view the human situation in Canada through the eyes of the aged, may make some contribution to this larger task.

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[11] Mumford, Lewis, *Not Segregation but Integration,* Architectural Record No. 234, May, 1956, U.S.A.

Reprinted in the Community Planning Review, the magazine of the Community Planning Association of Canada, Sept., 1956.

PART I

SUMMARY AND RECOMMENDATIONS

CHAPTER 1

Guiding Principles

In the course of its Hearings, extending well over a twelve-month period, the Committee has been brought into close contact with the situation of old people in Canada today. The many persons who have appeared at these Hearings, representative of governmental and voluntary bodies, and speaking usually from intimate knowledge, described this situation, or particular aspects of it, in considerable depth and detail. They also indicated, with some precision and an impressive degree of unanimity, what in their view should be done about it.

There can be no question of the important contribution made by the Hearings to the Committee's inquiry. Not only was a great wealth of material assembled, which could hardly have been secured in any other way; but also as the evidence accumulated members were made increasingly aware of the magnitude and complexity of the subject-area with which they were required to deal. The greatest difficulty arose when it came to assessing the proposals put forward by the different groups. As was quickly apparent these were based on a variety of premises that were not always compatible, and in the Committee itself differences were revealed in view-point and assumption that frequently stood in the way of easy consensus.

It cannot be said that the Committee made any formal attempt to resolve these differences. The focus throughout was rather on practical concerns, and it was in relation to one after another of these that matters of principle and philosophy were discussed and clarified. Out of this process certain generalizations were gradually evolved, which served to guide the Committee's thinking and planning and it would seem important to set these down in brief outline, as follows:

1. *The welfare of older people is closely linked with the welfare of all Canadians.*

Many of the problems older people face are the result of new developments in society, such as rapid technological change, which are having their effects on other age groups as well. This means that constructive planning for old people cannot proceed on an *ad hoc* basis but must rest on an analysis and understanding of the total social situation.

2. *Society has a responsibility to protect and assist disadvantaged groups in the population, such as older people under present day conditions, but in doing so must also take account of the wider public interest.*

David A. Morse, director-general of the International Labour Office, Geneva, speaking at the first Hearing of the Committee, enunciated this principle:

> "Older people", he said, "are more vulnerable to change than other groups . . . more defenceless, more liable to be discarded . . . Yet in justly recognizing the claims of older people . . we should do so, I suggest, through policies fully harmonized with the broad social and economic goals of the community as a whole."

Mr. Morse couples social and economic goals as though they are themselves in harmony, which is, of course, not always the case. His main point, however, is valid, namely that there is need for a total rather than a segmented view of the good society and for long-term as well as short-term objectives along the road to its achievement.

3. *Every effort should be made to enable old people to maintain their independence as fully and as long as possible.*

Not only is prolonged dependence likely to be debilitating but it is a condition which the great majority of older people are anxious to avoid. All the evidence received by the Committee supports this proposition. Witnesses from the health field laid great stress on the importance and potentialities of rehabilitation programs, and older people themselves spoke of their desire to manage their own affairs rather than become a burden to their families and the community.

4. *There is no simple answer to the question of whose responsibility it is to provide the services and facilities required by Canada's growing population of old people.*

Governments at all levels, voluntary agencies and associations, business enterprise and the individual citizen himself are all involved, but the roles performed by each are constantly changing, and at any given time vary according to the nature and extent of a particular need, and the social service pattern of the community or province.

Broadly it may be said:

— that the individual should be expected to carry a personal responsibility for his own health, welfare and happiness in old age as in earlier life up to the limits of his means and capacity.

— that voluntary agencies and associations may provide, or share with government in providing, services that are within the scope of private financing and/or are not yet accepted as requiring to be made generally available.

— that business enterprise should be free to cater to the needs and interests of those older people who have the means to pay for them.

— that governments have the overall responsibility to see that:

(a) older people have sufficient income to support a desirable minimum standard of living;

(b) the necessary range of basic services and facilities required by older people are provided and available to them;

(c) that under whatever auspices such services and facilities are provided acceptable standards are maintained.

5. *It follows from the above that one of the great needs in the field of aging is for planning and co-ordination, not only in local communities but at the provincial and federal levels.*

Vigorous and varied eflorts are being made everywhere across Canada at the present time to match the requirements of older people with appropriate services and facilities. To a large extent, however, these efforts are proceeding independently without reference to any central design. The result is a fragmented and unbalanced situation in which old people seeking help are often confused, and in which overall planning, evaluation and research are conspicuously lacking. Some disorder is to be expected in the early stages of any important undertaking, but if this disorder continues unduly, especially in an area as many-sided and complex as that of aging, there is an increasing risk of ineffectiveness and failure.*

CHAPTER 2

Income Status and Security

Income status of older people

Without question the most serious problem encountered by the Senate Committee in the course of its investigation was the degree and extent of poverty which exists among older people. Witness after witness at the hearings spoke of incomes insufficient to ensure proper food, housing and medical care; and every form of analysis made for the Committee, on the basis of the 1961 census and the 1962 survey of income statistics, supported the proposition that older people are a low-income group, and that many of them eke out an existence at or near the subsistence level.[1] The situation is elaborated in Chapter 9 but a few of the more striking facts may be summarized as follows.

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* At a number of points in later chapters of the Report, the Committee returns to the question of guiding principles. This has seemed necessary, in relation to the particular problem under discussion. It will usually be found, however, that these later formulations are corollaries of the five statements presented here, which the Committee regards as basic.

[1] The chief source of data for this summary is a memorandum and subsequent tabulations prepared for the Committee by Miss J. R. Podoluk, Research Statistician DBS (See Proceedings of the Special Committee of the Senate on Aging (No. 18), October 22, 1964.)

1. In 1961, 54 per cent of the population aged 65 and over, had gross money incomes of less than $1,000. Actually the percentage was higher than that. For one thing, persons reporting no income, some 8 per cent of the total, were not counted; for another the survey excluded farm residents, inmates of institutions, and persons living in non-private households, altogether another 18 per cent. Had these two groups formed part of the total, the 54 per cent figure would undoubtedly be higher. For all persons who were included the median income was $960: $1,440 for men and $830 for women.[2]

2. Fifty-nine per cent of Canada's older people in 1961 were members of families as defined by the census.[3] It may be assumed, although we do not have adequate data, that many of these older people are better off than their individual incomes would suggest. If the husband and wife are still together, which was true in 80 per cent of such families, the wife may have had an income as well as the husband, and unmarried children, if present in the home, may have been making some contribution in support of their parents. The median income of non-farm families with the head aged 65 and over, was $2,831, which, however, was only 60 per cent of that of families with the head under 65. A further finding of considerable importance is that although older families (with the head aged 65 and over) comprised only 12 per cent of all Canadian families, they accounted for nearly one-third of the total number with incomes under $2,000.[4] Some 37 per cent of older families are in this latter group.

3. If things are difficult financially for many older people living in their own families, they are much more so for those whose families are broken up through the death of one of the marriage partners and children moving out on their own. In 1961 there were 570,000 such "unattached" persons, over two-thirds of them women, and their median income on the basis of the non-farm sample was $829[5], with 60 per cent receiving less than $1,000 annually.

We know less than we should about how these people manage. Over 40 per cent of them, mostly on very low incomes, lived with married children or other relatives, who in many instances doubtless provided free room and board. The remainder, however, some 262,000 older persons, 63 per cent of them women, lived alone or with non-relatives and were, presumably, dependent for the most part on their own resources. Of this latter group, 53 per cent had incomes of less than $1,000. Among those aged 70 and over, 47 per cent of the men and 50 per cent of the women, received almost their entire incomes in the form of Old Age Security payments.

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[2] Because of the concentration of pension incomes at $660 (the old age security level in 1961) it is probable that the correct median in this group is lower, possibly as low as $660.

[3] A family, as defined by the census, comprises a husband and wife living together with or without *unmarried* children, or one parent occupying a dwelling with *unmarried* children.

[4] It should be observed that the 1964 Annual Report of the Council of Economic Advisors (U.S.A.) regards as poor all families with incomes under $3,000.

[5] See footnote 2.

4. Among the various sub-groups in the older population, "unmarried" women (single, widowed and divorced)[6] would appear to be in the worst economic position, which is all the more serious since in 1961 over 50 per cent of all women, 65 years of age and over, were in this category. Moreover, the prediction is that the percentage of women in the older population will continue to rise over the coming decades and that an increasing proportion of them will be widows.

An analysis of the income position of older "unmarried" women by household status indicates that for those who lived with relatives, usually their married children (one-third of the total group) 80 per cent had incomes of less than $1,000. Only slighter better off were lodgers (10 per cent of the group) with a median income of $844. For those who maintained their own apartment or house, (some 44 per cent of the group) the median was highest at $937. (Not included in the above classification were women in institutions, such as homes for the aged, nursing homes, etc., who comprised nearly 9 per cent of the unmarried female group, and employees and others who totalled 4 per cent).

Another informative statistic relates to Old Age Assistance. Of persons (between 65 and 69 years) granted such assistance in 1962-3, 56.6 per cent were women; and of these 7 per cent were single and 49 per cent widowed, separated and divorced.

In another tabulation (see Table 1) the Committee examined the incomes of older people by age beyond 70. It will be seen that among the present generation of older people incomes vary inversely with age, which suggests that those in advanced years, and especially the women among them, are in greater financial need than persons who retired recently.

[6] The census includes separated persons in the married group.

Table 1.—Percentages of Non-Farm Population 70 years of age and over with annual incomes of less than $1000 by sex, age and marital status for Canada to the year ended May 31, 1961.

Age	All Males	Females		
		Married (a) (36% of female group)	Single (b) (9% of female group)	Widowed or Divorced (c) (55% of female group)
	%	%	%	%
70–79	37	80	50	65
80–89	58	87	59	74
90 and over	62	94	63	77

SOURCE: Unpublished data DBS.

Sources of Income

An important question relates to the proportion of their incomes which older people receive from different sources. Census information on this subject, unfortunately, is not yet available but the Survey of Consumer Finance 1962 yields the following statistics:

Table 2.—Composition of Aggregate Family Income by Age of Head of Family[7]

Source	65–69 years	70 and Over
	%	%
Income from employment	71.4	48.1
Old age pensions and old age assistance	3.2	26.1
Other government payments	6.3	4.3
All other sources	19.1	21.4
TOTAL	100.0	100.0

SOURCE: Unpublished data 1962 Survey of Consumer Finance.

Table 3.—Composition of Aggregate Income for Non-Family Members by Age of Individual[8]

Source	65–69 Years	70 and Over
	%	%
Income from employment	42.0	17.3
Old age pensions and Old Age Assistance	12.7	46.2
Other government payments	12.6	4.1
All other sources	32.7	32.4
TOTAL	100.0	100.0

SOURCE: Unpublished data—1962 Survey of Consumer Finance.

In view of the fact that the incomes of children and other relatives living with the family head are included in Table 2, it is not perhaps surprising that employment should be the chief source of family income even for the group 70 years and over, or that government payments come to only 30 per cent of the total. Another reason why employment remains important as a source of family income is that most family heads are men and a considerable proportion of these (47.4 per cent aged 65-69 years and 17.8 per cent 70 years and over in 1961) continued to work.

[7] Includes incomes of relatives living with head.
[8] Individuals living alone or with non-relatives.

For individuals living alone apart from any relatives, some two-thirds of whom were women, heavy dependence on government payments is clearly seen. One-quarter of all income in the group 65-69, and over one half in the group 70 years and over came from this source. Miss Podoluk adds two other comments: 1) the proportion of total income received from government payments is much higher for women than for men (70 per cent of *all* women 70 years and over as compared with 40 per cent of *all* men had no other income than government payments); 2) for those individuals whose incomes were less than $1,000 (60 per cent of the total non-family group) government payments constituted more than 90 per cent of the total income.

It should be noted, however, that employment continues to be an important if diminishing source of income even beyond age 70. Older persons who continue to work, chiefly the self-employed, are in a much better financial position. Canadian figures on this point are not available but the situation in the United States in 1957 was described as follows: "Only about one-fifth of all men aged 65 and over, and 4 per cent of all aged women were year round full-time earners. Their average annual income was roughly two and a half to three times that for all aged persons."[9]

Unfortunately, it is not possible with the data now available to make an analysis of "income from other sources", which in three of the four categories given above is the second largest income component. Presumably the chief item is investment income, which accrues chiefly to persons at the upper end of the income scale. The other item of principal consequence is private pensions and annuities. Here we know that in the 1961 Census 228,000 persons of *all* ages, 166,000 men and 62,000 women, reported income form this source. Even if one were to assume that three-quarters of these persons were 65 years of age and over, only 12 per cent of the older age group were in receipt of income from this source. A breakdown of the figures by income indicates that of all male pension recipients, regardless of age, 35 per cent had incomes of $5,000 and up and 11 per cent had incomes under $1,500; and that of all women recipients 15 per cent had incomes of $5,000 and up and 28 per cent had incomes under $1,500.

Assets and Liabilities

Although cash income is the most important single measure of the financial position of older people, a complete assessment needs to take account also of income in kind, such as imputed rent on owner-occupied homes, and also of assets that may have been accumulated by older people during their working years. It is unfortunate, therefore, that recent data under this head are not available. The latest information is from a DBS survey in 1958 which shows that non-farm families with heads aged 65 and over had more liquid assets and less debts than families

[9] Lenore A. Epstein, *"Money Income of Aged Persons: A Ten-year Review, 1948-58"*— Social Security Bulletin, Washington, 1959.

generally.[10] For most people in both groups, however, the amounts involved were small: 60 per cent of the older families, and 80 per cent of all families had liquid assets of less than $2,000; and 96 per cent of the former, as compared with 88 per of the latter, had consumer debts of less than $1,000.

It is probably true in Canada, as in the United States and Great Britain, that the most important capital owners among the aged are a small minority of the total group. This same 1958 survey shows that for the group aged 65 and over, 15.3 per cent of family units (families and unattached individuals) with incomes of $5,000 and more held 40.3 per cent of the liquid assets of the group. Similarly in the United States in 1960, (according to the Survey of Consumer Finances, University of Michigan), the top 20 per cent of the age group 65 years and over, ranked by size of income, held about 50 per cent of the liquid assets.

Owned homes are the principal asset that people bring with them into old age. In 1961, of 747,000 dwellings occupied by households, whose head was aged 65 and over 77 per cent were owner-occupied. In the spring of 1959 it was estimated that over 90 per cent of home owners aged 65 and over owned their homes, mortgage-free. This means, of course, that a modest cash outlay enabled such families to remain in their own homes. However, as pointed out by Central Mortgage and Housing Corporation in its submission to the Senate Committee[11], the quality of the housing stock occupied by the elderly is much below average.

Increases since 1961 in Social Security payments

What has been said up to this point relates chiefly to the situation in 1961 which is the latest year for which substantial data are available. It does not, therefore, reflect the two adjustments that have taken place since that date in the payments available to older people under the country's Old Age Security and Old Age Assistance programs. Today these payments total $900 annually for a single individual, and $1,800 for a couple, by comparison with $660 and $1,320 respectively in 1961.

It is, of course, important to examine the effect of these substantial improvements, and the Committee regrets that the necessary data for doing so are not yet available. (1964 was the first year in which the most recent change has had its full effect.) With regard to older families it will be recalled that 37 per cent of them in 1961 had incomes of less than $2,000. This percentage is now undoubtedly lower, although perhaps not as much lower as might be expected. For one thing, on the basis of past experience, only some 20 per cent of persons in the 65-69 year age group are eligible for benefit under Old Age Assistance. And for another, again on the basis of the past record, less than half the families with heads aged

[10] Memorandum prepared for the Senate Committee by Mrs. G. Oja of DBS.

[11] *Central Mortgage and Housing Corporation*, brief submitted to the Special Committee of the Senate on Aging, Proceedings Nov. 26, 1964, No. 22, pp. 1470-71.

70 and over are receiving the double increase of $480. A moment's reflection indicates why this latter statement is true. Since husband and wife are rarely of the same age, there is usually a period during which only one of them is eligible for Old Age Security. By the time both become eligible, the chances are that one or the other will soon be left alone. The period during which an elderly couple is in the happy position of receiving two Old Age Security cheques, therefore, is likely to be, on the average, a short one.

The proportion of non-family members (persons living apart from any relatives) with incomes below $1,000 may also drop considerably from the 1961 figure of 53 per cent. However, since most of this group were dependent chiefly on government payments, their incomes tended to cluster around the $660 figure.[12] To the extent that this was the case, the addition of $240 annually will still leave them in the under $1,000 class.

Financial Requirements

Finally, a question arises about the financial requirements of older people. How much must they have in order to satisfy their basic consumption needs? Unfortunately, this is an area of inquiry which has received very little scientific attention in Canada. Only two bodies that presented evidence before the Committee were able to furnish information derived from studies they had made.

The Ontario Welfare Council submitted a budget developed in 1958, which was designed to ensure "a modest but adequate living standard" for older people. According to their report, obviously out of date in a number of items, the monthly income required to meet this standard ranged from $86 to $98 for a single person, and for a couple from $135 to $149.

The Canadian Home Economics Association confined its attention to food costs in 1963 and presented allowances for elderly individuals on a monthly basis, in selected cities across the country, which ranged from $25.54 to $36.07.

In the United States, the Social Security Administration, back in 1946-7, developed a budget for a retired couple and estimates of the cost of this budget are published periodically by the Bureau of Labour Statistics, which prices the various items in some twenty large cities.[13] In 1959, the average annual cost of the American budget for a retired couple in the cities selected was estimated at about $2,500.[14]

To sum up, the Committee, while recognizing and regretting the gaps and deficiencies in existing knowledge about the income status of older people, is fully persuaded on the basis of the evidence presented to it and its own analysis of

[12] See footnote 2.

[13] *Monthly Labour Review*, November, 1960. United States Department of Labour, Bureau of Labour Statistics.

[14] Lamale, Helen H.—*"Budgeting for Older People"* in Aging and Economy—Edited by Orbach and Tibbits, University of Michigan, 1963.

available data, that the economic problems of the aging population continue to present a serious challenge. Everything we learned confirms the view, expressed at the outset, that older people, and more especially those denied the support of a family, are a low-income group, both absolutely and by comparison with younger adults. Not only so, but older people, unlike younger adults, have little prospect of improving their condition through their own efforts. Only about one in six of them (one in four of the men) is in the labour force, and even this low rate of participation is definitely falling. Older people, therefore, are not able to benefit from the gains resulting from increased industrial productivity, while at the same time their meagre incomes are subject to erosion as the cost of living rises.

Recommendations of the Committee

What recommendations can be formulated to deal with the income problems outlined above? In facing this question the Committee was, of course, aware of one very important proposal that was before Parliament at the time in the form of an Act "to establish a comprehensive program of old age pensions and supplementary benefits in Canada payable to and in respect of contributors" (Bill C-136). Indeed, six members of the Committee, including the Chairman, were members also of the Special Joint Committee of the Senate and the House of Commons appointed to study it.

In the circumstances, the view taken was that it would be inappropriate, and indeed a work of supererogation, for the Senate Committee to make recommendations related to this particular measure. It has, however, followed the Proceedings of the Special Joint Committee with keen interest and is impressed with the degree of economic security that the new legislation will afford to the great majority of older people retiring in the future. In the past the modest aim of government programs in this area has been to meet the basic needs of older people. The significance of the Canada Pension Plan is that it goes beyond this minimum objective and seeks to ensure to retiring workers, and their dependents, an income that will be related significantly to the family's pre-retirement standard of living.

It is not a criticism of the Canada Pension Plan, which is based on the contributory principle, that its benefits will flow to those who retire in the future, and, meanwhile, build up a record of entitlement. The fact remains, however, that there are a million or more older people in Canada, already retired, who are altogether outside the scope of its provisions, and that the majority of this latter group, as the figures show, are in serious economic need. Having lived through two World Wars, the great depression and a period of marked inflation, these older people find themselves now with few personal resources and dependent on the support of government programs to a much greater extent than the new retirees are likely to be. The concern of the present aged is not one of maintaining a

pre-retirement standard of living, which for many was abandoned long ago, but rather of being able, in face of rising prices and depleted means, to secure the bare necessities of existence.

Note should also be taken of the recent action by Parliament which makes the Old Age Security pension available progressively at lower ages than 70 down to age 65 in 1970. While generally commendable, this action, of course, constitutes a further benefit to future retirees, amounting to $4,500 for those born in 1905 or later, without any corresponding benefit to those in the upper age group who, from all the evidence, are in greater need.

While the Senate Committee, in line with its terms of reference, has been concerned with "the welfare of the aged and aging persons" generally, it has felt a particular responsibility for old people already retired and has had their needs prominently in mind throughout its deliberations.

1. On grounds of equity as well as of need something must be done to increase the benefits available to persons aged 70 and over, and to ensure that the retired individual will enjoy future benefit increases that are in harmony with the upward movement of incomes generally. (It will be recalled that 70 per cent of all women in this group, and 40 per cent of all men in 1961 had no other income than Government payments.)

2. Any suggestion that these older people, when the $75 pension is not sufficient, should be expected to depend for supplementation on public assistance after a needs test is utterly unacceptable. Public assistance should, of course, be available to them, as to others in the population, to meet residual needs and to deal with special circumstances, but it is the Committee's conviction that main reliance for meeting their ordinary requirements should be on benefits to which they are entitled as a matter of right and that the proportion of older people requiring needs-tested supplementation should be very small at all times.

3. The question is how best to provide such benefits. One possibility would be to increase the Old Age Security Pension by some agreed amount as has been done at intervals in the past. It is obvious at once, however, that an adjustment of this type, however welcome it might be to retired people on slender means, will do nothing to improve their position relative to that of future retirees. The latter, in addition to their Canada Pension Plan benefits would be entitled also to whatever increase is made in the basic pension. Not only would the problem of inequity remain, but the cost of a general increase sufficient to relieve significantly the situation of retired people, would involve a very substantial outlay of public funds.

4. There is however, another possible way of dealing with the situation which the Committee has considered: viz., through the establishment of an Income Guarantee Program on the lines indicated below.

Income Guarantee Program

If this approach were adopted the following steps would be involved:

(1) The establishment of a technically competent body to study the income needs of older people and to develop a socially acceptable minimum budget for single persons and couples, which would be adjusted automatically each year on the basis of a suitable index of consumer spending or of earnings, with a review every five years to reflect changes in the relative circumstances of the working population and the retired population.

(2) Until this study has been made, acceptance as a working standard of the maximum annual income permitted now under Old Age Assistance, namely, $1,260 for single persons, and $2,220 for married couples.

(3) The establishment of an Income Guarantee program to provide allowances throughout life to all persons beginning at age 65 on the following lines:

(a) that the only conditions for eligibility under the Income Guarantee Program be age, as indicated above, ten years' residence in Canada, and net cash income from all sources, including Old Age Security and the Canada Pension Plan, below the above amounts.

(b) that the program be administered and financed by the Federal Government).

(c) that the procedure call for the completion of a simplified income form annually and that the amount by which the declared income falls short of the established minima in any year constitute the benefit for the year following.

(d) that there be "sample checks" periodically, as under Unemployment Insurance, to catch abuses, but no means or needs test enquiries on traditional lines.

(e) that income, capital and deductions be defined and treated as for income tax purposes so far as possible, except that all public transfer payments other than temporary needs-tested supplements would be included.

(4) The Committee is not in a position to estimate the costs of an Income Guarantee Program as outlined above. It is obvious, however, that to some extent these costs would reduce expenditures under the Canada Assistance Plan, although undoubtedly many needy old people would apply for supplementation under the new proposal, if implemented, who would be reluctant to do so where a needs test is involved. A further consideration in regard to cost is that the Income Guarantee Program is intended essentially for the benefit of old people already retired, who in such large numbers are dependent entirely on the Old Age Security Pension of $75 a month. It is assumed in spite of the escalation proposed that, with the benefits

available to future retirees under the Canada Pension Plan, the numbers qualifying for income guarantee payments would decline considerably through time.

Conclusion:

It is the considered view of the Committee that the income guarantee approach to the income needs of old people has much to recommend it. Apart from its administrative simplicity (by comparison with public assistance) and the modest level of public expenditures that would be involved (by comparison with the equivalent increase in the Old Age Security Pension) the proposal in our view has two important merits. It avoids the indignity of the needs test to which we should not like to see several hundred thousand retired people subjected, and further it provides the most effective means we have discovered of correcting the present inequity in our treatment of the already retired and the about-to-be retired generations of old people, a matter which has given us grave concern.

RECOMMENDATION:

(1) The committee endorses in principle the institution of an income guarantee program for all persons aged 65 and over and recommends to the Federal Government that this proposal be given immediate study.

CHAPTER 3

Employment Status and Opportunities

Reference has been made in the preceding chapter to the role of employment as a source of income for persons even beyond the age of 65. That employment has important psychological values as well was stressed continually in the evidence received by the Committee. Said the Jewish Vocational Service of Toronto in its submission: "Work gives form, dimension and meaning to the life of the average citizen."[1] And there was Mr. W., a retired widower, on an income of $150 a month, who, when the chairman asked him what he missed in retirement, replied, "Mostly getting up and going to work in the morning, catching the bus at a certain time—and just general routine."[2]

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[1] *Jewish Vocational Service,* brief submitted to the Special Committee of the Senate on Aging, Proceedings No. 5, p. 263, April 30, 1964.

[2] *Evidence provided by five senior citizens,* Proceedings of the Special Committee of the Senate on Aging No. 4, p. 83, Nov. 7, 1963.

Some Basic Statistics

1. The fact is, however, that today fewer people beyond age 65 are working. From about 60 per cent in 1921 the participation rate for men has fallen steadily until today it is around 25 per cent. Interestingly the rate for women has actually risen, but the percentages are small (5.8 per cent in 1963 as compared with 4.2 per cent in 1950) since most women withdraw from the labour force altogether at or around age 65. So far as men are concerned the decline in labour force participation begins to be observable at age 45 (10 years earlier than for women) but the first substantial drop, 10 per cent for men and almost one-third for women, occurs in the age group 55 to 64.

2. Another measure of the difficulty experienced by older workers in the labour market is the unemployment rate. In 1963, this rate for men in the age group 55 to 64 was 25 per cent higher (6.1 per cent) than in the age group 45 to 64. Surprisingly the rate for the group aged 65 and over was lower than for either of these younger groups, doubtless due to the fact that many older men, although wanting and needing to work, had given up trying to find it.[3]

3. Perhaps the most revealing tabulation examined by the Committee relates to the duration of unemployment among older people. Here the statistics are not broken down by 10-year age groups. They do show, however, on the basis of October and June averages for the years 1961-63, that the percentage of persons unemployed for over six months was twice as large in the age group 45 and over as in the age group 25 to 44. This suggests that while many older workers, by reason of seniority and other factors, may be able to hold their jobs reasonably well up to the time of retirement, once they have lost them they find it difficult to get back into employment.

4. Another matter of interest to the Committee was the kind of work older people do and the extent to which it differs from that of younger workers. The situation as revealed by the 1961 census may be summarized as follows:[4]

(1) Men aged 45 and over comprised 34.1 per cent of the male labour force, but they constituted more than this percentage of the men in managerial (47.7 per cent), agricultural (46.9 per cent), personal service (46.6 per cent), fishing and trapping (37 per cent), and construction (34.5 per cent) occupations.

(2) Women aged 45 and over comprise 28.9 per cent of the female labour force, but they constituted more than this percentage of the women in managerial (54.7 per cent) agricultural (41.1 per cent), personal service (35.5 per cent), commercial and financial (31.3 per cent) and professional (29.6 per cent) occupations.

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[3] *Dept. of Labour*, brief submitted to the Special Committee on Aging, Proceedings No. 14, p. 959, July 2, 1964.

[4] *Ibid*, pp. 961-2.

(3) Of men who continued in the labour market beyond age 65, two-thirds were concentrated in four occupational groups: agriculture (29.8 per cent); service (13.4 per cent); managerial (12.5 per cent); and manufacturing (10.8 per cent).

(4) Of women who continued in the labour market beyond age 65, more than two-thirds were concentrated in three occupational groups; personal service (40.3 per cent); professional (17 per cent); and clerical (11.5 per cent).

Several inferences may be drawn from the above figures:

(1) People that work for themselves, as in agriculture and the professions, tend to retire later.

(2) The same is often true in occupations where judgment and experience are positive factors, as in management (although an important consideration here for the group beyond age 65 might well be whether the manager controls the business); and where there is a shortage of skilled workers, as in certain manufacturing trades and types of office work.

(3) The proportion of men and women in the service occupations rises with age. Most of the women were in a category designated by the census as "housekeepers, waiters, cooks, and related workers", and it can be assumed that the majority of the men similarly were in poorly paid, and probably seasonal occupations.

The Problem Analyzed

Against the background sketched above, which is treated more fully in Chapter 10, the Committee attempted to analyze the problem of employment as it relates to older people. What is the nature and extent of it?

1. The term "older worker" cannot be limited to the age group beginning at age 65. Said the National Employment Service in its submission: "A person is an older worker only when he encounters, or may expect to encounter, difficulty in obtaining or keeping a job primarily due to his age . . . the problem is most likely to arise after a person reaches the age of 45."[5] It is most serious after age 65.

2. For many older workers there are no serious employment problems at all. They work out their days with no more difficulty than other members of the labour force and leave voluntarily at or around age 65 because of the availability of a pension, the attractiveness of retirement, or the disability of failing health.

3. Steady employment between the ages of 45 and 65 is of vital importance to the individual. To be out of work during these crucial years makes it impossible to accumulate savings for old age. The serious long-range effect of employment

[5] *National Employment Service,* brief submitted to the Special Committee of the Senate on Aging, Proceedings No. 11, p. 750, June 11, 1964.

difficulties in the later years of working life was brought home to us in many submissions. Professor John S. Morgan, of the School of Social Work, University of Toronto, noted that continuous unemployment from age 45 on will result in "an unhappy, insecure and damaged person before he becomes 65."[6]

The experience of the NES is that "repeated rejection on account of age will eventually lead to discouragement, frustration, and loss of self-confidence, which will in turn affect the ability to make a good impression on the employer."[7] The evidence in support of these views is overwhelming.

4. Technological advance, by eliminating old jobs and creating new ones, causes serious problems of adjustment for segments of the labour force. Groups most seriously affected are the unskilled, the poorly educated and older workers. It needs to be remembered that "A majority of the workers who are now 45 years of age and over prepared themselves for work at a time when 40 per cent of all workers were employed in primary industries, as compared with 13 per cent today."[8] While many individuals because of native ability and superior initial training have adapted successfully to changing conditions as they have occurred, other displaced workers have had to be content with insecure jobs in low grade occupations.

5. While recognizing the seriousness of the adjustment difficulties created by modern technology, the Committee is of the view that the root of the employment problem of older workers in Canada during recent years, beginning in the middle and late 1950's is to be found in the relatively slow rate at which the economy has been expanding. As was pointed out in the First Annual Review of the Economic Council of Canada issued in December, 1964, the averge rate of unemployment in this country has followed an upward trend throughout this period, and for the past decade has been higher than that of the United States and substantially above those of industrially advanced countries in Western Europe. While there have been fluctuations in unemployment throughout the post-war period, the average rate rose higher during each cycle up to 1962: 2.8 per cent in 1946-53: 4.3 per cent in 1954-57: and 6.7 per cent in 1958-62.[9]

The Economic Council maintains that, with appropriate policies, this trend can be arrested (In 1964 there was a drop to a seasonally adjusted rate of 4 per cent) and that "a realistic medium term goal for the Canadian economy" is 3 per

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[6] *Professor John S. Morgan,* evidence submitted to the Special Committee of the Senate on Aging, Proceedings No. 2, p. 28, October 24, 1963.

[7] *National Employment Service,* brief op. cit. p. 756.

[8] *Federal Department of Labour,* brief op. cit. p. 968.

[9] Economic Council of Canada, *Economic Goals for Canada to 1970,* Ottawa, Queen's Printer, December, 1964, pp. 9-12. The Economic Council also points out (pp. 9-10) that the incidence of rising unemployment in Canada has been "highly uneven". "Thus the highest rates have always tended to occur among workers in certain regions of the country (especially in the Atlantic Provinces), in some sectors and industries (for example construction), in certain age groups (among teen-agers and older workers), and among some occupations (especially among the less-skilled)."

cent. If this goal could be attained there would be more employment opportunities for older workers over age 45, particularly during the next decade, since, as observed in the submission of the Department of Labour: "The group considered most competitive, the 25-44 year olds, is expected to form a considerably smaller portion of the total male work force in 1971 then it did in 1951 or 1961."[10]

The Special Problems of Older Workers

While, as has been said, the main hope of providing continued employment opportunities for older workers must rest on the success of efforts to keep employment generally at a high level, it would be a mistake to ignore the special problems of older workers in the labour market. Indeed, these problems were the burden of most of the briefs received by the Committee and in our view are likely to persist, in degree at least, even under conditions of optimum economic activity.

Employer Attitudes

The National Employment Service laid particular stress on this factor which it regards as "probably the major cause of employment problems in the 45 to 64 age group."[11] While in some instances the reluctance of employers to take on older workers may be well founded, the NES is convinced that much of it is due to the general tendency in our society, with its accent on youth, to underestimate the capabilities of people beyond middle life. Such attitudes, unfortunately, persist in spite of numerous studies which clearly show the relative advantage older workers have over younger workers for a considerable variety of work, and in respect of a number of characteristics like reliability, judgment and a low rate of absenteeism. Hiring and retiring practices, often related to pension plans, which discriminate against older workers are part of this general picture.

The Committee recommends:

(2) That the National Employment Service (NES) continue and intensify its efforts to correct prevailing misconceptions and to overcome current resistance to the hiring of older workers through educational programs aimed at employers as a group, but more particularly through direct contacts with individual employers; and that in such efforts it enlist the support of management and labour, possibly through the holding of employer-labour institutes sponsored by universities and community groups, as is done in the United States with leadership from the employment service.

(3) That, on the initiative of the Federal Department of Labour, research be continued into the characteristics of older workers and the effect

[10] *Department of Labour,* brief op. cit. p. 971.
[11] *National Employment Service,* brief op. cit. p. 751.

of age on specific abilities; and that efforts be made to get the findings of such studies translated into enlightened personnel policies and into conditions of work related to the changing capacities of the older worker.

(4) That the NES maintain a check on applicant qualifications as specified by employers, such as age and education, in an effort to ensure that these are realistically related to the requirements for successful performance in the jobs to be filled.

(5) (a) That studies be made by the Federal Department of Labour of experience with gradual retirement programs now in effect in private business and the public service and that the findings of these studies be used to stimulate wider interest in such programs on the part of management and labour; and

(b) That programs of counselling and planning in preparation for retirement be more widely adopted by private business and the public service, and that Federal and Provincial Departments of Labour provide to interested employers and unions the technical consultation necessary for their successful operation.

Worker Deficiencies

Limited schooling is a large factor here, and, while its importance can be exaggerated in relation to particular jobs, there is no doubt that in a technologically advancing society younger workers with more formal education are in a preferred position. Figures for the male labour force (Census 1961) indicate that 63 per cent of the group aged 55 to 64, and 66 per cent of the group aged 65 and over, as compared with 36 per cent of the age group 15 to 34, had elementary school education or less.

There is the further consideration that vocational skills adequate at one period of life may become obsolete under changing conditions and that the interest and opportunity necessary for older workers to acquire new skills may not always be present. In this context the submissions made to us by Dr. Roby Kidd and the Canadian Association of Adult Education are suggestive.[12] Both stress the need to adapt the content and methods of training courses to the interests, attitudes and background of older trainees.

Finally, among factors which have to be taken into account in efforts to help older workers improve their positions, is their aversion to being uprooted. The brief of the Federal Department of Labour referred to studies in the Maritimes which suggest "that when job opportunities in a community decline it is the younger and better educated who leave . . . . the strings that bind people to a community grow

[12] *Dr. Roby Kidd,* Evidence submitted to the Special Committee of the Senate on Aging, Proceedings No. 5, November 21, 1963. *Canadian Association for Adult Education,* brief submitted to the Special Committee of the Senate on Aging No. 18, October 22, 1964.

stronger with age,"[13] However, it would probably be a mistake to assume that this is generally true, at any rate for workers in their 40's or 50's.

The Committee recommends:

(6) That in line with the recommendation of the Economic Council of Canada, the NES, "as the key operational agency for implementing manpower policies" be responsible for analyzing basic supply and demand conditions and for administrating the range of programs required to facilitate adjustment to technological change and to assist the movement of workers from areas of declining to those of increasing employment opportunities.

(7) That, in particular, the NES seek the cooperation of individual employers, employers' associations and unions in developing procedures in relation to staff layoffs and adjustments from whatever cause which, unless planned carefully well in advance, may have serious if not disastrous effects on the employment prospects of displaced older workers.

(8) That the NES strengthen and improve its services to older workers in respect of counselling and job finding and that in larger centres a special officer be appointed to carry these responsibilities.

(9) That the Federal-Provincial Vocational Rehabilitation program be enlarged and strengthened to provide in greater measure for the rehabilitation of older workers, whose disability arises mainly from prolonged unemployment.

(10) That an examination be made of those training programs provided for under the Technical and Vocational Training Assistance Act, which have as their object the upgrading of employed workers and the retraining of the unemployed, with a view to determining the reasons for the limited use currently being made of them, and that such measures as are indicated be taken to improve their effectiveness in attracting and holding students especially in the older age range.

Part-time employment

Frequently in the course of the Hearings reference was made to the need and desire of older people for part-time employment, especially after age 65, and the Committee was therefore interested to discover that opportunities of this kind are increasing in Canada. Between 1953 and 1964, while full-time employment increased by 25 per cent, part-time employment increased by over 200 per cent from 197,000 to 594,000 positions. It was not possible to make similar comparisons by age groups but unpublished material from the census shows that in 1961 some 9 per cent of workers aged 45 and over (4 per cent of the men and 23 per

[13] *Federal Department of Labour,* brief op. cit. 970.

cent of the women) were in part-time jobs. For workers aged 65 and over the percentage stood at around 20 per cent, 16 per cent for men and 29 per cent for women.

There would seem to be an opportunity here that ought to be developed, having in mind particularly the needs and wishes of older people for employment on a part-time basis. Unfortunately, as things are, the field remains largely unorganized and the help provided by the NES in bringing jobs and workers together is on a relatively limited scale.

The Committee recommends:

(11) That the NES devote greater attention to the field of part-time employment with a view to discovering the nature of the demand and offering a more effective placement service.

Automation

In framing the above Recommendations, which are in the direction of keeping the doors of employment opportunity open for old people in Canada, the Committee may be accused of flying in the fact of economic realities. Have we taken fully into account the impact of automation on the economy and the extent to which it is likely to reduce the need for manpower? Dr. Schonning, Assistant Director, Economics and Research Branch of the Department of Labour reminded us that "less than two generations ago Canadians worked on the average of about three hundred hours a month to produce about one-half the per capita income which is now produced with about two hundred hours a month." "There is no reason," said Dr. Schonning, "to believe this trend will not continue; it may, in fact, accelerate."[14] And another witness gave it as his view, that "it (automation) is probably far and away the most important development with which this Committee must be concerned..... The future pattern, I would think, is likely to be one of entering the labour force later through remaining in school longer, and retiring from regular work earlier."[15]

The Committee was impressed by evidence of this kind and has endeavoured to appraise its significance. That automation as it proceeds will involve shifts in employment and some displacement of workers, especially in the older age range, goes without saying and measures to deal with this situation are among those we have put forward. It does not follow, however, that the total volume of employment will decline and, indeed, it is the Committee's view, in which we have the support of the Economic Council's recent report, that given the right combination of national economic policies this need not happen, at any rate in the foreseeable future. It may

[14] *Dr. G. Schonning*, brief submitted by the Department of Labour, op. cit. p. 978.

[15] *William N. MacQueen* in presenting the brief of the Social Planning Council of Metropolitan Toronto, Proceedings No. 15, pp. 1012-13, July 9, 1964.

well be, as has been suggested, that in the long run goods and services sufficient to satisfy man's needs and appetites can be produced with a minimum input of manpower, but this would appear to be a problem for future generations to deal with. Clearly it is not our situation now, in a country where so much remains to be done to meet fairly obvious social and economic needs, and in a world where two-thirds of the population lack the basic necessities of life.

Moreover, even on the assumption that because of the rapid advance of automation less manpower will be required in production, there is still a basic question to be answered. How do we propose to share the leisure the new technology puts at our disposal? Should we give it mainly to the old by reducing the age of retirement in circumstances where the life span is lengthening, and to the unemployed who are squeezed out of the labour market? Or, would a more constructive policy be to distribute it among people of all ages through a shorter work week and longer vacations, with sabbatical leaves to workers throughout their careers for the purpose of continuing education and re-training? The Senate Committee would strongly support the second of these alternatives, or at any rate such a mixture of the two as would permit workers at the point of retirement "an effective choice between remaining in or withdrawing from the labour market."[16]

CHAPTER 4

Health Status and Health Care

No adequate means exist to measure the health status of older people, but there are clear indications that many of them enjoy reasonably good health and get around well into old age almost as actively as when they were younger. We know that the incidence of acute illness is lower after age 65 than in any earlier period, and appreciably lower than for the group under 45, although for older people the period of recovery is longer.[1]

The real health hazard, especially in the later years, is chronic illness such as arthritis, diabetes, heart disease, cancer, and mental disorder, although here again it should be observed that one quarter of those suffering from chronic illness are under age 45.[2] Nevertheless, it is obviously true that as we become elderly, and more of us do than used to, the cumulative effects of many disabilities make themselves felt, and medical and health care become more important. According to the data from the Provincial Hospital Insurance Plans, length of stay in hospitals is twice as long for patients aged 65 and over as it is for those who are younger. The aged are

[16] *The Canadian Welfare Council*, brief submitted to the Special Committee of the Senate on Aging, Proceedings No. 6, p. 314, May 7, 1964.

[1] Health Statistics from the U.S. National Health Survey: *"Acute Conditions Incidence and Associated Disability,"* 1958, U.S. Public Health Service Publication, No. 5 B4-B6.

[2] U.S. Commission on Chronic Illness, *Care of the Long Term Patient*, Vol. 2, 1956, p. 7.

the chief users of nursing homes, the principal recipients of nursing home care, and are heavy consumers of medical services and drugs.[3]

The many inquiries carried out in Canada in recent decades into problems of health services, the latest and most comprehensive being that of the Royal Commission on Health Services, reflect the growing concern with matters of the provision and the financing of health services among all groups of the population and in all parts of Canada. Having pointed out the health problems peculiar to older people, we should like to draw attention to the fact that these problems are generally aggravated for the aged who live in rural areas. The latter suffer the disadvantages of long distances, difficult communication and transportation, and frequently lack conveniences which are taken for granted in the urban environment. More study is needed into the question of how the various forms of health services could be made available more adequately to these people. Particularly, one should bear in mind the importance in the rural setting of domiciliary and ambulatory care and, when admission to an institution becomes necessary, the desirability of keeping the older patient in reasonable proximity to his community. The availability of ambulance and other transportation facilities, and of effective telephone communication is especially important in the rural setting.

The Senate Committee, in the course of its Hearings, received a great deal of information of this kind from the Canadian Medical Association, the Department of National Health and Welfare, and various voluntary health organizations. It was also reminded on all sides of the gaps and weaknesses in current facilities for meeting the health needs of older people. The whole subject is discussed at length in Chapter 11 which, however, by no means exhausts the wealth of fact and opinion found in the briefs themselves. For the purpose of the present summary, it would seem important merely to itemize and underline those areas of special concern to which our principal recommendations are directed.

Preventive and Supportive Services

As the Department of National Health and Welfare reminded us: "The primary purpose of all health programs is to prevent illness." And, for those who take ill, the objective is "early diagnosis, treatment and rehabilitation."[4] The Committee was impressed by these statements and also by the fact that on a given day well over 90 per cent of Canadians aged 65 and over are carrying on outside

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[3] According to the *Health Information Foundation,* a research organization financed by the pharmaceutical industry in the U.S.A., the average annual expenditure of the elderly for both prescribed and non-prescribed medicines is more than double that of the average of the entire population. (Developments in Aging 1959 to 1963; A Report of the Special Committee on Aging, United States Senate, Washington, 1963, p. 7.)

[4] *Department of National Health and Welfare,* Health Branch, brief submitted to the Special Committee of the Senate on Aging, Proceedings, No. 23, December 3, 1964, p. 1542.

hospitals and institutions,[5] although many of them are undoubtedly receiving some degree of health care. It is for this great majority of older Canadians that preventive and supportive services are so important.

The question is how to provide these services and, human nature being what it is, make sure they are used. There has been long and successful experience with health supervision for certain broad groups in the population, such as mothers and babies, school children and industrial workers, but reaching the elderly, who frequently have limited group connections and are generally less mobile, may present special problems. Besides, as was suggested to us, if all persons, say from fifty on, were to turn up regularly for medical checkups, it would create a heavy burden for the physicians.

Development of geriatric "well-oldster" clinics might help to solve the problem, as would counselling for healthy living in a variety of settings, such as day care-centres and community clubs, and on occasions when older people visit their doctor or go to the hospital on an in-patient or out-patient basis. "Multiple screening", which consists of tests for a variety of chronic diseases given together is another means of saving time and money. Voluntary health organizations can also play an important role through mass education programs designed to encourage health habits and to alert the public generally to early symptoms of disease and disability.

The Committee recommends:

(12) That periodic health appraisals be more widely available to older people from physicians in solo and group practice and also on an experimental basis in out-patient departments and through programs initiated by local health departments: and further that the cost of such appraisals be covered by prepayment plans.

(13) That more experiments be undertaken with multiple screening for chronic diseases, not only by physicians in dealing with their patients, and by health institutions when patients are admitted, but on a broader community basis by local health departments and/or voluntary health organizations.

(14) That health counselling of people middle-aged and older, including such matters as diet, rest, recreation and living habits be provided through well adult clinics, day care centres, health services in housing projects, pre-retirement courses and health maintenance programs generally: and that initiative in establishing such programs and facilities be taken by the local health department.

(15) That mass education programs for people of all ages, with emphasis on the maintenance of good health throughout life as well as on the early

[5] *Department of National Health and Welfare,* Welfare Branch, brief submitted to the Special Committee of the Senate on Aging, Proceedings No. 24, Dec. 10, 1964, pp. 1654-5.

detection of disease symptoms, be promoted extensively by governmental and voluntary agencies, with the advice and cooperation of medical associations.

(16) That research be undertaken into the effects of regular exercise, various types of organized recreation, and other forms of group and individual activity on the physical and mental health of older people, and that grants under the Fitness and Amateur Sports Act be made available for this purpose.

Ambulatory and Domiciliary Health Services

We return to the point that many older people are fairly well most of the time, or at any rate are able to carry on with what ailments they have, provided medical and health advice, and perhaps certain prescribed drugs, are available to them. Even when they become ill for longer or shorter periods from some chronic condition it does not follow that removal to an institution is always the answer. The experience of Great Britain and other European countries with the health problems of the elderly, a much longer experience than ours in Canada, supports the view that home care with adequate community services, both social and medical, will in many cases prove a better alternative. This is true not merely, or mainly, because of the financial saving to the community that is involved; the real advantage is to the patient himself who ordinarily will do better and be happier in his own home, provided he has assurance of adequate care and access to services and facilities which will prevent him becoming a burden to his relatives.

Many submissions to the Senate Committee supported this point of view, although it was, of course, recognized that even a combination of organized home care and community services should not be regarded as a substitute for hospitalization when the need for intensive care is indicated. The following recommendation made to us by the Canadian Medical Association[6] is in line with the testimony received from many other informed and experienced groups:

"The development of more organized home care and homemaker services is needed across Canada. They are essential components of any balanced program of health and welfare services and offer a desirable alternative or supplement to institutional care, providing there is a careful selection of persons for these services, based on skilled medical, social and nursing evaluation. . . .

"Whether individual programs are hospital or community based, it should be a public responsibility to ensure that this development takes place."

In the face of testimony of this sort, the Committee was surprised to discover what little use has been made up to now in Canada of an approach which would appear to be so promising, particularly for the care of the aged and the chronically ill. A few home care projects here and there, chiefly on an experimental basis,

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[6] *Canadian Medical Association,* brief submitted to the Special Committee of the Senate on Aging, Proceedings No. 5, 1964, No. 20, pp. 1349-50.

homemaker services in perhaps 50 communities across the country but on a limited scale; these in addition to the well-established and widespread home nursing service of the Victorian Order of Nurses in urban areas (half the people cared for being in the age group 65 and over) are about the extent of it at the present time. The Royal Commission on Health Services, on the basis of its investigations, made the following declaration which we fully endorse: "We believe," they state, "that in the interests of patients and of costs, full scale programs of home care should now be launched in every urban centre of, say, 10,000 population and over, and in smaller centres as resources can be mobilized."[7]

The Committee recommends:

(17) (a) That home care programs for elderly people be greatly extended for those who are discharged early from hospital or who would otherwise require to be admitted; and

(b) That these programs include medical and nursing care, physiotherapy and other forms of rehabilitation, visiting homemaker service and use of sick room equipment; and

(c) That the cost of such programs be provided for under the Hospital Insurance and Diagnostic Service Act, through Health Grants or under a more comprehensive Health Plan.

(18) That facilities be provided more widely in the community to which sick elderly people could go or be brought for on-the-spot assessment, treatment counselling, rehabilitation and related services, such facilities to include outpatient departments of hospitals, geriatric clinics, and special clinics as required concerned with mental health, speech and vision defects, dental care and rehabilitation.

(19) That bedside nursing in the home be extended to urban areas now without them, and increasingly to rural areas, and that these services be provided or integrated closely with local or district health departments.

(20) That local health and/or welfare departments keep a register of all people aged 65 and over in their communities, and that public health nurses and/or social workers make contact with such older people and visit them periodically if such visits are necessary and desired.

(21) That arrangements be developed to make all these services available also in rural areas, by training lay personnel to assist the health professionals, and by ensuring prompt communication and transportation services.

Institutional Care

While the home and community services indicated above will go a long way to meet the needs of chronically ill older people and may, in many cases, provide

[7] *Report of Royal Commission on Health Services,* Vol. 1, p. 61.

all the help that is required, it would be a mistake to underestimate the importance of institutional care in the total spectrum of essential health services. According to the best estimates of the Department of National Health and Welfare[8], "on any particular day nearly 8 of each 100 persons 65 years of age and over, were residents in some form of institution rather than in the community at large", and for the population 75 years of age and over it is estimated that the proportion might rise as high as 15 per cent. Excluding from the above total some 20 per cent who were in hospitals for less than two months as a result of accident or acute illness, we still have 90,000 or more long-term patients in general and allied special hospitals, mental hospitals, tuberculosis sanitoria, nursing homes, homes for domiciliary care, and homes the nature of which was unspecified.

The evidence received by the Committee emphasized the extreme shortage there is in Canada of facilities designed and equipped to meet the needs of long-term patients. On the one hand, we are told that many long-term patients are in hospital when all they need is skilled nursing home care. On the other hand, we learned that lack of nursing homes is causing the bedridden to be placed in municipal homes for the aged which are unable to provide for them properly. What we heard from representatives of the Province of New Brunswick appears to be true all over Canada: "A great number of people now in homes for the aged should, because of their physical condition, be in nursing homes." Furthermore, it was reported they are taking up accommodation that is badly neeeded by other old people in need of domiciliary but not medical or nursing care, who as things are, have no place to go.

The nursing home is caught in the middle of the squeeze, with pressures from the over-crowded hospitals on the one side and from people in over-crowded housing or inadequate domiciliary care on the other. So desperate is the situation that even nursing homes of such poor quality that according to the authorities they "should not be in operation" have long waiting lists. Moreover, nursing homes, with a few exceptions, are not included under the hospital insurance program, so that unless patients are admitted as indigents and paid for as such out of public funds, they or their relatives must meet the full cost which we were told runs on the average of $8 to $10 a day, and is often much higher.

What impressed the Committee most about this whole situation, even more than the dearth of facilities, is the lack of clear policy that still characterizes our approach to what has been termed "the gray area" of long-term patient care. There could hardly be a better illustration of what the Royal Commission on Health Services described as "a paradox of our age, which is the enormous gap between our scientific knowledge and skills on the one hand, and our organizational and

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[8] *National Health and Welfare*, brief submitted to the Special Committee of the Senate on Aging, Proceedings Dec. 10, 1964, No. 24, pp. 1654-5.

scientific arrangements to apply them on the other."[9] What facilities precisely do we need? To what extent should their provision be left to private enterprise? What standards are essential and who would enforce them? And what arrangements should be made to cover the considerable cost to the individual and his family which long-term care inevitably involves?

It would be unfair to say that these questions have not been faced in Canada. Evidence received in the course of our Inquiry indicates that they are under active consideration by medical and government authorities, as well as by many other equally concerned groups across the country. The fact is, however, that up to the present no clear-cut consensus exists regarding the answers. And, meanwhile, the great majority of older people in long-term care have the status of indigents in various types of accommodation, much of which is unsuited to their needs, or of doubtful quality, and some of which is downright disgraceful.

The Committee recommends:

(22) (a) That definite decisions be reached without delay about the range of institutional facilities and services essential for the short and long-term care of the chronically ill; and

(b) That particular attention be given to the definition of various kinds of sheltered accommodation; and

(c) That where essential facilities are in short supply the capital costs involved in providing them be eligible for assistance under the hospital construction program or such modification of the latter as may be necessary; and

(d) That in planning the above facilities due account be taken of the new possibilities of short-term active treatment and rehabilitation with early discharge home as contrasted with long-term largely custodial care, in dealing with chronic disease.[10]

(23) That patients with chronic illnesses be cared for in wards or wings of general hospitals, or in other facilities integrated with the hospital system, instead of in completely separate and often isolated institutions as so frequently at present.

(24) That in all institutional facilities a positive attitude be adopted toward the possibility of rehabilitating elderly people and that provision be made for programs designed to return them "from helplessness and dependency to self care and a considerable degree of independence."[11]

(25) That provision for meeting the needs of mentally ill and confused older people be greatly improved, inter alia, through adequate assessment,

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[9] *Royal Commission on Health Services,* Vol. 1, p. 10.
[10] *Royal Commission on Health Services,* Vol. 1, p. 10.
[11] *Royal Commission on Health Services,* Vol. 1, p. 633.

which is regarded by the Canadian Mental Health Association as "the first essential in a comprehensive program,"[12] a wider use of smaller facilities, including nursing homes and foster homes located close to the places in which the aged live, and "a more hopeful attitude" towards programmes of rehabilitation which should be extended, especially in psychiatric hospitals and psychiatric units of general hospitals.

(26) (a) That provincial departments of health and/or hospital commissions determine as quickly as possible the place and function of nursing homes in the total spectrum of required health facilities; and

(b) That, assuming nursing homes to be accepted as an essential health facility, vigorous steps be taken to increase the present supply of those capable of providing a high quality of nursing and rehabilitation care; and

(c) That approved nursing homes, operated on a non-profit basis, be made part of the hospital services system, and be included in the federal-provincial hospital insurance arrangements; and

(d) That approved nursing homes, operated on a non-profit basis, be eligible to receive from federal-provincial sources capital grants under the hospital construction program, operating costs under the hospital insurance program to ensure the maintenance of desirable service standards and training grants to provide training for staff in rehabilitation nursing; and

(e) That all nursing homes be licensed and supervised by a health agency and that consultation services be made available to all nursing homes by local and provincial health departments covering not only medical and nursing care including rehabilitation, but also nutrition, recreation and other important aspects of administration. The selection and in-service training of nursing home staff should receive particular attention.

(27) That, as in the case of nursing homes, study be given by the appropriate authority to the place and function of homes for the aged, and that in particular attention be given to prevailing admission policies, the possibility of alternative accommodation in sheltered semi-independent housing for relatively well ambulant patients, the place of rehabilitation or "reactivization" programs, and the careful selection and training of the staff.

The Cost of Health Care

If meeting the costs of health care is a problem for Canadians of all ages, it is in old age that it assumes its most serious and threatening proportions. Elderly people are at a double disadvantage; their incomes in most cases are minimal at a time when the risks of long-term illness and disability are at their highest. Besides, hospital insurance, important as it is, covers the cost of less than one-third of the

[12] *Canadian Mental Health Association* brief, presented to the Special Committee of the Senate on Aging, Feb. 27, 1964, No. 1, p. 54.

group aged 65 and over who are receiving institutional care.[13] Over 50 per cent of old people in nursing homes and other "homes for special care," reduced to the status of indigents, have their costs met through public assistance.[14] We heard a great deal also in the course of our inquiry about the concern of old people out in the community regarding doctor and drug bills, which they can ill afford to meet on their meagre incomes. Indeed, we were told that many of them out of pride and feelings of independence neglect their health rather than seek help on the basis of "charity" or "welfare."

The Committee recommends:

(28) That the provisions of the Hospital Insurance and Diagnostic Services Act be extended to cover the use by the individual of all approved institutional facilities for health care, including tuberculosis and mental health hospitals.

(29) That, on the lines proposed by the Royal Commission on Health Services, a Nation-Wide Universal Health Service program be instituted to provide a comprehensive range of services including Medical Care, Nursing Care, Dental Care, Home Care, Prescription Drugs and Prosthetic Appliances: and that, if staging is required in the introduction of all or any part of this program, older people be given special consideration.

(30) That the above comprehensive program be financed mainly, if not altogether, by tax payments so that premiums, if any, may be kept to a minimum and the use of the means test, which we unequivocally reject, may be rendered unnecessary.

Professional Personnel

A serious bottleneck in the provision of health services for old people is the shortage of professional personnel interested and trained in this field, e.g. physicians, nurses, physiotherapists, occupational therapists, orthotists, prosthetists, social workers, podiatrists.

The Committee recommends:

(31) (a) That professional schools which train professional workers for the above specialties place greater emphasis in their curricula on the medical, social and economic aspects of aging; and

(b) That grants under the Health and Welfare Training programs of the Federal Government be used to increase the supply of workers equipped for work in the field of Old Age; and

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[13] *Department of National Health and Welfare,* brief op. cit. pp. 1656-7.
[14] *Ibid.,* p. 1654.

(c) That programs to stimulate greater interest in geriatrics on the part of the various professions indicated above be provided by the professional societies concerned in post-graduate refresher courses, in conferences and institutes and by means of professional literature.

Coordination and Planning

The comprehensive health services program recommended above will help to ensure planned and coordinated development which indeed, is one of its principal objectives. We would, however, call special attention to the need there is for team work all along the line, if we are to deal effectively with the health problems of the aged: team work among the three levels of government; between health and welfare departments at each level of government; between governments and voluntary organization and among the various professional, technical and ancillary workers that contribute to the program.

The Committee recommends:

(32) That at the local level devices be developed to ensure cooperative planning and action between the Departments of Health and Welfare in Municipal Governments and between them and other local Government Departments and the various voluntary and professional organizations in the community concerned with the health of the elderly.[15]

(33) That Provincial Departments of Health establish special branches to concern themselves with the health problems of older people and that there be a continuing liaison between such branches and corresponding branches in Departments of Welfare in order to ensure joint consideration of matters of mutual concern, such as rehabilitation service, care of elderly people in institutions, organized Home Care programs, etc.

(34) That, similarly, at the Federal level a special branch or division concerned with the Health Care of the aged be established under the Director of Health Services in the Department of National Health and Welfare, and that close liaison be maintained between this branch and the corresponding body on the welfare side, as well as with the staff of other Departments which carry responsibility for the health of older people, such as the Department of Veterans Affairs, and the Civilian Rehabilitation Branch of the Department of Labour.

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[15] Note the following recommendation from the *Canadian Medical Association*, (Proceedings, p. 1352): "The leadership and responsibility for planning programs for the aged should emanate from the community through meetings of all interested agencies including the medical profession. A central committee representing various interested groups is possibly the best method of establishing community programs."

Research and Statistics

This subject, as it relates to the whole field of aging, is dealt with in another part of the report,[16] but with particular reference to the field of health the Committee recommends:

(35) That periodic surveys be made of the health status of older people in order to provide comprehensive, reliable and up-to-date information as a basis for health planning.

(36) That the data related to the aged which is provided by provincial hospitalization and health insurance schemes be more fully analyzed, interpreted and made more readily available.

(37) That statistics relating to the health of the aged, as currently assembled by the Department of National Health and Welfare and the Dominion Bureau of Statistics, be reviewed with a view to their extension and improvement: and that in this connection particular attention be given to the definition of various kinds of sheltered accommodation.

(38) That greater financial assistance be provided for research into the nature of aging, the cause and control of diseases and disabilities with a high incidence among old people, and into the effectiveness of existing programs of prevention, diagnosis, treatment and rehabilitation.

CHAPTER 5

Housing Status and Needs

No one who reviews the briefs submitted to the Senate Committee can fail to be impressed with the frequent and often lengthy references they contain to the subject of housing. The variety of groups and individuals that appeared at the Hearings, or sent in their views, including the elderly themselves, were virtually unanimous in flagging this as an area of major concern. Central Mortgage and Housing Corporation, in its very comprehensive submission, spoke for all when it declared: "The statistical evidence on the housing situation of old people in Canada indicates that their need is large and widespread. There is a great gap between need and accomplishment."[1] And in another part of its statement CMHC comments: "Such a comparison between need and accomplishment makes it clear that, though we seem to be on the right path, an enormous task confronts us."[2]

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[16] Chapter 7 and Chapter 15.

[1] *Central Mortgage and Housing Corporation,* brief submitted to the Special Committee of the Senate on Aging, Proceedings, November 26, 1964, No. 22, p. 1449.

[2] *Ibid.* p. 1446.

The Committee, after a careful examination of the data available to it, endorses this authoritative assessment of the situation. It also agrees with the judgment of other knowledgeable witnesses who stressed the complexity of the problem with which we are endeavouring to deal. One of these witnesses was the Canadian Welfare Council. Speaking out of the experience of a recently completed study on housing for the aged, the Council said: "Living arrangements for Canada's aged is a complex and in some respects a controversial problem. It is related to such diverse things as physical planning, nursing and medical care, building standards, public finance, rehabilitation, recreation, social welfare, public opinion and attitudes, and the real estate market. It involves questions of the respective responsibilities of federal, provincial and local governments; of voluntary organizations; of private enterprise; of the individual, the family and the community."[3]

How Older People Live

Chapter 12 contains the Committee's attempt to analyze the housing problem of older people so far as existing information permits. Some of the findings that stand out may be summarized briefly as follows:

(1) The inclination of older people seems to be to live in their own homes as long as possible. In 1961 nearly 95 per cent of families with the head aged 65 and over were doing so, and even when the older person was single, or was left alone as widow or widower, with no children at home, nearly 260,000 or 43 per cent of them continued to maintain their own dwellings, men and women in about the same proportion. So far as families are concerned this is much the same situation as obtained at the time of the 1956 census, but for unattached individuals, and especially for women, the proportion with their own homes had increased markedly.

(2) Very few older families doubled up with relatives but this was a fairly common pattern with older individuals. The percentage of unattached individuals living with relatives in 1961 was 29 per cent which, however, is less than it was in 1956. Older women were more likely than older men to live with relatives. The respective percentages were 33 per cent of all unattached women and 23 per cent of all unattached men. The actual figures were 123,000 women and 52,000 men.

(3) In 1961, 43 per cent of all older people were single, widowed, or divorced. One-third of older men and over one-half of older women were in this group which numbered over 600,000. This is a consideration which has an important bearing on the kind of dwellings older people need, even when allowance is made for those who may prefer to live with relatives or to share accommodation. At present too high a proportion of special housing for the aged is for couples.

(4) About 50 per cent of older people own their homes or are the wives of home owners, and the majority of these homes are mortgage-free. However, the

[3] The Canadian Welfare Council, *Housing and Related Services for the Aging*, Ottawa, 1964, p. 34.

quality of the dwellings occupied by the elderly, according to CMHC, is "much below average". Nearly 7 per cent were in need of major repairs; well over 25 per cent were without a separate toilet; and close to 30 per cent lacked a separate bath or shower.[4]

Besides, many of the dwellings, acquired earlier in life, were ill adapted to the changed needs of their occupants. CMHC called attention to the low mobility of older people in the matter of housing: nearly 60 per cent of the households whose head was aged 65 years or over in 1961 were living in the same dwellings they occupied ten years ago."[5]

(5) It is unfortunately not possible, with the data available, to correlate the housing accommodation of older people with their incomes. We do know, however, that in 1961, as indicated earlier,[6] the great majority of the elderly, and especially of older women without husbands (over 50 per cent of all women aged 65 and over), had incomes below modest subsistence levels. When to this is added the fact that 70 per cent of all older people live in urban areas, where rents are often high, it will be seen that for those who do not own a home that is fully paid for, the problem of securing decent housing may be well nigh insuperable without community aid.

General Conclusions

The Committee after examining statistics like the above, and the great volume of evidence received from experts and others, reached three or four broad conclusions which form the basis of our Recommendations;

(1) Many old people have no recognized or urgent housing problem. Whether as tenants or as house owners, they live in accommodation which at the moment they regard as suitable, or in any case which they are reluctant to leave. It is well to remind ourselves that at any one time only a minority of the general population is in the housing market and that the same is true of the elderly. This, however, should not be allowed to conceal the fact that a substantial number of older people are very poorly housed and that steps are necessary to deal with their situation.

(2) The great problem faced by older people needing to change their accommodation is the limited choice open to them. This is true for those with means as well as for the poor, although naturally the restrictions on the latter are more severe. One example is that of parents who want to live near their married children but are frustrated by the absence of small houses, duplexes, or even apartments in neighbourhoods planned uniformly for young families. Another is that of the individual or couple who through failing health or strength is in need of a setup that will provide some relief from household chores and a measure of

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[4] *Central Mortgage and Housing Corporation*, brief op. cit., p. 1452.
[5] *Ibid.* p. 1468.
[6] See Chapter 2.

supporting care. Old people, regardless of economic status, have a great variety of housing needs and desires, greater perhaps than younger people, and these are not being adequately met.

(3) The poor among the old are the most seriously disadvantaged when for whatever reason they are compelled to move from their present dwellings. Necessarily, their search must be for cheap quarters which are hardly to be had except in deteriorating neighbourhoods.

So far public measures to help this latter group have not been very successful. Low-dividend housing under Section 16 of the National Housing Act, during the period 1946-63, yielded only 8,000 units for the use of old people and at present costs the economic rent for these runs at around $60 a month. Public housing is necessary to yield lower rents but Canadian communities up to now have been slow to adopt this method of meeting the needs of low-income families generally. Since provision for public housing was first introduced in 1949, only 13,000 rental units have been produced throughout the whole country and of these precisely 167, mostly one-bedroom units for couples, were earmarked for old people. An important point to be borne in mind is the large number of old people who are without partners. The Province of British Columbia, for example, reported that well over 60 per cent of their elderly in need of housing were in this group.

(4) One of the risks in planning housing for old people is, of course, that of segregating them from the community. Perhaps this is something that cannot be avoided altogether, especially in the later years of life, if institutional care is needed, but the Committee agrees fully with the Ontario Welfare Council that we should "encourage the mixing of housing types."[7] It is unfortunate that there are so few examples in our larger Canadian cities of what Lewis Mumford calls "the normal mixed community,"[8] where young and old can mingle naturally together and where in addition there is ready access to parks and gardens, neighbourhood stores, churches, libraries and pleasant places to sit and stroll.

Amendments to the National Housing Act

The Committee welcomes the recent amendments to the National Housing Act. These amendments, approved by Parliament in June, 1964, at about the mid-point of the Committee's Hearings, meet the principal criticisms of the legislation made to us in submissions received before that date. They also clear the way for the many sided attack on the housing problem of old people, which according to all the evidence is what the situation requires.

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[7] *Ontario Welfare Council*, brief presented to the Special Committee of the Senate on Aging, No. 8, May 21, 1964, p. 459.

[8] Mumford, Lewis, *"For Older People not Segregation but Integration"*, reprinted in Community Planning Review, the magazine of the Community Planning Association of Canada, September, 1956.

Several features of the new amendments are worthy of particular note:

(1) In the limited dividend and non-profit sections 90 per cent long-term loans, which were previously available only for self-contained housing, may now be obtained also for hostels and other forms of group living accommodation. Further, such loans can be secured not only for new construction, as in the past, but for the acquisition and conversion of existing housing.

These two changes between them will, we feel confident, produce a much greater variety of housing opportunities than exists at present for old people wishing to live independently. They should also stimulate the development of more group facilities, hopefully on a neighbourhood basis, for the elderly who are left alone and desire companionship, or who because of frailty are in need of supportive service, short of medical care.

(2) The second series of changes relates to public housing, an area in which up to now, as stated earlier, very little provision has been made for old people. Here again hostels are now admissible projects, as are proposals to take over and convert existing properties. Further, the restriction has been removed which previously limited to 20 per cent the accommodation especially designed for use by old people in any given public housing project. There is also provision for the advance purchase of land for public housing, which could, and we hope will, encourage a better blending of age groups in new developments.

Finally, a choice is now offered between two methods of financing public housing projects. Before the recent amendments the only method available was one that made the federal Government a joint owner with the province of any project undertaken, an arrangement not always welcomed by the province and even less by municipalities of any size or substance, which found themselves in the position of distinctly junior partners. The new alternative separates subsidy from ownership. It is now possible for a local or provincial authority to own and operate its own public housing, and at the same time enter into an agreement with the Federal Government by which the latter will meet 50 per cent of operating deficits. While this is undoubtedly a constructive move, a question which might be raised is why the subsidy should be 50 per cent in the one case and 75 per cent in the other, particularly if it is desired to encourage the new arrangement.

Mr. H. W. Hignett, in giving testimony before the committee voiced his belief that the numbers, types and quality of housing for elderly people will be increased very rapidly and very substantially in Canada during the next few years.[9]

The Committee commends this statement from the President of CMHC, which it interprets not merely as a confident forecast, but as a declaration of Corporation policy. In the past, due to conditions during and after the war, the National Housing Act has been used largely to meet the housing needs of young families in the

[9] *Central Mortgage and Housing Corporation,* brief op. cit., p. 1425.

middle income group. Today we are in a different situation. Thanks largely to the success of CMHC's program, many of the earlier pressures have now been relieved and the financial requirements for home purchase are of such an order that, for the most part, they can be handled satisfactorily by the established lending institutions. An opportunity, therefore, presents itself at the present time to redirect the important resources and knowledge of CMHC into an area that far too long has been neglected in Canada: that of housing for low income groups including the elderly.[10]

The recent amendments, which have transformed the NHA into a significantly better instrument for a task of this sort, is the first step in the new direction. The next, clearly, is a well conceived and carefully planned program of action, involving the cooperation of all levels of government on which, it is encouraging to observe, a beginning has been made.

Recommendations

The following recommendations, as is appropriate, having in mind the terms of reference of the Senate Committee, are directed essentially to the housing needs of older people, but since so many of the latter are in the low-income bracket what is proposed in most instances will fit into the program indicated above.

Federal Government

CMHC's contribution to the development of housing is not limited to providing funds, although this is its principal function as a federal agency. It is also looked to by provincial and municipal authorities across the country and by private entrepreneurs and voluntary organizations as a source of technical information and advice. Equally important the daily contacts of its field staff with planning and housing officials in their several regions have served to raise the level of expertise generally and produced a common body of knowledge and experience for which CMHC is the accepted clearing house.

We are fortunate in Canada to have achieved this situation of mutual understanding and support among the three levels of government, which permits the federal agency, without trespassing on provincial prerogatives, to play a positive role in the housing field. If that role has proved important up to now, it will be

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[10] A study by the Ontario Association of Housing Authorities: *Good Housing for Canadians* (1964) estimates "that something in the order of 1,000,000 low income family and elderly persons units will be required by 1980 alongside a program of approximately the same dimensions of moderate income housing". (p. 8). The first of these categories for families with incomes under $3,000 would require subsidies; the second for those with incomes between $3,000 and $4,500 would be provided on a full-recovery basis. The study estimates the low income housing needs of *old people* during the 1961-1980 period as 286,000 units for elderly families and 186,000 for non-family elderly individuals.

doubly so as we move forward vigorously into the field of social housing, where new policies and techniques may need to be developed and where carefully planned collaboration is essential.

The Committee recommends to the Federal Government:

In regard to Education

(39) That Central Mortgage and Housing Corporation (CMHC) conduct a sustained educational campaign to make everyone concerned aware of the opportunities, under the NHA as amended, to provide new and converted housing of many varieties for the use of older people, and that in such a campaign attention be called to such particulars as:

(a) The desirability of spreading housing for old people throughout the community and/or incorporating it in housing for other age groups;

(b) The additional opportunities available under the revised public incomes; and

(c) The importance, when hostels and other special group living arrangements are being considered for old people able to get about, of selecting a convenient site, ensuring a homelike atmosphere, keeping the size of the project as small as is compatible with economical operation, and of blending it in with the general housing of the area.

(40) That, on the initiative of CMHC, periodic conferences be held on a national and regional basis, made up of people from the variety of public and voluntary bodies concerned with old people's housing but also including architects, developers and builders, for the purpose of sharing experience, of discussing common problems and encouraging new and imaginative developments.

In regard to Technical Aid

(41) That CMHC develop plans and specifications for a wide variety of housing arrangements for old people and that the latter include low-cost one-bedroom houses suitable for couples and for two single people living together.

(42) That CMHC develop manuals for use by housing authorities and private sponsoring groups, giving precise information and advice regarding varieties of accommodation needed, housing designs including safety features, site selection, financing, and the procedures to be followed under the limited dividend, non-profit and public housing sections of the NHA.

(43) That CMHC appoint to its staff one or more persons with specialized knowledge relating to housing for old people and that their advice and technical assistance be available to housing authorities and other sponsoring groups.

(44) That a review be made of experience to date in rehousing within the area old people dispossessed by urban renewal schemes and that consideration be given to further measures, such as assistance with the purchase of small homes or rent subsidies for a limited period, which might be taken to ease the impact of the changeover and to assist generally in the process of resettlement.

In regard to Hostel Accommodation

(45) That insured NHA loans be provided to finance the construction of hostel, dormitory and similar type accommodation for elderly persons who could afford to pay a rent set by the normal operations of the market.

(At present loans for this type of housing are available only when the intention is to benefit persons who are unable to pay open market rates; there are, however, considerable numbers of older people, not in the low income group, who would welcome this type of accommodation.)

In regard to Research and Training

(46) That CMHC, in collaboration with DBS, review the present data collected and analyzed on the housing situation of old people with a view to filling the gaps that exist and introducing such changes as seem desirable in the definitions employed and the classifications provided. (Reference has been made earlier to the difficulty at present of correlating incomes and housing).

(47) That CMHC undertake or support, possibly in collaboration with the Department of National Health and Welfare, a major research project to determine the housing needs and preferences of old people, and their evaluation of existing housing opportunities. (The Age and Opportunity Bureau of Winnipeg, among other organizations, stressed the "deplorable" lack of information regarding the housing problems of the elderly).

(48) (a) That grants be made to universities and professional schools for special courses, seminars, conferences and other means of training with a view to increasing the supply of workers equipped to deal with both the social and physical aspects of housing for low-income families and for the elderly, and

(b) That to the same end scholarships be made available to promising students.

In regard to Organization

(49) That CMHC give consideration to the establishment of a national committee, analogous to the recently appointed national council on welfare, to advise on matters of policy and program in the field of housing for low-income families and for the elderly.

Provincial Governments

Since under the constitution welfare belongs in the domain of the provinces, it is on the shoulders of the latter that the chief responsibility rests for the provision of housing for old people. CMHC may be expected to make available its resources of money and technical knowledge and to perform additional functions, as indicated above, in the areas of education, research and coordination, but planning and the development of action programs are clearly matters for provincial initiative. The programs required in our view are of two kinds: the first directed to the provision of housing itself, and the second directed to the provision of those ancillary services that will enable the aged to avoid or postpone the necessity of institutional living. Our recommendations here relate chiefly to housing; services, which are the responsibility of provincial and local health and welfare departments, are considered in another section of the Report.[11]

The Committee recommends to the Provincial Governments:

In regard to Organization and Responsibility

(50) That housing programs for the elderly be integrated with those for low-income families and made the responsibility of a single department of government or of a provincial housing agency established by the department for the purpose.

(51) That consideration be given to the advisability of establishing a committee of knowledgeable citizens to be advisory to the minister and the department or agency on all aspects of social housing.

(52) That it be the responsibility of the provincial department or agency to ascertain and correlate information regarding housing needs and to develop a provincial plan calculated to produce within a reasonable time and according to an agreed order of priority the variety of accommodation old people throughout the province require.

(53) That it further be the responsibility of the provincial department or agency to negotiate with CMHC on its own behalf and that of municipalities and interested voluntary organizations regarding the size and nature of NHA assistance required. (This would ensure careful coordination of housing efforts within a province, the development of expertise on the part of the provincial authority and more effective communication between the province and the federal agency).

[11] See Chapters 4 and 6.

In regard to Technical and Financial Aid

(54) That the provincial department or agency appoint the necessary number of staff members equipped to assist the municipalities and voluntary organizations in the determination of need and the development and implementation of housing programs, and,

(55) That, in particular, funds and grants be provided in such amounts as to reduce to no more than token payments the capital funds required by voluntary organizations to qualify for loans under the limited dividend section of the act.

In regard to Policy

(56) That the provincial department or agency accept as a matter of principle the importance of enabling old people to continue in their own homes as long as possible and that where group living, short of medical care, is desired or required, it be provided in relatively small projects scattered throughout the community rather than in large institutions.

In regard to Program and Services

(57) That the provincial department or agency establish and enforce strict regulations concerning the design, siting and general operations of private homes or institutions offering individual or group living accommodation, short of medical care, to elderly people.

Municipal Governments

Historically municipalities, as the level of government closest to the situation, have been actively involved in housing problems, and in our view they should continue to carry substantial responsibility and authority in this field, unless they are too small to do so or form part of a larger administrative unit which includes housing in its jurisdiction. The recent amendments to the NHA which permit municipalities to own and operate public housing must be viewed as a constructive move.

The Committee recommends to Municipal Governments and other local area authorities:

In regard to Organization and Planning

(58) That, as at the provincial level, housing for the aged be entrusted to the municipal department or agency which is also responsible for low rental housing in general and that a committee of representative citizens be established to assist the department in an advisory capacity.

(59) That, with the advice and financial assistance of the two senior levels of government, each municipality survey the nature and extent of local need

and develop a comprehensive and balanced plan for meeting it, with the understanding that such plan must fit in with that of the province, and at the same time be integrated with the municipality's own total housing program.

(60) That through the cooperation of municipal health and welfare departments and with financial aid from the provincial government, ancillary services be made available and accessible to elderly people. (These services, which would include essentially visiting nurses, homemakers, and day-care centres, are dealt with in other sections of the Report).[12]

(61) That the municipal department or agency responsible for housing cooperate with other municipal departments and voluntary organizations in the community in the establishment of advisory and referral centres to assist old people with their housing and other problems related to their changing conditions and needs. (It is to be remembered that old people may need a different kind of living arrangement at different stages of their later years).

(62) That changes be made in zoning laws where necessary to make a variety of housing accommodation, such as cooperative residences, small houses and flats, boarding houses, etc., more widely available throughout the community.

In regard to Technical Aid

(63) That the municipal department or agency include on its staff one or more specialized persons to assist voluntary sponsoring groups and, in particular, to provide information regarding monies available from all sources, building regulations, local bylaws, siting, procedures, etc.

This recommendation should be read in conjunction with Recommendations 54 and 55 to Provincial Governments. It is to be observed that, of 197 non-profit housing projects for old people built under Section 16 of the NHA between 1946 and 1964, 114 were built by charitable organizations, as against 68 by municipalities and 15 by private entrepreneurs.[13] Although this situation will undoubtedly change as municipalities assume greater responsibility for the housing of old people, it would seem important that voluntary groups be encouraged to continue their active participation, although possibly in modified ways.[14] For this to happen, however, more assistance, both financial and technical, will need to be available to them.

(64) That arrangements be made whereby old people requiring short-term hospital or nursing home care may retain for a reasonable period the right to return to their previous living quarters in assisted housing projects.

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[12] Chapters 6 and 13.

[13] *Central Mortgage and Housing Corporation,* brief op. cit., pp. 1473-83.

[14] *Ottawa Welfare Council,* brief submitted to the Special Committee of the Senate on Aging, July 2, 1964, No. 14. (See particularly pp. 936-8: the role of the voluntary organization.)

(It has been brought to our attention that considerable hardship and mental distress are caused to many old people who are now deprived of their homes due to a break of this sort in their tenancy).

CHAPTER 6

Community Services for Older People

Reference has already been made at several points to the need of older people for community services. Under the heading of health, and again under housing, we have stressed the part these services play in enabling the elderly to retain their independence and to postpone, or, it may be, to avoid altogether, the restraints and isolation of institutional living. Community services, however, have a more positive role than the prevention of dependency, important as that is. They also support the desire of large numbers of older people to continue as participating members of society and to find opportunities for useful and satisfying pursuits.

It follows that community services encompass a great variety of activities, which it is difficult to bring together within a single framework. Interpreted most widely they can be regarded, and indeed were regarded in some of the submissions, as embracing all the resources, outside his own family, on which the individual may draw for help and support. Our own use of the term has a narrower focus although we have not attempted to formulate a precise definition. The main difference is that we exclude the several large scale federal and provincial programs designed to provide basic economic security, hospital care and housing. When we speak of community services we are thinking, essentially, of what the Canadian Mental Health Association designated as "a wide range of small facilities (or programs). . . located regionally or locally, close to the place" where old people live. They may supplement or enhance the effectiveness of such major programs as those referred to above, or they may support interests and needs like recreation and satisfying social relationships, which call for an individualized rather than a uniform approach.

Community services, it should be recalled, were singled out specifically in the Senate Committee's terms of reference as an area to which special attention should be given, and we were fortunate in the wealth of information and suggestions that were provided to us in the submissions. There were few witnesses who did not lay emphasis on the importance of one or more "services and facilities of a positive and preventative kind" as a means of ensuring that "older persons may continue to live healthy and useful lives as members of the Canadian community."[1]

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[1] Order of Reference of the Special Committee of the Senate on Aging.

A full account of the Committee's investigation under this head will be found in Chapter 13 where in addition to examining the needs that exist and reviewing the current situation, we propose what we regard as a desirable pattern of services for the average community and indicate some of the considerations involved in its attainment. The following brief summary highlights the Committee's principal findings and conclusions as a preface to its specific recommendations:

(1) Not every individual in his later years requires help from organized community services. Here, as in other areas we have considered, many old people continue to possess the energy and resourcefulness necessary to manage their own affairs, with the help available to them on occasion from relatives and friends. There are those, however, especially among the very old, who are not in this fortunate position. Their needs may be simple ones, like a visit to break up a long day, help with letter-writing and a bit of shopping; or their condition may be such as to call for intensive and long-term care which is not easy to provide in the home, unless support is available from the community. Even among the "young old" there are considerable numbers who find life in retirement "flat and unprofitable" and who need the stimulus of organized programs.

(2) Some needs of old people call for specialized and separate services, but many of them can be met through resources that already exist in the community, or should be provided, to serve all age groups. A primary aim of planning should be to see that these resources are in fact available to old people, which may necessitate some adaptations in program and procedures. As things are, homemaker services, for example, tend to be restricted to families with children, and recreation programs in community centres and elsewhere are offered mainly for the young.

(3) The evidence we have received indicates that the majority of older Canadians live in areas where community services and facilities, whether designed especially for their needs and interests or available to them on equal terms with others in the population, are spotty or non-existent. This is more true in the smaller places but the Social Planning Council of Greater Toronto pointed out that even in that large city "there is a serious, continuing and growing gap between the social needs of the population and the financial and human resources rendered available to meet them".[2]

(4) The community services suggested to us as essential to the well-being of old people are of such variety that, as indicated earlier, they almost defy classification. Broadly, and not without some overlapping, they may be grouped as follows:

(a) Services in their own homes for old people requiring varying degrees of medical and personal care—
(Organized home care programs, home-nursing, rehabilitation services, homemakers, etc.)

[2] *Social Planning Council of Metropolitan Toronto*, brief submitted to the Special Committee on Aging, Proceedings, No. 15, p. 1037, July 9, 1964.

These services are discussed in Chapters 4 and 11.

(b) Services in their homes for "shut-ins" who are not necessarily sick, but cannot get out much and need help with household chores and meal preparation, along with some companionship—

(Homemakers, friendly visitors, home help).

(c) Services and facilities in the community, preferably in the neighbourhood where they live, for old people who require advice, guidance and protected activity—

(Information and referral centres, case-work and counselling, legal aid, day care centres, sheltered workshops).

(d) Services and facilities for old people who want somewhere to go and something to do along with the chance for social contacts—

(Old people's clubs and centres).

(e) Services and facilities for old people who are interested in activities of an educational, cultural and community service nature which are adapted to their capacities and interests—

(Old people's clubs and centres have important roles here, but the major need is for the schools, churches, libraries, community centres and other existing organizations to adapt their programs to the interests of older people).

(5) Without the enterprise and devotion of voluntary agencies, very few of the services we now have for older people would exist at all. Their continued interest and leadership are essential and should be encouraged in every way possible. It is our view, however, that the accelerated development of community services which is now called for depends on the active participation of the public authority. Government support is also necessary for planning and coordination, the need for which was stressed continually in the course of the hearings.

The Committee recommends:

To municipal governments, local education authorities, and local voluntary organizations,

(65) That municipal governments accept responsibility for providing leadership and initiative in the planning and development of the range of community services required for the well-being of old people, themselves establishing or financing those services that fall under their statutory jurisdiction while working wth voluntary agencies or other levels of government in the establishment of others.

(66) (a) That on the initiative of the municipal government, the local welfare council or other appropriate body a representative committee, including appointees from the municipal government, be established for the purpose of surveying the local situation with respect to community services and facilities available to old people, and

(b) That this committee include in its investigation not only those health and welfare services, such as visiting nurses and homemakers. which would enable the aged to live in their own homes rather than in institutions, but also facilities and programs in the areas of recreation, education and community service which would enable them to continue as participating and contributing members of society, and

(c) That on the basis of the above survey, a plan be developed (i) to ensure communication and cooperation among all organizations and groups seeking to serve the aged and (ii) to extend and improve existing facilities and programs, and to establish new ones as required, and

(d) That in the implementation of this plan financial and technical help be sought from provincial and federal authorities along the lines indicated in later sections of these recommendations.

(67) That municipal governments take advantage of the municipal winter works program, the national health grants program, the national welfare grants program, the national fitness and amateur sport program, and also special provincial programs where they exist, to secure assistance with the cost of constructing facilities and developing services for the benefit of old people.

(68) That the municipal government, through its local public welfare department where such has been instituted, accept responsibility for seeing that an information and referral centre is established for the use of old people and others in the community seeking advice on their problems.

(69) That the municipal government, through its public welfare department where such has been established, and the voluntary family welfare agency, if such exists, extend and improve counselling services to old people, and that, under the auspices of one or both, a carefully supervised foster home placement service for old people be developed.

(70) That local institutions and agencies serving adults, including the schools and universities, the churches, social agencies, the public library, art galleries and museums, community centres and other recreational groups, experiment with changes in their programs and procedures with a view to encouraging greater participation on the part of older people.

(71) That municipalities, in seeking to fill the gaps between existing and needed services and facilities, give particular attention to the possibility of establishing homemaker's services and day-care centres.[3]

(On the basis of our inquiry we would give high priority to these two facilities which are at present in short supply everywhere. They can often prevent the institutionalization of old people and are a valuable resource also to patients after discharge from institutions.)

(See also recommendations 75 and 76.)

(72) That careful consideration be given also by municipal governments to the need for sheltered work and sheltered workshops open to all persons in the community, including the aged, who are unlikely to enter or re-enter the labour market, but who require work activity in a protected setting.

(See also recommendation 81.)

The Committee recommends to Provincial Governments:

(73) That, in line with their constitutional responsibility for the provision of essential health, welfare, educational and recreational services, provincial governments give particular attention to the serious gaps and deficiencies currently existing in all of these fields, as they relate to the needs of old people.

(74) That, with a view to bringing about the changes called for in the above situation, provincial governments through their departments of health, welfare and education provide strong leadership to local communities and in particular assist their efforts through initiating and publicising a program of technical advice and field service and through the preparation of materials for program planning and staff training.

(75) That grants be made available by provincial governments, independently or on a shared basis with the federal government, for:

(a) The construction and operation of day-care centres, community recreation centres and sheltered workshops;

(b) The conduct of training courses and institutes for professional, technical and volunteer workers in the area of community services; and

(c) Demonstration projects for old people in fields like meal service, recreation programs, camping, preparation for retirement and adult education.

(76) That the cost of homemakers be shared with municipalities on a basis which would permit the latter to provide this important service free to all old people who have a taxable income below a specified minimum, say $1,200 for a single person and $2,000 for a couple.

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[8] Day care centres should not be confused with centres providing merely recreation. See page 151.

(77) That encouragement be given to local welfare departments to improve their counselling services and to make it available not only to people in financial need, but to all others in the community, including especially the elderly, and that the province share in the cost of this development.

(See also recommendation 83.)

The Committee recommends to the Federal Government:

(78) That the welfare branch of the Department of National Health and Welfare establish a special division for the purpose of providing technical advice and up-to-date information with regard to daycare centres, homemakers, meal services, counselling and such other welfare services for the elderly as come within the departments terms of reference.

(See Chapter 4 where a similar recommendation is made on the health side.)

(79) That the Department of Labour, similarly, through such of its branches as is appropriate, assist the provinces in the development of services for older people in occupational training, placement, and rehabilitation.

(80) That consideration be given to the possibility of earmarking for use in the field of aging a portion of the funds available for research, training and activity projects under the National Health Grants, The National Welfare Grants and the National Fitness and Amateur Sport Programs. (While it is true that grants are already available under these three programs for the purposes we have in mind, the fact remains that up to the present few grants have been so utilized. In our view, singling out the field of aging for special consideration would be an effective means of stimulating active interest).

(81) That the Department of Labour and/or the Department of National Health and Welfare give encouragement to the provinces and their municipalities in the provision of sheltered work and the establishment of sheltered workshops, and that this encouragement, in addition to technical advice, promotional aids and help in developing standards include Federal-Provincial sharing in the costs of facilities where indicated and in the provision of work activity allowances.

(See recommendation 72.)

(82) (a) That homemaker service be accepted as a shareable cost under the Canada Assistance Plan. Since the Federal Government now shares in the cost of maintaining indigent old people in nursing homes and other "homes for special care" it would seem only logical to expand this arrangement to cover the area of non-medical care given to old people in their own homes.

(b) That homemaker service be accepted as a shareable cost under the Canada Assistance Plan not only for persons on public assistance but for all others to whom this service is provided free by the provinces and their municipalities.

(See recommendation 76.)

(83) That counselling services provided by the local public welfare department for the elderly and others in the community be accepted as a shareable cost under the Canada Assistance Plan.

(See recommendation 77.)

Other Recommendations based on the Committee's findings as reported in Chapter 14.

(84) That research be undertaken with a view to learning more about the daily life of older people and, in particular, about their leisure time interests and their attitudes to community programs of various types in this area provided for their benefit.

(85) That in view of our present lack of knowledge about the leisure time needs and interests of older people, programs in this field be envisaged frankly as experiments with provision for the careful evaluation of the results achieved.

CHAPTER 7

Research and Statistics

One of the first undertakings of the Senate Committee was a survey to discover the extent and nature of research on Aging being conducted throughout Canada at the present time, and to ascertain the degree of interest there is in Aging as a field of research among the pertinent professional disciplines. The results of this inquiry, which are contained in Chapter 15, reveal a rather disappointing picture. It would appear that Canada lags considerably behind the United States, Great Britain and a number of European countries in the attention being devoted to the scientific study of older people and their problems. According to our respondents, this is true even in respect of medical and biological research, but the most conspicuous lag is in the area of the social sciences, where the most that can be reported is the beginnings of interest and a handful of projects, mostly of the survey variety, conducted by individual investigators with very limited financial aid.

The Committee is concerned about this situation, especially as it relates to social research. Again and again throughout our inquiry we have been dismayed by the great gaps that exist in our understanding of old people and their problems. Equally startling was the discovery of how often, in areas like housing, income

maintenance and health care, major decisions are made on the basis of much less complete information about the needs and wishes of the elderly and the merits of particular proposals, than planners and administrators recognize as desirable.

We are convinced that, whatever may have been true in the past, the point has now been reached where deficiencies of this sort need no longer be accepted as inevitable. What is required, once we recognize the importance of scientific knowledge as a guide to sound planning, is a deliberate effort on a bold scale to stimulate the development of research on Aging at all levels—basic, applied and operational.

The Committee has given considerable attention to the means by which this objective can be achieved and is convinced that the Federal Government has a major role to play.

Research in Federal Departments and Agencies:

It was noted that the Dominion Bureau of Statistics collects and analyzes an increasing volume and variety of statistical data with regard to the aging population; and also that several Federal departments and agencies, notably the departments of National Health and Welfare, Labour and Veterans Affairs, and the Central Mortgage and Housing Corporation, not only supplement this information from their own records, but carry on independent studies in respect to those aspects of need for which they have particular administrative responsibility.

The Committee recommends:

(86) That the foregoing activities be encouraged and that particularly in the Dominion Bureau of Statistics and the Department of National Health and Welfare, staff and budget be provided to strengthen existing programs of research and fact-finding in the aging field.

Statistics on Aging:

The Committee in making its inquiry has had occasion to work closely with the Dominion Bureau of Statistics and appreciates the extent to which the latter has enlarged and adapted its program of old age statistics over recent years in response to mounting interest in this field. Out of our experience, however, we are convinced that further improvements and refinements are desirable, in respect of the data collected, the definitions employed and the classifications provided.

The Committee recommends:

(87) (a) That on the initiative of DBS consultations be instituted at an early date with appropriate Federal and Provincial Government Depart-

ments, and with non-governmental organizations interested, for the purpose of improving present statistics related to aging.

(A meeting of all parties concerned, called by the Bureau for the purpose of general review, would seem to be a desirable first step).

(b) That, further, DBS take the measures necessary to match its achievements in the field of economic statistics with an integrated system of social statistics, which would contain a section on aging.

Federal Grants for Research on Aging:

Another observation of the Committee is that grants are currently available through the Department of National Health and Welfare, and to a lesser extent through other Federal departments and agencies, for research projects which may be in the field of Aging. Indications are, however, that up to the present very few such grants have in fact been used in this way, and that of those which are so used nearly all have to do with problems of medical, rather than of welfare and social policy significance. Undoubtedly this is largely a reflection of the level of interest in Aging that obtains, at present, in universities, professional schools, and other research centres, but there is a question whether the attitudes and preferences of approving bodies may not also be a factor. One of our great concerns is the lack of careful evaluation studies of programs for the financial support and care of older people in which large commitments of public funds are involved.

The Committee recommends:

(88) That the Federal Government review the experience it has had with research grants in health, welfare, and related fields such as housing and rehabilitation, and give consideration to means that might be employed, possibly through earmarking certain of these grants, to encourage the development of research on aging, especially in those areas of major need and expenditure that are now neglected.

The Case for a National Centre on Social Research:

The above proposals, important as they are, relate to particular aspects of a research program. They do not touch a major need, referred to in a number of submissions to the Committee, which is for leadership and direction of the program as a whole. The Committee considered this problem with some care, and in doing so had before it the experience of a number of other countries.

It was observed, for example, that in Great Britain, where there has been a continuous flow of studies and research related to all aspects of Aging, the chief source of financial support and stimulus to integration has been a private

organization, the Nuffield Foundation, which for many years "has devoted its largest sums to the 'care of old people' ".[1]

In the United States the great bulk of Federal expenditures for research on Aging are made through the National Institutes of Health within the Public Health Service, and are mainly concentrated in the area of health. Dissatisfaction with this situation of imbalance, and with the neglect of overall research planning, led the Special Committee on Aging of the United States Senate in 1961 to recommend the creation of a National Institute on Gerontology "with sufficient funds and staff to give the national leadership and recognition which research in the field of Aging requires and deserves".[2] This recommendation was later replaced by a proposal for a high-level "Commission on Aging" which would have the conduct and promotion of research as one of its responsibilities.

The arrangement in Denmark is on broader lines. There, the Government in 1958 established a Danish National Institute on Social Research as an independent body with its own Board but financed out of public funds. As the name implies, the Institute does not confine its attention to the field of old age, but it does include gerontology within its structure as a major area of interest.

The Committee's examination of these various patterns, in the light of conditions in Canada, gave rise to a number of questions:

(a) Should the integrating body we are considering concern itself exclusively with research, or should it carry responsibility also for leadership in the area of program and services?

It is the Committee's view that, if at all possible, the two functions should be kept separate. They are not of the same order, and there are marked differences between them in the type of staff and organizational setup required. Besides, there is always the danger, when research and services are combined, that one of them, usually services, receives priority over the other. It would appear unwise to run this risk when our needs in the field of research are so desperate. However, in Chapter 8, where we discuss coordination in the area of services, it is acknowledged that an agency carrying this latter responsibility might be expected at least to collect information derived from research, if our primary recommendation under this head is rejected, or until it is implemented.

(b) Under what auspices should the proposed research agency be set up?

The Committee's approach to this question was to ask where such an agency would be most likely to enjoy the status, financial resources and freedom of action necessary to operate effectively. Canadian experience of a number of struggling research bodies in the fields of education and social welfare lends little support to the

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[1] *Research on Aging*, by John E. Anderson, in Aging in Western Society, University of Chicago press 1960, p. 362.

[2] *Developments in Aging, 1959 to 1963*—A report of the Special Committee on Aging, U.S. Senate, 1963, p. 161.

belief that more than a meagre budget would be provided out of private funds, although private foundations should, of course, be encouraged to devote more of their resources to social research, particularly in regard to the problems of aging. On the other hand, the status and freedom of action accorded to the new body are likely to be limited if it is located in a government department. The type of arrangement favoured by the Committee is that adopted for the National Research Council which receives its budget from public funds but operates independently within the limits of its terms of reference.

(c) Should the proposed agency occupy itself exclusively with research on Aging?

The Committee found this a more difficult question than at first appeared. One of the practical objections to a research agency concentrating on Aging is that in Canada we already have the Medical Research Council, which is concerned with the needs of *all* ages in the area of health. This means that in order to avoid overlapping any new agency would have to confine its attention to the *social* problems of old people.

What we had to think about, therefore, was the desirability of a social research centre, focussed altogether on the needs of older people. That older people have a host of social problems goes without saying, and has been amply documented in this report. It is also true, as has been stated earlier, that planning for the needs of older people, in areas like income, housing and health, involves important policy decisions that should be informed by scientific research.

However, as the Committee quickly recognized, there are considerations on the other side. One of these is the fact, brought out in Chapter 1, (Principle 1) that the problems of older people are interlinked with those of the total population and have to be seen in their widest social context. Another, (Principle 2), is that while society has a particular responsibility for the elderly, it cannot neglect the problems of other age groups. A third consideration is, of course, the economical use of funds. And, finally, there is the very real deterrent created by Canada's shortage of professionally trained workers in the social research field. While the aim must be to overcome this shortage as quickly as possible through financial aid to graduate students and grants to universities and other training centres, it would be a mistake to encourage the proliferation of bodies in the social research field, of which there is some evidence already.

In the Committee's view, Denmark, with its National Institute of Social Research, provides the model for Canada to follow, and we have no fear that within such a setup the needs of the older generation would be neglected. Whether such an Institute, or Council, is established in Canada, depends on the seriousness with which we regard our obligations in the field of human resources, and also on

the valuation government, and the public, place on the importance of research as a guide to social policy.

The Committee recommends:

(89) (a) That consideration be given to the establishment of a national council on social research, as recommended to the Government in the past by such national organizations as the Social Science Research Council of Canada; the Commonwealth Institute of Social Research and that specific provision be made within the program of the council for research in gerontology;

(b) That the council conduct or commission research on its own, particularly in the area of social policy, but that it should also make, or approve, grants for social research and training in social research to universities, professional schools, and non-profit organizations;

(c) That the council be composed of outstanding social scientists and laymen, including a number with specific interest in gerontology, and that it also include up to one-third of its membership, representatives of Federal Government departments and agencies that are concerned with social research;

(d) That the advice and services of the council be available on request to provincial governments, universities and non-profit organizations;

(e) That in order to avoid duplication in the health field responsibility for the conduct and support of research in geriatrics be carried by the medical research council and that the latter give high priority in its program to the biological and medical aspects of aging, and to those diseases and illnesses which have a high incidence among older people;

(f) That the proposed council maintain close relations with the Dominion Bureau of Statistics and the various Government departments and agencies having responsibility in the area of social research, including the universities, with a view to reducing overlapping and ensuring that the efforts of all are mutually supportive;

(g) That, with particular reference to the field of aging, the council seek the cooperation of the Dominion Bureau of Statistics and departments of the federal, provincial and local governments, and the major voluntary organizations concerned:

(i) in improving the collection and analysis of statistical data,

(ii) in stimulating and correlating research porgrams, and

(iii) in undertaking the variety of needed research that is recommended elsewhere in this report.[3]

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[3] See inter alia Chapters 2, 3, 4, 5, 9, 11, 12, 14 and 15.

CHAPTER 8.

Planning and Coordination

In earlier chapters we have dealt with particular aspects of the situation of old people, their need for economic security, for example, for housing or health care, and in relation to each of them have had something to say about the planning and coordination that is required. Here we are thinking of all those aspects together, the totality of services for the aged, and, as in our discussion of research, we wish to consider the sort of overall structures that are necessary in order to ensure the effective organization of these services and their continuing development within the framework set by the goals and priorities of the community as a whole.

The Need Examined

Three main considerations lie behind the Senate Committee's interest in this topic:

(1) *The magnitude of the task that confronts us as a nation in providing adequately for the well-being of our older citizens.*

While in no way minimizing the importance of what is already being done by governments and voluntary organizations, we feel compelled on the basis of our inquiry to emphasize as strongly as we can the wide discrepancy that continues to exist between the actual situation of our aged population and what it should and could be in a country like Canada. Our immediate concern is that action be taken as quickly as possible to implement the proposals put forward in this Report, which is not an outcome that can be taken for granted. Appropriate mechanisms are called for at federal, provincial and local levels, through which the necessary leadership can be provided and wholehearted cooperation made possible all along the line.

(2) *The extent to which services and programs for old people are now springing up without the benefit of central planning.*

Many witnesses laid stress on the problems inherent in this situation. All too frequently the result of these well-intentioned efforts is considerable misdirection of energy and the proliferation of *ad hoc* projects with almost no regard to priorities and standards or the wise use of scarce resources. This is to view things from the angle of the local community. At the provincial and federal levels we find much the same assortment of piece-meal programs, each designed to meet a particular need with little evidence of any general design.

(3) *Finally, the Committee is impressed with the many difficult situations that are involved in sound planning for older people.*

As an example, in the area of economic security which is crucial, we have hardly begun to analyze the problem, let alone find acceptable solutions. And, in

relation to community services, a whole host of questions arise. Must we continue to follow the traditional pattern of organizing programs in terms of categories of people—the old, the disabled, the delinquent, etc.—an approach which is now being abandoned in the area of public assistance under the Canada Assistance Plan, or is a different structure called for to achieve the results we desire, such as a system of multiple service centres located in neighborhoods on some such pattern as we have now for our schools? The latter would seem to be a more ordered and efficient way of meeting the initial needs of all age groups with referral to specialized facilities when this is considered necessary.

Whatever organizational pattern is adopted, there is another series of questions around the appropriate roles of governments and voluntary agencies. Criteria are necessary to determine when a particular service is of a kind, or has reached the stage, where it should properly become a public responsibility, and any such criteria should, of course, provide not only for the actual transfer of functions but for a variety of patterns of public-private relationships that might be developed.

The foregoing are only illustrations of issues, affecting old people and the population generally, that are basic to the formulation of social policy. In our view, the continuing and concentrated attention which issues like these require constitutes an added if not the principal argument for more effective planning and coordinating structures than are to be found, generally, in Canada at the present time.

Evidence from the Briefs

It is perhaps only natural, since ours was a national inquiry, that most of the recommendations received by the Senate Committee related, chiefly, to what should be done at the federal level. One of the few specific references to the need for *local* planning bodies is to be found in the Brief of the National Council of Women, which recommends:

> "The formation at the local level of coordinating committees on Aging to assist in planning and prevent duplication of effort and the inefficient use of available assistance, both volunteer and professional, and of financial aid. Such committees could be either under local government control or part of a voluntary agency."[1]

But even this Brief continues:

> "There needs to be at the federal level an information centre which would make available to local coordinating committees data concerning what is being done, and what needs to be done, and otherwise give them aid and assistance."[2]

When the provinces are mentioned at all, it is usually, as in the Brief of the Community Chests and Councils of the Greater Vancouver area, to stress the need for "coordinated efforts on the part of local, provincial and federal authorities, as

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[1] *National Council of Women*, brief submitted to the Special Committee of the Senate on Aging, No. 9, May 28, 1964, p. 600.
[2] *Ibid.*, pp. 601-02.

well as those of volunteers," although here again the reference is quickly followed by a plea for "national leadership."[3]

One of the few briefs which attempt to spell out the responsibilities of the *provincial government* is that of the Age and Opportunity Bureau of Winnipeg from which we quote, in part only, as follows:

> "It is our contention that the Province must take the major responsibility for enacting appropriate legislation to provide municipalities with the proper framework for services for the aged. This applies to leisure-time facilities and programs, housing projects and other services. The Provincial Government should continue to give leadership to the lower levels of government, and to help equalize financial imbalances in various parts of the Province by special grants to municipalities."[4]

With regard to the appropriate auspices for the national planning body some difference of opinion is apparent among the organizations giving evidence. A considerable group looks to the Federal Government to assume this responsibility: through "a Bureau on Aging within the Department of National Health and Welfare" (Montreal Council of Social Agencies and the Canadian Medical Association): "through an office on Aging in some department of the federal government", (United Church of Canada): or "through a federal interdepartmental arrangement to include the services of health, social welfare, housing, education, parks, etc.", (Notre Dame Day Centre, Winnipeg). On the other hand, the National Council of Jewish Women made a strong case for a National Association on Aging with provincial branches to be established as an independent body but with grants from all levels of government (along with voluntary contributions) and government representation on the Boards.[5] Somewhere in between is the position of the Ontario Welfare Council's Section on Aging, which pointed to the need to involve a number of government departments as well as community groups and voluntary organizations, but took the view that a national (or provincial) coordinating body" might be an arm of government or the task might be undertaken by a voluntary agency, provided public support was available".

Regarding the functions of the national agency there was more unanimity among the witnesses, and a number presented itemized lists of which the following by the United Church is a fair example:

"(a) To keep under review both the problems and opportunities of older people;

(b) To coordinate the work in Aging carried on by all departments of the government;

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[3] *Community Chests and Councils of the Greater Vancouver Area,* brief submitted to the Special Committee of the Senate on Aging, No. 10, June 4, 1964, p. 638.

[4] *Age and Opportunity Bureau,* brief presented to the Special Committee of the Senate on Aging, No. 11, June 11, 1964, p. 733.

[5] *National Council of Jewish Women,* brief submitted to the Special Committee of the Senate on Aging, No. 2, Mar. 5, 1964, pp. 107-8.

(c) To work with provincial committees on Aging and voluntary agencies including universities and other educational institutions;

(d) To strengthen and extend existing services;

(e) To retain and extend the concern for older people which motivated the appointment of the Special Senate Committee on Aging."[6]

The Welfare Branch of the Department of National Health and Welfare devoted a whole section of its Brief to the subject of planning and coordination for the aged, in the course of which it reviewed the experience of Great Britain, the United States and a number of European countries. Considering the Canadian situation the Branch laid particular stress on the need for "a positive focus" in planning and the point was made that welfare programs, although they can make "some of the contributions required", are only a part of a comprehensive approach. The latter involves "imaginative social planning, full cooperation between public and voluntary bodies, and, above all, a determination to create the conditions under which the aged make a maximum contribution to the community, in the process of which they retain their place in the scheme of things."[7]

Guiding Principles:

Reflection on the above, and other statements in similar vein, received in the course of the Hearings led the Committee to formulate a number of guiding principles:

(1) Programs and services for older people must be planned in the context of the whole community and its needs. The aim should be an integrated pattern of services for all age groups.

(2) Planning and coordination should be conceived and practised as part of the democratic process. Authority to make and enforce decisions is essential, but a high degree of flexibility should be preserved and the accent throughout should be on cooperation and consensus rather than on directives and control.

(3) In order to achieve maximum effectiveness planning bodies must receive official status and involve the responsible participation of governments as well as of voluntary agencies.

(4) Overall planning for the needs of older people should not be viewed solely as a welfare operation. As is amply documented in this Report, the great majority of the aged, although poor, are not welfare problems, and in their pride and independence reject this distorted image of their condition. Health and welfare measures are, of course, important but, as emphasized in the Brief of the Federal

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[6] *United Church of Canada,* brief submitted to the Special Committee of the Senate on Aging, No. 1, Feb. 27, 1964, p. 40.

[7] *The Department of National Health and Welfare,* brief submitted to the Special Committee of the Senate on Aging, Dec. 10, 1964, No. 24, p. 1704.

Department of National Health and Welfare, they are only parts of a comprehensive approach which must have the positive aim of creating greater opportunities for old people to lead satisfying lives and to continue as useful and valued members of society.

(5) Finally, while bodies charged with responsibility for planning are required at federal, provincial and local community levels, close working relationships among them should be encouraged by all appropriate means.

Conclusions and Recommendations:

In the light of the foregoing principles the Committee turned its attention to the kind of planning and coordinating structures that seem to be called for in the interests of older people, with the following results:

At the Local Level:

Here, notice was taken of the fact that community welfare councils are now to be found in some twenty of the larger centres of Canada and carry principal responsibility for whatever social planning is taking place. Indeed, a number of councils were represented at the Hearings and the Committee was impressed not only with their accomplishments in the field of Aging, but also with the considerable understanding of the planning process that was revealed in their presentations. It would seem desirable to utilize these community councils, wherever they exist, in the planning and coordination of services for older people which means, however, that they must broaden the scope of their interest, as is already happening, to include other than strictly welfare concerns. There remain, of course, the many smaller communities and rural areas where such councils do not exist; in most instances they will require the intervention of the public authority.

The Committee Recommends:

(90) That in all municipalities and/or appropriate local regions, on the initiative of the public authority where necessary, an officially recognized body be established to plan and coordinate programs, facilities and services for older people and that the concern of such bodies embrace not only the areas of health and welfare but also living arrangements, employment, education and leisure time activities.

At the Provincial Level:

In Canada at the present time the only permanent provincial bodies concerned with planning and coordination as they relate to older people are the Ontario Welfare Council through its section on aging and a more recently organized council

on similar lines in Quebec, both of them under voluntary auspices. This situation contrasts with that in the United States where, largely due to the stimulus provided by the White House Conference on Aging in 1961, a large number of states have established official Commissions or Committees on Aging which are doing useful work. The fact that Canada is to hold a National Conference on Aging in 1966 offers at least the hope of a similar development here. Meanwhile, it is important to note that nine provincial governments made submissions to the Senate Committee, most of them on the basis of extensive studies and surveys, which is clear indication of their interest and concern.

In considering what might be an appropriate form of planning organization at the provincial level, the Committee fortunately had before it proposals that have been made recently by official bodies in two provinces. It was observed that the Report of the Aged and Long Term Illness Committee of Saskatchewan (1963) recommended the establishment of an Institute on Aging so designed "that coordination of programs, services and facilities, as well as education and research, can be affected through one central agency."[8] The Institute was to be financed, so far as its operational costs were concerned, by the Provincial Government to which it would report annually but it would have its own board of directors and operate independently within its terms of reference.

The other proposal, which is contained in the Interim Report of the Select Committee on Aging and the Aged of the Ontario Legislature (1965), is for an Ontario Institute on Gerontology "which would have among its objectives the coordination and support of all provincial activities (including primarily research and training) in the field of Aging." The Ontario proposal is still under study by the Select Committee and information about structure and relationships is, therefore, not yet available.

The intent in both instances, however, seems to be the same: to create an officially recognized agency, separate from existing government departments, which would provide leadership in all areas of need associated with aging and devote itself principally to the assistance it could give to other organizations rather than to activities conducted on its own.

The Committee recommends:

(91) That provincial governments accept responsibility for the establishment of appropriate bodies for the planning and coordination of programs for older people within their jurisdiction and, that in doing so consideration be given to the proposals contained in the Saskatchewan and Ontario reports.

[8] *Report of Aged and Long Term Illness Committee,* Province of Saskatchewan, 1963, Chapter 12.

At the National Level:

With reference to the activities of the Federal Government recommendations have already been made to the effect that each department and agency, carrying important responsibility in the field of Aging, should have special staff, and perhaps a special office, to give visibility and focus to the needs of older people. Specific mention in this connection has been made of the Department of National Health and Welfare, on both its health and welfare sides, the Department of Labour, in regard to employment opportunities for older people, and CMHC, in regard to housing. Action of the sort thus proposed is in our view a prerequisite of planning, but provision must also be made for an organizational structure that will ensure clearance and coordination among all departments that share in the multiplicity of activities for the aged carried on by the Federal Government. The device that naturally suggests itself here is that of an inter-departmental committee, the ground work for which has already been laid in the Interdepartmental Committee on the Older Worker that has been in existence since the early 1950's. Such a committee, with members appointed by all interested departments, could be very useful as a means of exchanging information and facilitating voluntary cooperation. Made up of equal partners and with only limited authority, it could not, however, be expected to carry major responsibility for overall planning and coordination.

To perform the latter functions the Senate Committee is of the view that a special planning body needs to be established at the national level similar to those proposed at the provincial level for Saskatchewan and Ontario in the reports referred to above. The principal features of such a body, which might be called the National Commission or Council on Aging, are embodied in the Recommendations below.

The Committee recommends:

(92) (a) That the federal government establish a national commission on aging for the purpose of giving leadership in all matters concerned with a fuller life for older people in Canada;

(b) That the functions to be performed by this commission include the following:

(i) to examine intensively and follow up the recommendations contained in this Report of the Special Committee of the Senate on Aging,

(ii) to keep under review the needs and problems of older people and to develop recommendations on policy and program for dealing with them,

(iii) to develop close working relationships with federal government departments and agencies, national voluntary organizations, and provincial government planning bodies concerned with aging, to the end that planning and coordination may be achieved.

(iv) to serve as a clearing house for information on projects, studies and developments generally in the field of gerontology, and to publish a bulletin and other literature for the dissemination of this information,

(v) to provide technical and financial assistance in the area of program development and staff training on request to provinces, local communities, universities, and other organizations, to the extent this assistance is not provided already through existing programs,

(vi) to sponsor and cooperate with other agencies in conducting conferences, seminars, and training courses for workers in the field of aging;

(c) That, until the national council on social research, recommended in the previous chapter, is established, the commission, in addition to the above functions, carry responsibility for the conduct, collation and support of research in the field of gerontology;

(d) That the chairman and members of the commission be selected because of their status, experience and competence, in various aspects of the field of aging, and that they include, up to one-third of their number, representatives of federal departments and agencies that carry major responsibility for services and programs for old people;

(e) That the basic budget of the commission be furnished by the federal government but that the commission be enabled and encouraged to receive contributions from other public and private sources;

(f) That the commission report annually to parliament;

(g) That the commission have associated with it an advisory committee including in its membership representatives of provincial planning bodies, where such exist, voluntary agencies, and old people's own organizations for the purpose of reviewing the activities of the commission and advising on policy and program;

(h) And, finally, that the work of the commission be evaluated at the end of a five-year period and that consideration be given at that time to the advisability of linking it with a broader body on social planning for the population generally which, in our judgment, is required if a comprehensive and an integrated system of programs and services is to be developed.

PART II

THE COMMITTEE'S FINDINGS

CHAPTER 9

Economic Security in Old Age

Introduction

For the purposes of this chapter old age is thought of as commencing at 65 years, which is now the age beyond which most people are retired from regular gainful employment, but it must be borne in mind that the economic position of the aged, like their social situation and their health status, is largely determined by their past experience and activities; the young and middle aged are father to the old. How well off people are financially on reaching age 65 depends on their earning and employment record, particularly during the period immediately preceding retirement. This period, critical not only from the economic but also the social and health points of view, will be discussed further in the next chapter dealing with aging and employment.

The economic security of the aged has been the subject of discussion and enquiry by the Parliament of Canada since the turn of the Century. Legislative provision began in 1908, with the passage of the Government Annuities Act, which offered favourable terms to individuals wishing to save for retirement, but it was not until nineteen years later that the idea of government-provided pensions, albeit on a means test basis, was incorporated in the Old Age Pensions Act of 1927. There followed very shortly the Great Depression and it was the impact of this catastrophic experience, coupled later with the bold reconstruction aims arising out of World War II, that in Canada as elsewhere aroused widespread public concern over matters of economic insecurity. Two major outcomes were the Unemployment Insurance Act of 1940 and the Old Age Security and Old Age Assistance Acts of 1951. So far as the welfare of old people is concerned, the Old Age Security Act marked an important milestone. Flat rate pensions were now available as a matter of right to all persons at age 70 who could meet a Canadian residence requirement, set originally at twenty but reduced since to ten years.

It is interesting to observe that scarcely had the above legislation been placed on the books than political attention shifted to the advantages of the American approach to old age security which relates benefits to contributions by the

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beneficiary, rather than, as in Canada, merely to his residence in the country. The former program, it was felt, held out the possibility of "higher benefits to be paid covering a wider range of contingencies at an earlier age."[1] A result of the Government's interest in the contributory principle was the appointment of Professor Robert M. Clark to analyse and compare the old age programs of the two countries. Dr. Clark's exhaustive report was transmitted to the Government in February 1959 and proved an important factor in lifting the level of sophistication at which pension problems were discussed in both governmental and private circles.

The next notable initiative relating to financial security for old people was that taken by the Government of Ontario in appointing a Committee on Portable Pensions, which it did in April 1960. The Ontario Pensions Benefit Act of 1963, based on the recommendations of this Committee's report, contained two main provisions: the first requiring every employer, with fifteen or more employees in Ontario, to institute by January 1, 1965, at least a minimum pension plan, the benefits of which would be immediately vested in the employee; and the second, establishing basic conditions which all supplementary pension plans would be required to meet after January 1, 1965, relating to such matters as vesting, solvency and the investment of funds. With the introduction by the Federal Government of a proposal for a Canada-wide pension plan early in 1964, and subsequent discussions of this proposal with the Provinces prior to its adoption by Parliament in the Spring of 1965, the Ontario Government withdrew the first of the above provisions, but the second is now in effect and has prompted similar legislation in Quebec.

Economic and Social Issues

While enquiries and legislation like those referred to above have focused primarily on the micro-economic aspects of the problem of social security, in response to the needs of the individuals affected, the macro-economic effects of such programs have been the object of study and discussion by economists, government departments, and of late also by the Economic Council of Canada. The use of funds accumulated in a public pension plan has not only economic but also, in Canada, political and constitutional aspects. How are such funds to be invested and by whom, with what effects? Increasing attention is also being directed to the problem of priorities among the major demands for social action which have arisen in the fields of economic security, education and health services. Further, there is the question of designing economic security in old age in such a way that provision of income security is linked most effectively with that of essential services and facilities, such as health care and public housing.

In the view of the Senate Committee, the introduction of the Canada Pension Plan should be accompanied by intensive studies for the evaluation of both its

[1] Order-in-Council, P.A. 1958—8/307 of Feb. 25, 1958.

micro-economic and macro-economic effects. We would urge that such studies commence before the Plan is in full operation in order that the changes may be observed from the beginning. Such studies might well be among the major tasks of the recommended National Council on Social Research.[2] It will be of particular interest to assess the impact of the Canada Pension Plan on personal savings and on the growth of private pension plans: while some expect the Plan to curtail interest in privately contracted pensions, there is considerable evidence that old age security actually stimulates new interest on the part of the public in providing supplementation to ensure a comfortable level of living in old age. The past accomplishments and the future role of pension plans in industry will have to be re-assessed in the light of the Canada Pension Plan and the most recent changes in the Old Age Security scheme. It should also be noted that the presence in Canada's population of a growing proportion, and certainly greater numbers, of older people will have an impact on the economy in a number of indirect ways. The spending and saving patterns of this group, whose members are largely retired from the labour force and often free from family responsibilities, will vary from that of the rest of the population. The degree of economic security and independence enjoyed by the aged will also influence spending and saving patterns of other groups in society, especially those who would be supporting the aged in the absence of social action.

In studying issues like the foregoing, it is clear that account must be taken also of the accepted values of our society and the implication of these for social policy. As has been pointed out already, sixty years ago all that was thought necessary in order to bring economic security to the aged in Canada was a scheme under which, if they so desired, people could purchase annuities at reasonable cost. Senator Cartwright, in opening the debate on the Government Annuities Bill in 1907, stated: "I doubt extremely the expediency of having recourse to a system of old age pensions, but I do believe there is a great opportunity for the state to avail itself of the machinery at its disposal for the purpose of placing within the grasp of every industrious man in Canada the opportunity, at an easy rate and at a very small cost to the state, of providing a reasonable annuity for his support at an advanced period of life."[3] Even, then, however there were dissenting voices. In the course of the debate, Senator Fergusson expressed this view: "It does seem to me that it would be necessary that all wage earners should be required to contribute, let it be ever so little. Only in that way can we bring under the operation of the law a large number of people, who, if left to themselves, would neglect to make the small contribution required."[4] There is, thus, an early record of the argument over voluntary and compulsory participation.

Regarding the function of government pensions and their amount, Dr. Clark found "widespread agreement that the Government of Canada should provide a

[2] See Chapter 7.
[3] The Right Hon. Sir Richard Cartwright, Speech delivered in the Senate on February 28, 1907.
[4] The Hon. Donald Fergusson, Speech delivered in the Senate on April 11, 1907.

basic minimum pension for the Aged."[5] "The basic minimum", he elaborates, "should be determined on the basis of a statistical study of the minimum amount necessary for subsistence."[6] In Clark's view "it follows from the principle of basing government pensions on the minimum of subsistence that pensioners should not have the value of their pensions eroded away by the winds of inflation."[7]

Another principle on which the amount of the government pension might be based is one that would provide the recipient, not merely with a minimum, but with "a fair share" of the national income. Some, who contend for benefits related more nearly to existing *standards* of living, as indicated by wages, as against subsistence allowances tied to the *cost* of living of marginal families, do so in light of the fact that continuing mass consumption is essential to the health of the economy. This approach raises a number of problems in its practical application. For one thing, such a method strictly applied would mean that the pension should follow the downs as well as the ups in the national economy. Above all, there is the conceptual difficulty of determining the person's proper share. What is the rightful share of an older, usually retired person? Should it be related to per capita consumer spending or to per capita earnings; and, in the latter event, should per capita earnings be calculated in terms of the total population or only of the working population? Would one assume that the retired person during his working life actually has contributed his full share to the economy? And how would his presumably reduced financial responsibilities affect the size of his share compared with that of people in other age groups? Would there have to be some provision for supplementing the pension in case of its drastic reduction through a slump in the economy?

It is acknowledged by the Government that the Canada Pension Plan "is not intended to provide all the retirement income or survivors' income which many Canadians wish to have."[8] The intention is to leave ample scope and initiative to the individual to supplement the government pension through personal savings and private pension plans.[9] Under the Canada Pension Plan, which will be entirely self-financing, the maximum benefit at the end of a ten year transition period will be 25 per cent of earnings related to an earnings ceiling of $5,000. Thus the monthly maximum pension in 1976 will be $104.17, subject to adjustment in line with changes in price and wage levels. The Act also provides protection to widows, dependent children and disabled persons, but again on a severely limited basis.

We have already emphasized the need to determine the present economic position of old people. Without this data, it is impossible to foresee the effects of the

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[5] Clark, Robert M., "Economic Security for the Aged in the United States and Canada", Vol. II, Ottawa: Queen's Printer, 1960, para. 1574.
[6] *Ibid.* para. 1575.
[7] *Ibid.* para. 1581.
[8] *The Canada Pension Plan*, August 1964, Queen's Printer, Page 7.
[9] *Ibid.*, p. 7.

Canada Pension Plan, or of recent changes in the Old Age Security Act. More generally, unless steps are taken to ensure an adequate analysis of the problems of the aged, the effectiveness of any measure on their behalf, present or future, will not be known. This admonition applies not only to the economic position of the aged but to all other aspects of their place and function in our society. Lacking such information, we cannot hope to arrive at definite conclusions on policy matters but must be content, as we are compelled to be in the remainder of this chapter, with merely an exploratory discussion which may, however, raise questions and issues for future study.

The Present Economic Status of Old People

Only some very basic data are available on the economic aspects of aging in Canada. With their aid we shall try to review briefly the importance of the old people in the population, their income status, and the degree of heterogeneity of this social group that we refer to as the aged. We shall also examine so far as possible the sources from which their income is derived. Finally, we shall attempt to assess the needs of the old people and ask ourselves to what extent these needs are satisfied under present circumstances.

Old people constitute a comparatively small but increasing proportion of Canada's population. According to the projection by A. Stukel for the Royal Commission on Health Services, 7.92 per cent of the population may be over 65 by 1971, compared to the 7.62 per cent in 1961.

Table 4.—Number and Percentage of Older People by Age and Sex in Canada 1961 and 1971
(Assuming net immigration of 50,000 per year)

	1961			1971		
	Male	Female	Total	Male	Female	Total
Age			*Number*			
65–69	239,700	247,400	487,100	298,500	313,300	611,000
70 and over	434,500	469,600	904,100	526,600	649,900	1,176,500
			Per cent			
65–69	2.60	2.74	2.67	2.63	2.79	2.71
70 and over	4.72	5.20	4.95	4.63	5.78	5.21

SOURCE: T. M. Brown, Canadian Economic Growth, Appendix, A study prepared for the Royal Commission on Health Services.

One will notice in the above table the relative increase expected in the number of females in the population particularly over 70, between 1961 and 1971. This is important in the light of the statements made in several briefs regarding the special vulnerability of older women to economic insecurity. On the other hand, the trend in the rates of participation in the labour force has been rising for older women, while it declined sharply for the older men in the last decade. Moreover, one should be very careful in interpreting data which do not distinguish between unattached women and married women dependent on their husbands.

Both males and females show a definite concentration in the lower income brackets:

Table 5.—Percentage of Older People in Given Income Brackets by Age and Sex 1961.

	65–69		70	
	Male	Female	Male	Female
Income	%	%	%	%
Under $500	11.1	50.2	1.5	5.7
$ 500 to 999	17.0	27.3	43.0	67.3
1,000 to 1,499	10.4	7.5	16.1	11.7
1,500 to 1,999	10.4	4.3	10.6	5.5
2,000 to 2,999	16.0	4.8	11.8	5.2
3,000 to 3,999	13.2	2.6	6.7	2.0
4,000 to 4,999	8.1	1.2	3.4	1.0
5,000 and over	13.0	2.1	6.9	1.6

SOURCE: DBS 91–507, Table 41.

We see that 38.5 per cent of males between 65 and 69 years of age had incomes below $1,500. For females in the same age group, the percentage is 85 per cent. The situation shows a general deterioration with increasing age. For males over 70, 60.6 per cent of the group received less than $1,500 in 1961, while 84.7 per cent of the females were in the same position, and the percentage of females with incomes of $3,000 and over is lower than that of males in the same income groups. Such findings would tend to support the thesis of those who contend that older females are at a significant disadvantage.

This, however, requires some qualification. A breakdown of males and females into single, married, and widowed and divorced shows clearly that the single female is not significantly worse off than the single male. As for married women, they are supported partially or completely by their husbands and their incomes in most instances are supplementary. Only in the case of the divorced and widowed people do we find clear cut evidence that the males are better off. Nevertheless, it should be

noted that in the age group 65 and over only 20 per cent of the men are widowed whereas this is the condition of approximately one half of the women.

Table 6.—Percentage of Older People in Given Income Brackets by Age, Sex and Marital Status 1961

	65–69						70+					
	Male			Female			Male			Female		
	s.	w&d.	m.	s.	w&d.	m.	s.	w&d.	m.	s.	w&d.	m.
Under $500	16.2	13.6	10.2	20.4	27.8	68.9	1.5	1.4	1.5	3.3	4.5	8.0
$ 500 to 999	33.8	25.3	14.3	27.2	37.3	21.0	54.4	50.4	39.3	*48.4*	*63.0*	*78.0*
1,000 to 1,499	*12.3*	*12.5*	*9.9*	*10.6*	*13.3*	3.5	*19.1*	*17.8*	*15.2*	15.5	14.1	7.2
1,500 to 1,999	7.8	8.8	10.9	9.0	7.0	1.9	7.8	9.1	11.4	9.6	6.7	2.7
2,000 to 2,999	12.3	13.6	16.7	14.0	6.8	2.0	7.7	9.4	13.1	11.6	6.3	2.2
3,000 to 3,999	7.8	11.5	13.9	8.8	3.4	1.1	4.2	4.7	7.7	5.5	2.2	.8
4,000 to 4,999	4.1	6.1	8.7	4.1	1.6	.5	1.8	2.4	3.9	2.7	1.1	.4
5,000 and over	5.7	5.9	15.4	5.9	2.8	1.1	3.6	4.8	7.9	3.4	2.1	.8

SOURCE: DBS, 91–507.

In the face of such a structure, crude measures of central tendency should be used with great care because they obscure the actual distribution. In Canada, the problem seems to be with widowed and divorced women and, therefore, the policy maker should pay particular attention to their needs. In 1961 there were 287,000 such women in the age group 65 and over.

Table 7.—Composition of Money Income of Older People by Age and Family Status 1961

Source of Income	65–69 years		70 years and over	
	family income with head aged 65–69	Income of unattached person aged 65–69	family income with head aged 70 and over	Income of unattached person aged 70 and over
	%	%	%	%
Income from employment	71.4	42.0	48.1	17.3
Old Age Pensions	3.2	12.7	26.1	46.2
Other gv't payments	6.3	12.6	4.3	4.1
All other sources	19.1	32.7	21.4	32.5
Total	100.0	100.0	100.0	100.0

SOURCE: Unpublished data 1962. Survey of Consumer Finances (See DBS brief to Special Committee of the Senate on Aging, October 22, 1964. No. 18. p. 1263).

The above table is difficult to interpret without more knowledge of the family situation. For instance, with regard to family income from employment, who are the wage earners and what portion of this income is earned or received by the family head? For unattached persons, the interpretation is easier. Here we see the significant difference in the contribution transfer payments make to income, as we pass from the younger to the older age group. We observe, also, the relative importance of employment income: over 40 per cent of the income of unattached persons between 65 and 69 comes from the labour market. This percentage drops by more than 50 per cent when we pass to the group aged 70 years and over.

A definite trend in the structure of the sources of income of the aged can be observed, if we compare the data from the Surveys of Consumer Finances for 1951 and 1961.

Table 8.—Major Source of Income of Older People by Age and Family Status 1951 and 1961

	Unattached persons of 65 and over		Family with heads of 65 and over	
	1951	1961	1951	1961
No income	10.6	2.8	1.7	0.7
Income from Employment	25.0	13.4	60.9	49.2
Investment income	16.3	10.2	10.9	6.9
Transfer payments from gv't	38.8	65.6	19.7	34.2
Other sources (e.g., private pensions)	9.3	8.0	7.0	9.0
Total	100.0	100.0	100.0	100.0

SOURCE: 1952 and 1962 Surveys of Consumer Finances—unpublished data.

Table 8 does not give as detailed a picture of the age structure as Table 7 and, therefore, we are forced to deal with the two age groups (i.e., 65-69, and 70 and over) together although, as we have shown above, they have different characteristics. But even with this cruder classification, it is quite obvious that the role of government payments has increased significantly in the last decade. This is to be contrasted with the sharp decline in the relative importance of employment income, a circumstance which tends to support our concern over the labour market situation and policies in regard to the aged. If the trend toward a larger dependence on transfer payments is extrapolated, it becomes clear that the aged must depend more and more on some kind of retirement pension rather than on labour income.

Another feature of the last decade has been the relative decline in importance of investment income for the aged. This leads us to inquire into the distribution and the form of their assets since, without such information, it would be very difficult to

assess the importance of this element as a source of economic security. Information about asset holdings in Canada is very inadequate, and no survey has been made since the late fifties. It is possible, however, to get a general idea of the trend by examining the position of the older citizens in 1955 and 1958.

Table 9.—Percentage Distribution of Non-Farm Families with Head Aged 65 and Over by Liquid Asset Holdings in the Spring of 1955 and of 1958.

Liquid Assets	1955 All families with head 65 and over		1958 All families with head 65 and over	
	All Incomes	Incomes under $3,000	All Incomes	Incomes under $3,000
None	23.3	32.1	21.9	30.7
Under $250	12.5	12.9	9.5	10.6
$ 250– 499	7.8	8.3	4.9	5.1
500– 999	7.5	5.7	11.0	10.0
1,000–1,999	12.6	13.5	13.1	11.7
2,000–4,999	17.4	14.2	17.4	18.1
5,000–9,999	7.5	6.2	11.3	8.4
10,000	11.4	7.0	11.0	5.4
Total	100.0	100.0	100.0	100.0

SOURCE: DBS Incomes, Liquid Assets and Indebtedness, Non-Farm Family in Canada 1955 (13–508), 1958 (13–514)

It seems quite clear that the proportion of "old families" with liquid assets below $500 has been reduced in the 1955-58 period. The liquid assets position of the aged should, however, be examined within the context of a broad study of their total assets. Some such data may be available, at least for applicants granted Old Age Assistance in Canada.

We have pointed out the need for great caution in the use of measures of central tendency in the case of such a heterogeneous group as the aged in Canada. However, bearing this in mind, it might be helpful to present some figures, if for no other reason than to define in a fairly general way some orders of magnitude.

For families with head aged 65 and over, the average income in 1961 was of the order of $4,047 per year, and the median income of the order of $2,831. For persons in that age group not in families, the average income per year was $1,458, while the median income was $829 (or even lower).[10]

Since, as has been said, it is difficult to interpret the income of families without more knowledge of their composition, one might regard the median income of

[10] Dominion Bureau of Statistics, brief submitted to the Special Committee of the Senate on Aging, October 22, 1964, No. 18, p. 1273 (see footnote p. 1254).

people not living in families as a good indicator of the sort of income that accrues to old people dependent on their own resources in Canada today. In doing so it needs also to be remembered, however, that there is a concentration in the distribution of income at $660, the pension income, and that the amount of the Old Age Security pension has risen since 1961 to $900.

The question is whether such incomes are sufficient for an older person or an older couple. The answer, obviously, is dependent on our definition of adequacy. The briefs submitted to the Committee contain long sections on the economic needs of the aged, but in most cases we are confronted with assumptions regarding priorities which are unsupported by scientific knowledge regarding the tastes and needs of the aged. This is a reflection of the lack of studies on minimum adequate income levels in this country. In fact, very few local surveys[11] are available to provide estimates of socially defined minima in a form which would allow the observer to specify explicitly in the particular case of older people.

The bureau of Labor Statistics of the U.S. has attempted to build a budget for an old couple in the United States which would assure this couple of a "modest but adequate" standard of living. It found that in 1959 the old couple would need not less than $2,500 per year, in an average large American city.[12] How can this be applied to various areas in Canada? One could attempt some deflation procedure in order to pull the figure down to a level appropriate for Canada. However, if we keep in mind that our old people have expectations which are definitely tied to North American standards and that a recent conservative estimate[13] of the minimum family budget for a family of two persons in Canada (no age specification) is as high as $2,190, we might be tempted to use a very weak deflator if any.

The fact is we do not possess any specific minimum budget for a typical Canadian retired couple, let alone one which recognizes and reflects the older generation's pattern of tastes and preferences. The only way to get information about priorities as perceived by the aged would be to launch a series of extensive surveys not confined to financial matters. In fact the economic condition of old people can be perceived precisely only if questions as to the exact nature of contacts with relatives or friends are also answered.[14] Such information is necessary if policy makers are to provide economic security for the aged in a way that would assure a maximum of satisfaction to the individual at a minimum material and social cost.

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[11] For instance, *A study of adequacy of social assistance allowances,* report prepared in 1958 by the Community Chest & Councils of Greater Vancouver, see Proceedings No. 10, June 4, 1964.

[12] M. S. Stotz, "The B.L.S. interim budget for a retired couple", Monthly Labor Review, 83, Nov. 1960.

[13] R. A. Jenness, *"The Dimensions of poverty in Canada: some preliminary observations"* University of British Columbia, February 1965, (typescript), p. 14—For a one-person family, the estimated minimum budget proposed by Jenness is of the order of $1,700.

[14] Some of the important questions pertaining to these surveys have been discussed by Dorothy Cole in July 1957 at the Fourth Congress of the International Association of Gerontology.—See also P. Townsend, *The Family of Old People.* London 1957.

If we accept the figure of $1,700 as the minimum budget for a one-person family, as suggested by the Jenness reference above, and if we compare it with the average income of older unattached persons which is of the order of $1,458, or even more meaningfully with the median income of the people in this group, some $829, it seems clear that old people, who are dependent entirely on their own resources, are in no position to satisfy their basic needs. For families with the head over 65 years of age, no definite conclusion can be reached without more information about the structure of such families.

Priorities and Values

Earlier we have mentioned the need there is to assess income maintenance programs for the aged in the light of Canada's overall social and economic policies. Even in the area of social policy, having in mind the demand there is for increased financial support of education, health services, and social security, it may be necessary to determine priorities. Clearly there must be integration in planning for the economic foundation of these various programs. Whether, in view of Canada's sound economic position and future prospects, the problem is really one of priorities would have to be determined in the light of the cost, particularly the net additional cost, of the programs in question related to the present and anticipated capacity of the economy.

It may well be that the net extra cost of these programs can be absorbed without establishing priorities in chronological terms and that the decision, therefore, would be one of degree within each program rather than of priorities between programs.

In any case, decisions about priority will require an appraisal of the values our society assigns to its various objectives and activities, in addition to the difficult enough distinction in the economic sphere between investment and consumption. This latter concept is by no means clear cut in its application. Neither health nor education, for instance, can be regarded solely as an investment in human capital in the economic sense: both include a strong element of satisfaction and utility to the individual. Education services, for example, are consumed by some individuals simply because of the satisfaction to be derived from acquiring knowledge, whether or not they actually apply it on a job. It should be remembered that the very objective of economic endeavour is to achieve a maximum of well-being for people and that considerations of economic investment must not be the only ones taken into account.

How a scale of social values is going to be obtained and agreed upon is not easy to foresee, particularly in the complex and intricate framework of Canada's political, social and constitutional machinery. It would probably have to come as a result of the interplay of many forces rather than through deliberate action by a

Council of Social Values as proposed by Alvin Hansen.[15] It must also be recognized that social attitudes and values are as dynamic as society itself and its institutions, and are, therefore, subject to change.

In 1960, a study of American attitudes toward responsibility for the aged showed that in 20 per cent of the cases people believed that relatives should have the sole responsibility and that in 30 per cent the belief was they should have primary responsibility. Only 9 per cent of the respondents felt that relatives and the government should share the burden, while 6 per sent gave primary responsibility to the government and 21 per cent gave the government the sole responsibility.[16]

Two factors, however, might affect drastically the corresponding social preferences of Canadians, and indeed of Americans, over the next decade. First, the recent campaign against poverty in Canada and in the United States has focused public attention on the peculiarities of income distribution in North America. Whether the impact of such a campaign will be important enough to shift income redistribution from a secondary to a primary position among our social goals remains unknown for the moment, but it is not completely utopian to think it might, especially since many people are coming to realize that "poverty is expensive to maintain".[17] Secondly, other studies done in the United States have revealed that the attitudes of people toward the responsibility of government in the maintenance and assurance of economic security for the aged, or for any other handicapped group, is related, with a time lag, to the amount of money paid out by the government in the region. Thus, we might be faced with a certain feed-back effect, resulting in a shift of attitude.[18] Finally, there is the consideration, pointed out earlier, that purchasing power spread broadly throughout the population provides an assurance of mass consumption on which continuing prosperity depends.

Basically, there are two schools of thought about the means to achieve economic security and conditions of social welfare for the aged or any other group, within the framework of the existing economic order.[19] On the one hand, there is the group, best described as individualists, who resist the enlargement of the social services as likely to weaken the moral fibre, and consequently the productive capacity, of the nation. Members of this group would limit the responsibility of the state in welfare matters to that of caring for the small fringe of people who are utterly unable to provide for themselves, even with the help available from the voluntary agencies. On the other hand, there are those who lay stress on what Churchill called "the collective functions of society". While appreciating the advantages of a private enterprise economy, they are keenly aware of the social

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[15] A. H. Hansen, Economic Issues of the 1960's, New York, 1960, p. 91.

[16] C. A. Lininger in *Aging and the Economy,* edited by Orbach and Tibbitts, Ann Arbor 1963, Ch. 5.

[17] M. Harrington, *The Other America,* New York 1962, Penguin Ed. p. 133).

[18] C. A. Lininger, op. cit., Ch. 5.

[19] A. T. Peacock, *"The Political Economy of Social Welfare"* Three Banks Review, Dec. 1964.

problems generated by its operations. Since, in their view, these problems cannot be solved by the system itself and are, moreover, of a magnitude beyond the capacity of private individuals and groups to deal with alone, the case for state intervention seems to them to be clear. Not only must economic activity be subject to some regulation, but social legislation and social services must be accepted as indispensable in the interests of human well-being. It may be considered that the first of these two schools, the inheritors of the laissez faire tradition dominant in the 19th Century, carries less influence today than it did formerly, and to an extent that is true. However, its importance has revived recently, in view of the alleged emergence of the "Affluent Society". Marshall draws attention to signs of this revival in England where he says: "It is argued that amid so much affluence poverty can only be an exceptional phenomenon, and that now it really is possible for all but a few to win for themselves all the amenities of a civilized existence".[20]

Nonetheless, it is probably fair to conclude that the development of social and economic thought throughout the 20th Century has brought these two groups closer together. Both now would appear to agree that there is a responsibility on the state to seek at least the *reduction of insecurity* within the limits imposed by the resources and general state of the economy. The real differences are about the extent of the responsibility and the appropriate means of carrying it out, but even here they find some common ground.

One observes, for example, more than a little convergence in the techniques accepted to ensure economic security. While the "individualist" would prefer to rely mainly on voluntary insurance, obtained through private carriers and supplemented by public assistance for the destitute and helpless, he is ready to settle for a state-operated insurance scheme, when no government subsidy is involved. Similarly, although "the collectivist" believes in government subsidy, on the ground that this is the only way for social aims to be given effect, he is prepared to accept a state-operated scheme, financed altogether through premiums, if the experts agree that this is an effective way of meeting the need.

There are questions about all of these various techniques which leave one uncertain about what form the provision of economic security will finally take. As has been amply documented, private voluntary insurance has failed to yield the desired results, even in relatively prosperous countries like the United States. On the other hand, those who wish to see the individual's sense of responsibility retained, raise strong objection to anything but a minimum use of government subsidies. Finally, if on the face of it social insurance would seem to be most acceptable to all concerned, this approach has been criticised on the ground that it has a tendency to develop, over time, into a mixture of compulsory self-insurance and public subsidy in which it is impossible to separate one component from the other.

[20] *Social Policy*. T. H. Marshall, p. 32, Hutchinson University Library 1965.

Considerations for Future Policy

It is reported that in 1911 when Lloyd George was in the middle of preparing his Health Insurance Bill he made the following jotting on a piece of paper: "Insurance necessarily temporary expedient. At no distant date hope state will acknowledge full responsibility in the matter of making provision for sickness, breakdown and unemployment".[21]—and he might have added old age. This suggests the notion of a socially determined floor of protection which society at some point may be willing to guarantee to all its members. Even if this is still only a notion, which has yet to be clearly articulated, let alone accepted by responsible planners, it contains the germ of an idea which could revolutionize many of our current programmes and other arrangements for the provision of economic security.

There is no opportunity here to pursue this line of thought with any thoroughness, but it might be useful to explore it a little with particular reference to the needs of the aged. The cash income of older people, as we have seen earlier, comes mainly from government payments, employment, and investment. Further, trends suggest that the relative importance of all non-government sources of cash income has been declining, which is making government payments the chief, if not the sole, source of income for many of them. The question is whether it is possible to establish or find a consensus of opinion about the magnitude of public subsidy which, given existing institutional arrangements[22], would guarantee an adequate, if modest, standard of living for older people.

Many organizations, in briefs presented to the Committee, gave their ideas on this subject. The United Senior Citizens of Ontario Inc. stated that the old age security benefit should be $100 a month, while the Canadian Institute for the Blind Acquaintance Club asked for an increase to $125. The Montreal Council of Social Agencies suggested $1,260 a year as the minimum income required for an older individual and $2,100 for an older couple, but the Ontario Welfare Council felt that $80 to $95 for an individual and $135 to $149 for a couple would be sufficient. An older citizen, Mrs. S., stated before the Committee that nothing less than $100 a month would do, and that $125 per month would permit one to live comfortably.[23]

It goes without saying that these various groups attached somewhat different meanings to the concept of an adequate standard of living and also that on the basis of their experience the assumptions they make about the availability of supporting institutional arrangements were not always the same. However, if in order to be on

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[21] *Ibid.* p. 59.

[22] By this proviso, "given existing institutional arrangements", we simply mean that the claims on resources which the aged now have in our system would be preserved; for instance, like other Canadians, old people are now receiving hospital care and other services; we assume that such claims on existing resources would remain effective.

[23] For references see the Brief for each of these organizations; Mrs. S. is one of the five senior citizens who came to testify before the Committee on Nov. 7, 1963.

the safe side we accept the maximum estimate put forward, the figure we arrive at for a minimum cash income from all sources is $125 per person per month, subject necessarily to adjustment periodically on the basis of a cost of living index.

It is not possible with the information available to calculate with any accuracy what such a guarantee would cost. Assuming that it would be given to all persons aged 65 and over, and that 40 per cent of this group, some 560,000 people, would need supplementation for an average amount of $400 per year, we come out with a figure of roughly $225,000,000, which represents between 25 and 30 per cent of what the government paid out in old age security pensions during the fiscal year 1963-1964. However, this amount is not altogether an additional outlay. There were also federal-provincial expenditures on Old Age Assistance in 1963-1964, totalling close to $80,000,000 and under the new Canada Assistance Plan, if it fulfils its promise, expenditures might well be expected to rise sharply above this figure, What we appear to be talking about, therefore, is a new expenditure of something in the order of $100,000,000, and even this amount would likely decline within a few years as benefits from the Canada Pension Plan become available, and also as the recent action by Parliament in lowering to 65 the age for old age security pensions makes itself felt.

The question is whether Canadians would be willing to divert sufficient of their resources to make this kind of adjustment possible. We recall the statement contained in the brief of the Saskatoon Welfare Council. "Our senior citizens", reads this submission, "who have founded and built this country have earned the right to a fair share in our affluent society". If one were willing to accept such a proposition as is here put forward, the $125 per month per older person guarantee could easily be rationalized, since it would represent a minimum cash income of $1500 per year for every old person in a country where the personal income per capita for the period 1959-1963 has been of the order of $1763. Whether such an amount represents what might be considered "a fair share" of the national income remains hypothetical.

There are regional differences in the level of personal income per capita, and significant differences also in the cost of living between regions across the country. This might raise the question of the equity of a uniform income guarantee, as providing equal treatment of equals. Such a policy would render older citizens better off relatively in the provinces which have a personal income per head below the national average, i.e., in the provinces that are in a position to do least for their aged. On the other hand, it would discriminate against older people living in the richer provinces, but these provinces, presumably, are in a position to make good the discrepancy, one way or another, if they wish to do so.

In the above discussion we have concentrated on the claim of the aged to a certain level of cash income, and in doing so have left out of account the variety of

goods and services, as for example in the areas of health and housing, which may and do play an important part in ensuring their economic security. This problem of the total structure of the supply of economic security is a very complex one, as we have tried to indicate throughout. What is the appropriate balance between money income and the provision of services? What is the attitude of older people to one as against the other of these two approaches, and with regard to cash income, what degree of resistance do they feel to a means or needs test? How is responsibility for services to be most efficiently distributed between the public and private sectors, and among the various levels of government? These are only a few of the specific questions, the answers to which must await more precise information and a greater variety of expert studies than have yet been made. Finally, there is the problem of intermeshing social and general economic policies. This consideration may not have been important earlier, when welfare programmes were relatively small and subsidiary operations, but it cannot be disregarded today in a society which has assumed major responsibility for the well-being of its citizens and is prepared to devote a substantial amount of its resources to the fuller realization of this objective.

In a recent paper Titmuss[24] referred to the "iceberg phenomenon" in social welfare planning: the preoccupation there often is with the visible aspects of poverty, such as low income and lack of services, to the neglect of less easily detected agents of insecurity and inequality, such as the effects of the tax system, the way government subsidies operate, inflationary pressures and the like. In an analogous manner we have dealt in this Chapter with only a limited segment of economic security, omitting much above and below the water-line, and even in regard to this segment have confined ourselves mainly to an enumeration of issues that have yet to be resolved.

It would be defeatist, however, to conclude that nothing can be done for old people in the matter of income until all the facts are in. Already, as is clearly apparent, considerable that is constructive has been accomplished, including most recently the institution of the Canada Pension Plan and the lowering of the age of eligibility for Old Age Security. Together, these measures will do much to improve the lot of older people retiring in the future. The challenge is to match these achievements with comparable provision for the aged already retired, many of whom, as our analysis has shown, are in serious economic need. Our proposal which we believe Canadians generally would support, is a new program which, without resort to a needs test, would guarantee to this disadvantaged group a cash income sufficient to ensure a modest standard of living. The recommendation in detail is set out in Chapter 2 of this Report, and it is our hope that it will receive early and favourable consideration by the Government.

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[24] R. M. Titmuss, "The Role of Redistribution in Social Policy" (typescript).

CHAPTER 10

Aging and Employment

In the preceding chapter we argued that economic security for the aged was a primary social responsibility. Furthermore, we have seen that for those beyond the normal retirement age of 65 years, economic security cannot depend to a large extent upon employment. We believe, however, that general social and economic policy should extend beyond the provision of pensions to those over age 65 to include opportunity for employment to all age groups. It is also our view that, even if economic security provisions for the aged were adequate, the problem of aging and employment merits close attention.

This view is substantiated by submissions received by the Committee, indicating that the problems of aging in Canada do not arise suddenly at age 65 but begin to make themselves apparent at ages as early as 45, or even earlier. While in purely economic terms it might be difficult to justify the effort of finding suitable employment for those over 65 and the expense of fitting these people for employment, there are good grounds for arguing that the costs of manpower policy for the whole labour force, including the aged, can be more than outweighed by gains to the economy as a whole.

In this chapter we shall, therefore, consider the problem of aging and employment from two points of view: that of employment and the general economy; and that of employment and the aging worker.

The General Context

Since the 1930's the spectre of mass unemployment has influenced Canadian economic thought. Admittedly, the great depression of the 1930's, and the deep economic and psychological wounds it inflicted on a whole generation of Canadians have, to a large extent, faded from memory. But unemployment has remained a problem of grave concern. Despite generally stated objectives and various insufficiently co-ordinated government efforts, unemployment has persisted, reaching high levels in recent years.

This has particularly serious implications for the aging since it was well established in testimony before the Committee that the very young and the older groups in our labour force suffer most in periods of unemployment.

Clearly, no policy for employing the aging can expect much success without an effective programme for a high level of general employment. It is essential, therefore, as a first step, to give consideration to Canada's efforts and performance in attacking the problem of general unemployment. This was stressed time and again by witnesses. For example, the Canadian Welfare Council argued that "a high

level of employment particularly in the crucial age from 40 to 60 is the first line of defense against the inability of people to provide for their own economic needs in old age"[1]: and further that "the ultimate objective of all Canada's manpower policies should be to ensure that every Canadian has the opportunity to engage in productive employment to the full extent of his or her needs, capacities, skills and potentialities."[2]

Recently the Economic Council of Canada provided the following definition of a tolerable level of unemployment: "In the light of careful studies, we have concluded that a 97 per cent rate of employment, or a 3 per cent rate of unemployment of the labour force would constitute a realistic objective to be aimed at over the balance of the 1960's."[3] And yet our unemployment rates have been above 3 per cent since the early 1950's and substantially above 5 per cent from 1957 to 1963.

The economic cost of this unemployment has been significant. A recent estimate by Prof. G. L. Reuber suggests that the potential full-employment level of the private sector of the economy (Gross Domestic Product) in 1961 was at least 12 per cent or between four and five billion dollars greater than the actual level experienced. The average gain in private output would be some 4 to 5 per cent for each 1 per cent reduction in the percentage of the labour force unemployed, up to the point of full employment.[4]

A substantial portion of the loss experienced is due not just to lower levels of employment but to the underemployment of those with jobs. The Economic Council of Canada has noted that between 1946-56, output per person employed rose 3.2 per cent per annum. Between 1956-63 it rose 1.0 per cent per annum.[5] In other words, the farther we are from full employment the less those already employed will produce. As we move toward full employment, we gain not just the production of workers coming into employment but also the increased production of those already employed.

The Committee is impressed with the argument that the fundamental factor at work in recent years has been *insufficient aggregate demand* leading to a high rate of unemployment and to the underemployment of those employed. However, it has been argued, and in fact reflected in policy, that to push levels of employment too high would result in price inflation. This has been a dominant influence in national economic policy for some time now. The Economic Council assumes a balance

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[1] *The Canadian Welfare Council*, brief submitted to the Special Committee of the Senate, Proceedings, May 7, 1964, No. 6, p. 308.

[2] Ibid. p. 312.

[3] Economic Council of Canada—*First Annual Review, Economic Goals for Canada to 1970*—Queen's Printer, Ottawa, 1964, p. 38.

[4] G. L. Reuber—*The Objectives of Monetary Policy*—working paper prepared for the Royal Commission on Banking and Finance, Ottawa, Dec. 1962.

[5] *Economic Council*, loc. cit p. 44.

between prices and employment when prices are rising at 2 per cent per year and employment is at 97 per cent of the labour force, i.e., when unemployment is at a level of 3 per cent. In these terms, therefore, Canada could "afford" a level of employment approximating 97 per cent.

Apart from inadequate demand, it has also been asserted that unemployment in Canada has to do with *labour market structure*—regional problems, insufficient mobility of labour, inadequate or inappropriate labour skills, and so on. This has influenced the shape and emphasis of manpower policy. But here again recent evidence suggests either over-emphasis of the structural explanation or *insufficient attention to a more balanced approach.* Prof. Pierre-Paul Proulx of McGill has looked at the relationship between kinds of structural unemployment and general unemployment.[6] His results indicate that changes in the structural elements of employment are not significantly different from changes in employment as a whole. In their analysis of post-war unemployment, F. Denton and S. Ostry conclude that one may detect a sign here or there of a possible growth in the structural problem, though the overall impression is that the structuralist argument has received no strong positive support. It would appear, they maintain, that most of the increase in "residual unemployment in the latter 1950's and early 1960's was caused by growing slack in the economy, i.e., a growth of demand-deficient unemployment.[7] The evidence suggests that little will be achieved by a programme which is limited to attacking regional unemployment or age-group unemployment, without a general national employment policy attacking demand-deficiency problems. In summary, we can note at this point that the problem of employing the aging and aged cannot be resolved when the nation is in a position of high or even moderate unemployment. We can also note that national policy in recent years has provided limited scope for an employment framework within which we can grapple with aging problems. That such a framework is becoming more urgent is vividly illustrated by the labour supply forecasts of the Economic Council of Canada, which indicate a rapidly growing labour force.

We now turn our attention to the more limited sphere of the aging part of our work force in order to explore its employment characteristics. Granted that the essential condition is national full employment, the actual achievement of productive and rewarding employment requires other kinds of considerations and policies. In national economic terms, the question is how we can increase the economic contribution of the aging group, given its characteristics. In terms of the people involved, the question is how they can satisfy their employment goals—whether these be economic, social, or pyschological.

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[6] Pierre-Paul Proulx, "The Composition of Unemployment in Canada", in *Employment, Unemployment and Manpower,* Industrial Relations Centre, McGill University, Montreal, June 1964.

[7] Frank T. Denton and Sylvia Ostry, *An Analysis of Post-War Unemployment,* Economic Council of Canada, Queen's Printer, Ottawa, 1965, pages 16 and 18.

The Critical Years

One difficult question which arises is how we should define the aging worker. Public pensions are available at age 70 and will shortly be available at age 65. These would be convenient age limits for our study of employment. Yet at this age level the entire issue of employment diminishes since one could argue, as we have, in favour of economic security for this age group without specifying income from employment. It was brought forcibly to our attention, however, that the aging-unemployment relationship begins much earlier and assumes major proportions in the 45 to 60 age period. In real terms, therefore, consideration of the problem requires much longer time perspectives than those suggested by other criteria for aging. Unemployment for the aging begins before 45 and not at 65 or 70. "In terms of employment opportunities a worker is old at 45. In terms of normal retirement, he is old at 65—in terms of old age security, he is old at 70." [8]

Table 10.—Male Unemployment Rates—1963

Age Group	Unemployment Rate
	%
All ages	6.4
35–44	4.7
45–54	4.9
55–64	6.1
65+	4.8

SOURCE: Dominion Bureau of Statistics; "Labour Force Survey."

The data for males indicate a "breaking point" in the 45-54 age interval. The same breaking point has occurred each year since 1950. Although exaggerated reliance cannot be placed on these data, it can be concluded from them that the relationship between aging and unemployment shows up long before age 65.

The lower unemployment rate after age 65 is explained largely by the withdrawal of this age group from the labour market. Such withdrawal is undoubtedly influenced by the unemployment experience of the people involved. Department of Labour data were revealing on this point.

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[8] *A. Andras,* in presenting the brief of the Canadian Labour Congress to the Special Committee of the Senate on Aging, Proceedings, March 5, 1964, No. 2, p. 69.

[9] *Department of Labour,* brief submitted to the Special Committee of the Senate on Aging, Proceedings, July 2, 1964, No. 14, p. 948.

Table 11.—Duration of Unemployment by Age, Males
(October average, 1961–1963)

Duration	25–44	45 and over
(months)	%	%
under 1	34.5	29.6
1–3	31.2	26.5
4–6	10.4	12.7
over 6	17.7	26.4
Layoffs	6.2	4.8
	100.0	100.0

SOURCE: Proceedings, p. 959.

Thus, higher unemployment rates and longer duration of unemployment are both characteristic of the worker 45 years of age and over.

Additional relevant evidence on the critical years was provided by the National Employment Service.[10] In an analysis of vacancies it was found that almost 100 per cent were closed to workers over 65 years of age; 97.6 per cent to those over 55; 88.4 per cent to those over 45; and 43.6 per cent to those over 35. In terms of actual placement experience in 1959-60, 27.6 per cent of the applicants were 45 and over, but this age group represented only 12.3 per cent of total placements.

This kind of information provided the Committee with ample evidence that the problem must be viewed in a time dimension which begins in early middle age. Professor John Morgan of the University of Toronto noted that continuous unemployment from 45 will make an "unhappy, insecure and damaged person before he becomes 65".[11] Other submissions noted that repeated frustration in attempting to secure employment beyond 45 will itself reduce the individual's ability to secure employment.

In defining the critical years, it is useful to identify the age-related factors which affect the worker's competitive position in the labour market, a position which becomes critical during conditions of less than full general employment.

Certain basic characteristics associated with particular age groups are involved in an evaluation of the competitive position of the aging worker. Education is one such factor, and it was raised most frequently before the Committee. In general the aging are less well educated than younger workers; which establishes a serious employment disability, particularly for higher skilled, higher income opportunities. This is related partly to improvements in education over time and partly to the termination of the educational process at particular age levels. Associated with age and a lower educational base is the whole question of learning ability which, in turn, is

[10] *National Employment Service,* brief submitted to the Special Committee of the Senate on Aging, June 11, 1964, No. 11, p. 752.

[11] *Prof. John S. Morgan,* evidence submitted to the Special Committee of the Senate on Aging, Proceedings, October 24, 1963, No. 2, p. 28.

related to mental capacity, motivation, and a number of other social and psychological factors. A second characteristic of aging workers is geographical immobility arising from family composition, home ownership and community relations, all of which tend to grow in importance with aging. Thirdly, there are health factors associated with aging which affect mobility and adaptability.

The Critical Industries and Occupations

The competitive position of the aging worker in the labour market is influenced greatly by his ability to adjust to employment opportunities. These have undergone substantial change in recent years, and continued change related to industries, occupations, and locations is expected in the future. One of the general shifts has been from goods-producing to service-producing industries. The Economic Council of Canada reports that between 1946 and 1963, employment in goods-producing industries rose by something less than 3 per cent. During the same period employment in service-producing industries rose by 87 per cent.[12] The Council estimates, however, that between 1963 and 1970 employment in service industries will increase by 75 per cent while employment in goods-producing industries will increase by as much as 25 per cent. Yet, even if the older workers were initially distributed, industrially and occupationally as are workers on the whole, they would need to be equally mobile to adjust to rapidly changing labour allocations. Under such conditions, the aging worker would not be disadvantaged.

There is some evidence that the older worker tends to be concentrated in declining industries and low-paid occupations and is finding it difficult to shift. The evidence, however, is not conclusive.

Table 12.—Relative Distribution of Male Workers by Occupational Group and Age 1961

Occupational Group	Total	45 and over	65 and over
	%	%	%
Managerial	9.6	13.4	12.5
Service	8.5	8.6	13.4
Agriculture	12.2	16.8	29.8
Construction	7.1	7.3	5.1
Manufacturing	18.4	17.7	10.8
Clerical	6.7	5.6	6.0

SOURCE: Department of Labour *loc. cit.*, p. 14.

Table 12 shows the very heavy concentration of workers 65 and over in agriculture and a more than proportional concentration in managerial and service occupations. For the 45 and over group a similar, but somewhat less extreme, pattern obtains.

Concentration in agriculture implies participation in an industry which provides fewer and fewer opportunities for employment. Although there is considerable

[12] Economic Council, *First Annual Revi* p. 15[illegible]

outward mobility from agriculture, the shift for aging and aged workers is difficult, since it involves both a significant change in skill requirements and a change between rural and urban environment. To the extent that older workers are concentrated in agriculture, they are faced with severe adjustment problems. If they stay in agriculture, the chances are that they will be underemployed and their living standards economically depressed.

The remaining evidence is less clear. Employment in service industries has grown enormously and this would appear to present opportunities for older workers who appear relatively well entrenched; but little is known of the kinds of employment found by older workers, in this broad field. Denton and Ostry[13] have noted, however, that in recent years, despite the rise in importance of trade and service industries, the rate of unemployment in these industries was relatively high. In manufacturing and construction, which are affected most by automation and which are "under-represented" by older workers, the rates of unemployment are relatively low.

All of this indicates that better data and sharper analysis with a focus on the older worker is necessary. However, it would appear that older workers are concentrated in declining industries and unstable occupations some of which are regionally concentrated. Older workers also appear to be concentrated in occupations the skills of which are not readily adaptable to alternative growth sectors of the economy.

Some Revelant Trends

So far we have attempted to identify the general nature of the problem and its age and labour market characteristics. It will be useful now to sketch developing trends with respect to labour supply and demand as additional background for a consideration of possible policy. The following population projections have been made recently by the Economic Council of Canada:

Table 13.—Changes in Population by Selected Age Groups 1963 to 1970

Age Group	Change
	%
0–14	+11.5
15–19	+28.2
20–24	+45.1
25–29	+22.6
30–39	−3.4
40–64	+15.8
65 and over	+13.5

SOURCE: First Annual Review, Economic Council of Canada. p. 59.

[13] Denton and Ostry, op. cit., pp. 14-15.

The most striking feature of the projection is the large increase in the combined 15-29 age group, which will exert considerable pressure on employment opportunities. But the Group 40 and older will also grow substantially.

The Department of Labour projects the composition of the labour force as follows:

Table 14.—Percentage Age Distribution of Labour Force by Sex 1961, 1971—[14]

Males	1961	1971
14–19	7.4%	7.6%
20–24	10.2%	13.8%
25–44	48.0%	42.7%
45–64	30.5%	32.0%
65	3.9%	3.9%
Females	**1961**	**1971**
14–19	16.0%	14.1%
20–24	16.5%	16.8%
25–44	40.0%	37.8%
45–64	25.2%	29.0%
65	2.3%	2.3%

SOURCE: Proceedings, p. 971.

Aging workers are expected to constitute a larger proportion of the labour force in the next ten years, both males and females. Although a relative decline in the 25-44 age group is indicated, its effect on the competitive position of the older worker will be offset by the increase in the 20-24 age group and the over-all challenge to employment posed by the general increase in the labour force. The Economic Council warns that we will need to find 1,500,000 new jobs between 1963-70. On balance, therefore, there is little prospect of a quantitative reduction in the problem of employment for older workers.

An analysis of participation rates throws further light on the employment prospects of older people. These rates reflect the relationship between the labour force and the whole population 14 years of age and over. Within the population, some individuals for a variety of reasons do not participate as either employed or unemployed. Young people 14 years of age and over may not participate because they are at school, while many aged workers retire and so do not participate.

In general, participation rates for men[15] are relatively low for the 14-19 age group and high for the 20-54 age group. Somewhere between 45 and 54 the rates

[14] Department of Labour, *op. cit.*, p. 971.
[15] For data see Department of Labour, *op. cit.*, p. 953.

begin to decline and are significantly lower in the 55-64 age group. Finally there is a drastic decline at age 65 and over. These differences have held historically, in very general terms, but some significant trends have developed amongst older men. These are shown below:

Table 15.—Labour Force Participation Rates—Males 65 and over by Selected Years 1950-63

Years	Participation rates
	%
1950	40.4
1954	33.2
1956	34.1
1960	30.2
1961	29.1
1962	28.4
1963	26.3

SOURCE: Proceedings, p. 953.

The observed decline in participation of older men reflects, to some extent, a reduction in their need to work. Presumably, an operating factor is economic security derived increasingly from sources other than employment. As noted previously, however, an undefined portion of withdrawal from the labour force may well be due to a persistent and discouraging lack of employment.

In contrast with those for males, participation rates for females have increased sharply in the past thirteen years; rates in the 45-54 and 55-64 age groups have doubled and, although the percentages are small, they have increased in the 65 and over age group as well. Undoubtedly, the main factor has been the increase in the service occupations.

On the demand side the Economic Council of Canada has laid down a bold challenge to the people of Canada: "In order to achieve our employment potential of 97 per cent employment by 1970, the economy must achieve a sufficiently large rise in employment to absorb not only the very large expansion in the labour force . . . . but also a substantial proportion of existing unemployment."[16]

The Council's report provides some projections relevant to the Committee's task. With regard to employment, the Council projects, from 1963 to 1970, an average annual increase in total employment of 3.0 per cent. It projects a yearly decline of 2.3 per cent in agricultural employment and a rise of 3.5 per cent in

[16] Economic Council, *First Annual Review*, p. 40.

non-agricultural employment. The latter includes a rise of 4.8 per cent in employment in public and community services and a rise of 3.2 per cent in commercial employment.[17] All of these changes are in terms of annual averages, and, unfortunately, the categories are rather gross. In any case we do not have data for age distributions. We have, however, noted that there is a concentration of the aged in agriculture; and, according to Economic Council projections, there will be shrinking opportunities for employment in this industry and, perhaps, expanding opportunities in service industries. In its review of primary industries, the Economic Council projects declining labour input in these industries generally, stressing the importance of improved technology. Thus we can anticipate not only changes in the allocation of labour among broad industrial categories, but also a continuation of improvements in technology. The relevant general consideration is reduced labour input per unit of output. The relevant labour force requirements are technical adaptability to the potentials of improved technology. The existing and impending challenges to society are: the ability to generate and maintain demand; to provide a basis for labour force mobility—industrially, occupationally and geographically; and to develop equality of employment opportunities. For the aging worker we can expect continued confrontation by new skills, strong competition for employment in changing occupations and possibly changed locations of industry.

Some Social and Economic Consequences

We have presented to this point a review of the employment status and problems of older people and the implications of current trends. Before launching into a discussion of policy possibilities, it will be useful to state briefly some social and economic consequences of unemployment among the older workers and some broad policy objectives:

1. In a society geared to industrial production, work and lack of work represent social values, and the social position of a person deteriorates when he is unemployed. Any employment represents a status superior to unemployment, unless the lack of employment amounts to a socially acceptable retirement. Even leisure, which is now increasing, enjoys higher prestige when it is related to employment and is reflected in shorter work weeks than when it is the result of permanent withdrawal from work.

2. Working and its derived income have important psychological as well as material implications for the individual older worker and his family. In the words of the National Council of Women, one of the basic needs of all adults is "a productive occupation for gain or pride of

[17] Economic Council, *First Annual Review*, p. 48.

accomplishment."[18] The Jewish Vocational Service said that "to deprive a man of the opportunity to work is to undermine the basic rationale of his life."[19] Unemployment erodes and undermines people and communities.

3. National economic consequences posed by a condition of unemployment among older workers is of two sorts. First, unemployment may reduce national output. Professor Reuber's estimates of losses have already been presented. The heavy incidence of unemployment among aging workers contributes to this loss. Second, these losses are increased because of underemployment among older workers. This underemployment occurs in such industries as agriculture, where older workers tend to concentrate.

4. Our society cannot be judged as one which has given full consideraton to the situation of the older worker in the labor market. For example, the Committee reviewed much evidence relating to age-discrimination practices among employers. To some extent these practices are due to the cost and regulations connected with employer pension plans, but more often to insufficient awareness on the part of the employer of the productive contribution which the older worker can make.

5. The committee suggests as relevant policy objectives the following:

a) Employment opportunities, even beyond age 65, for those who wish to work and an equitable sharing of employment opportunities.

b) Full use of our productive resources, leading to full employment.

c) Planned measures to offset the employment effects of major technological changes and measures to facilitate occupational, geographic and industrial mobility.

The fundamental policy requirement is a buoyant, fully employed economy. Even apart from the aging worker, this policy must be implemented if we are to cope with our rapidly expanding labour force. No substantial improvements in employment can be anticipated for the aging worker unless the general level of unemployment is reduced. Simply improving the competitive position of the aging worker will only tend to shift the problem to another age category.

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[18] *National Council of Women of Canada,* brief submitted to the Special Committee of the Senate on Aging, No. 9, May 28, 1964, p. 601.

[19] *Jewish Vocational Service,* brief submitted to the Special Committee of the Senate on Aging, No. 5, April 30, 1964, p. 263.

The Committee cannot comment in detail on the precise policy measures required. Clearly, such policies will have to be shaped by the appropriate public and private bodies, but in this process the responsibility of the federal government is very great.

The major technique on the aggregate demand side is an expansionary use of monetary and fiscal tools, unhampered by some of the inconsistent and erroneous concepts of employment, price stability, and national production which have been influential in our recent history. The major technique on the labour supply side is a set of programmes designed to increase the adaptability of the labour force. Canada must face the necessity for a clear statement of national objectives and the need to provide federal government policies for their planning and implementation.

Matching Demand and Supply for Labour

The Canadian economy and its industrial structure are undergoing rapid change, and this is expected to continue. Under such conditions, even with high effective aggregate demand, unemployment and its consequences may result because of mismatching of the demand for labour and its supply. We have seen that the aging worker appears least able to adjust to the process of change. Our manpower policy has attempted to cope with this situation but with only limited success. Apart from the difficulties created by a high level of unemployment, a major problem lies in insufficient attention being paid to analysing, forecasting and planning demand. Canada has mounted programmes on the labour supply side but without sufficient precise knowledge of labour demand.

It is of vital importance to have a balanced regard for both sides of the market and to devise procedures and institutions to co-ordinate manpower policies. This becomes difficult as full employment is approached and as structural shifts become significant. The disadvantageous position of the aging worker makes all of these considerations imperative. As a general policy, Canada should make a consciously planned effort to gear demand and supply, thereby greatly reducing the risk of dislocation and discontinuity of employment and production.

Manpower Policy

The broader aspects of policy just reviewed should be considered prior requirements to manpower policy. Our manpower policy consists of a number of elements, including the general placement function of the National Employment Service and the range of programmes carried out under the Technical and Vocational Training Assistance Act of 1960.

A review of the structure, functions, and achievements of the National Employment Service is contained in the *First Annual Review* of the Economic Council. The Council underlined the organizational and functional limits surround-

ing the National Employment Service and suggested an expanded role for this agency as a key institution in an integrated manpower policy. The Committee subscribes to the need for a comprehensive federal employment policy and for the integration of activities in a single federal agency.

The programmes under the Technical and Vocational Training Assistance Act have met with mixed success. There are problems in developing consistency across Canada and further problems resulting from lack of co-ordination between the various provincial departments and municipal agencies involved.

One set of programmes provides for training of employed persons and those about to enter employment. In general, the programme has failed to attract participants, indicating substantial problems in attracting adults to a programme for developing new skills.

Programme 5 of the scheme is central to our concern, since it is intended to provide training for the unemployed. Federal support for meeting costs of the programme and allowances for trainees is generous. An initial problem has been the reluctance of provinces to commit themselves to their relatively small proportion of financial support. The programme has also failed to attract participation. Not only has enrolment been low, but dropouts have equalled completions. It is apparent that retraining of the unemployed has made very modest progress. Underlying this limited progress is the absence of known employment opportunities, so that there is little information on job possibilities for trainees. In addition, the programme lacks adequate provision for compensation. Allowances are not paid in some provinces and are only minimal in some others. The chief difficulty in educational terms is the lack of basic education of most of the trainees.[20]

The Committee regards the following as essential characteristics for an effective attack on the manpower aspects of increasing employment opportunities for the aging worker:

1. Continued attention to the problem at national and provincial levels. The problems surrounding manpower policy are extensive and complex. It would be useful to integrate and co-ordinate government study and action through the National Employment Service and its local offices throughout the country. This agency should be responsible for analysing basic demand and supply conditions and should develop programmes to facilitate the adjustment and mobility of workers. The federal Department of Labour should undertake, promote, and finance comprehensive research into aging and employment.[21]

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[20] Pierre-Paul Proulx, *loc. cit.*, p. 69.

[21] Note should be taken of a recent White House announcement (N. Y. Times, Aug. 28, 1965) regarding a new American government program to train and use older people, aged 60 and over, as "substitute parents" for children in institutions, as home health aides, and in other similar capacities. The program in its first stage will be financed by an anti-poverty appropriation of $41 million and is expected to provide employment for 18,200 older people. Employees will be paid a minimum of $1.25 an hour and will work four hours a day, five days a week.

2. Financial assistance to unemployed employables should be increased and extended. The main elements of assistance in training and the provision of living and moving allowances and loans are now part of policy but the incentive levels are inadequate.

3. A more realistic approach should be taken toward education itself. Training should be based not only on the skills required but on the characteristics of the trainees themselves. In this context the submission of the Canadian Association for Adult Education is most suggestive. The Association proposed a general approach to education based on a process of continuous learning.[22] This is a most attractive proposal and would have important implications in the long run for our aging population, and for society generally. Of immediate importance is an adjustment in our current training process to suit the qualities and background of the trainees, not only to provide better results but to attract more students and reduce dropouts.

CHAPTER 11

Health Services and Institutional Care

Introduction

Most older Canadians are in reasonably good health. To overlook this, and to stress only the diseases and disabilities of later life is to develop a stereotype of pessimism and hopelessness which is not warranted. Actually the onset of a number of chronic diseases can be prevented or postponed, treatment if instituted early can bring many other conditions under control, and rehabilitation energetically applied can prevent many of the deformities and disabilities of old age (see Appendix I). These facts need more emphasis in the education and orientation of the healing and helping professions today, in view of the increasing proportion of older people among patients seen in doctors' offices, clinics, hospitals, and in home care situations.

It may be true, as was pointed out by the Canadian Medical Association, that "while there are diseases among the aged, there are no special diseases of the aged".[1] It is certainly true that aging and chronic disease are not synonymous; indeed, American statistics show that one-quarter of those suffering from chronic illness are under forty-five years of age.[2] However, there are some notable differences at older ages: the proportion of those suffering from chronic diseases is much higher than in

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[22] *Canadian Association for Adult Education,* brief submitted to the Special Committee of the Senate on Aging, No. 18, Oct. 22, 1964.

[1] *The Canadian Medical Association,* brief submitted to the Special Committee of the Senate on Aging, Proceedings, Nov. 5, 1964, No. 20, p. 1313.

[2] U.S. Commission on Chronic Illness, *Care of the Long Term Patient:* Vol. 2, 1956, page 7.

the rest of the population; often there is a multiplicity of conditions; and symptoms and signs when they occur, tend to come on insiduously. For these reasons, among others, there have developed specialists in the care of the aged. These specialists include doctors, nurses, occupational therapists, physiotherapists, among others. There is some difference of opinion regarding the appropriateness of a medical specialty of Geriatrics. Whether, on the one hand, a new specialty of Geriatrics is instituted or, on the other, specialists in Internal Medicine devote more time (as they must) to dealing with the problems of aged patients, makes little difference. It is true, however, that until the rest of the medical profession fully accepts the challenge of caring for the aged there must continue to be a group of devoted clinicians with a missionary zeal and vision pointing the way to better care for the aged, and indicating that improvement and "control" in the old can be just as important and gratifying as correction and "cure" in the young.

That there is a challenge in preserving or restoring the health of an older person, that modern rehabilitation methods open up a wide new area of possible accomplishment, and that there can be a great deal of satisfaction in bringing health care to the aged, may, perhaps, best be illustrated by the many cases where older patients have been restored to a considerable degree of independence. The following is an example of what can be done for the patient and his family:

> "In one district an elderly patient, having suffered several strokes, had been in bed at home for over three years. He was paralyzed on one side and unable to speak. He was a heavy man and because the family could not move him out of bed, they left him there, fed him, kept him clean, and he did nothing for himself. Finally, because the family were exhausted, someone suggested calling the Victorian Order of Nurses. With the doctor's permission the nurse encouraged the patient to do some self-help activities and simple exercises. In a short time she was helping him out of bed. The family learned, in time, from the nurse teaching during her visits, how to do this easily and safely. In a few months the patient was walking from the bedroom to the kitchen and later outdoors. The family were amazed at the change in his mental and physical condition and regretted the fact that so much time had been lost."[3]

Health of the aged is intimately related to matters of employment (feelings of usefulness and well-being), housing (safety and sanitation), recreation (mental health), etc. The most important and crucial relationships, however, are between the broad areas of health and welfare. It is essential that workers in both fields collaborate closely in dealing with such common needs as rehabilitation, community services and institutional care.

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[3] *Victorian Order of Nurses for Canada,* brief submitted to the Royal Commission on Health Services, Ottawa, 1962, p. 14.

The basic premise, laid out in the beginning of this report, that older people vary from one another as much as younger folk, is certainly true with regard to their health. We need a variety of facilities to enable the elderly to live as long as possible at home, and institutional care should be considered only as a last resort after all available home services have been exhausted. The older person must be given a real choice as to where and how he or she is to be looked after, when the condition is a long term one and institutional care is found to be necessary.

The U.S. Commission on Chronic Illness which studied the problems of chronic disease, illness and disability from 1949-1956 stated at the beginning of their four-volume report: "The basic approach to chronic disease must be preventive. Otherwise the problems created by chronic disease will grow larger with time and the hope of any substantial decline in their incidence and severity will be postponed for many years."[4] The very useful terms *Primary Prevention* (prevention of the onset of disease) and *Secondary Prevention* (prevention of the progress of disease) have evolved. Primary Prevention is ideal and is instituted, if at all possible. Secondary prevention is the second choice which is often the only thing available to us in dealing with many diseases of older people because, unfortunately, as yet we know so little of the specific etiology of the major causes of death and disability and, therefore, cannot prevent their onset. Here, an attempt is made to detect, by all possible methods, the early evidence of disease, and to start treatment as quickly as possible. Where necessary, suitable rehabilitation of the long-term patient is aimed at minimizing the amount of deformity and disability and, if at all possible, the patient is returned to the community. A residual small proportion must be cared for indefinitely in an institutional environment appropriate to the needs of the patient, be they social or medical or, as is usually the case, a combination of both.

Statistics

We are grateful to the Dominion Bureau of Statistics[5] and the Federal Department of National Health and Welfare[6] for some very useful new data on the health and welfare of older people in Canada. We have also benefited from the monumental compilation of the Royal Commission on Health Services which, although not devoted to the older group, has some very pertinent statistics.[7] Other most important facts and figures have been obtained from the pioneer provincial study of the problems of the aged by the Saskatchewan Aged and Long-Term Illness Survey Committee (1960-1963).[8]

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[4] U.S. Commission on Chronic Illness, *Prevention of Chronic Illness*, Vol. I, 1957.

[5] *Dominion Bureau of Statistics*, briefs submitted to the Special Committee of the Senate on Aging proceedings Oct. 22 and Nov. 5, 1964, numbers 18 and 20.

[6] *Department of National Health and Welfare*, briefs submitted to the Special Committee of the Senate on Aging, proceedings Dec. 3 and Dec. 10, 1964, numbers 23 and 24.

[7] *Royal Commission on Health Services*, Volumes I and II 1964-1965.

[8] *Report and Recommendations, Aged and Long-Term Illness Survey Committee, Province* of Saskatchewan, 1963.

The forecast of three million people aged 65 and over by 1991, representing 9 per cent of the population (Royal Commission on Health Services), does not need to cause undue concern since several western European countries already have a higher percentage than this and services are on a more generous scale there than here without apparently ruining the economy. Great Britain, for instance, is expecting 15 per cent over 65 by 1981. We must, however, realize that we cannot look for a great deal of improvement in longevity, especially in men, over the next few decades in spite of generalization by uniformed "experts" in the daily newspapers and elsewhere. The health brief of the Department of National Health and Welfare points out that from 1921-1961, although death rates for females aged 60 to 70 have fallen by over one-third in Canada, death rates for males in the same age group registered an actual increase.[9] It is sobering to note that in Scotland, where statistics have been kept for a longer time than in Canada, men over 65 added only six months to their life span over the past 100 years.[10] The discrepancy in life expectancy between men and women gets greater year by year. Perhaps this is the time to arrest the proclivity of men to marry women a few years their junior!

Table 16.—Leading Causes of Death, Age Group 65 Years and Over by Sex, Canada, 1956–1961[11]

(Rates per 100,000 population)

	Cardiovascular Disease		Cancer		Influenza, Bronchitis, Pneumonia		Accidents and Violence	
Year	Male	Female	Male	Female	Male	Female	Male	Female
1956.....	4,096	3,471	1,096	795	304	228	220	167
1961.....	4,227	3,429	1,189	768	320	224	199	138
% change	+3.2	−1.2	+8.5	−3.4	+5.3	−1.8	−9.5	−17.4

The lethal effect of degenerative diseases seems to be gradually decreasing in females. For males, however, we find significant increases in rates for cardiovascular disease, cancer and lower respiratory disease. Accidental death rates (the fourth cause of death for persons aged 65 and over) showed a drop for both sexes. By far the highest rate of accidental deaths in Canada, however, remains in the older age group, especially for women.

The most recent national morbidity statistics we have are from the 1950-1951 Canada Sickness Survey. They show that a much higher per cent of the population

[9] *Department of National Health and Welfare,* brief, op. cit., No. 23, p. 1553.
[10] *The Care of the Elderly in Scotland,* Royal College of Physicians, 1963, p. 12.
[11] *Department of National Health and Welfare,* brief, op. cit., No. 23, p. 1553.

is sick and disabled in old age and that recovery from acute illness is much slower. We can, however, become unduly pessimistic because of such statistics. It is true that, on the one hand, 15 per cent of Canadians aged 65 and over in 1950-1951 suffered from severe and total disability (compared with 3 per cent in the general population).[12] This means, on the other hand, that 85 per cent did not, although they may have had minor ailments. It is true that in 1961 people aged 65, and over, spent six or seven days per person per year in hospital (compared with one to two days per year for the general population). This, however, means that they were out of hospital for 51 weeks out of 52. Unless we look at both sides of the statistics they become misleading and unduly depressing.

We are sorely in need of up-to-date statistics in Canada on the morbidity of Canadians over 65, and we would certainly subscribe to the recommendation of the Canadian Medical Association that "periodic health surveys of the elderly population should be carried out in Canada to obtain accurate appraisals of the number of persons with long-term diseases and facilities for their care." The U.S. has a continuous National Health Survey from which valuable comparisons can be made but they do not necessarily hold true in Canada. We must continually hark back to a survey now about 15 years out of date. The Europeans have done extensive sociomedical surveys of the aged at home and in institutions including not only the population of whole towns,[13] but whole countries.[14] Similar surveys should be carried out in Canada to tell us where we are as a basis for deciding where we should be going.

We need more people in the Dominion Bureau of Statistics and the federal Department of National Health and Welfare concerned with information about the aged and chronically ill. Prospective and retrospective studies should be encouraged. Population projections should be revised regularly and currently; we had to depend on the Gordon Report estimates of 1957, until they were finally superseded by those of the Royal Commission on Health Services eight years later. Surveys should be going on in different parts of Canada with suitable randomization and controls similar to a large number in Europe, where it is known much more precisely what the needs are, with the result that more adequate and appropriate resources can be supplied to meet them. These surveys will require the cooperation of sociologists, epidemiologists, geriatricians, and experts in preventive medicine and social welfare, to draw up suitable questionnaires and gather objective data about older people, in their own homes, in subsidized housing, in homes for the aged, and in hospitals. Until we get more accurate statistics we are simply not in a

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[12] *Canadian Sickness Survey* undertaken by the Dominion Bureau of Statistics and the Department of National Health and Welfare in 1950-1951.

[13] Sheldon, J. H., *The Social Medicine of Old Age*, London: Oxford University Press, 1948, and Hobson, W., and Pemberton, J., *The Health of the Elderly at Home*, London: Butterworth, 1955.

[14] Van Zonnereld, R. J., *The Health of the Aged*, Organization for Health Research, Van Gorcum, 1961.

position to know where we are heading and must continue to deal with each problem on an *ad hoc* basis.[15]

Primary Prevention

Many agencies made recommendations concerning the usefulness of health education starting in youth, progressing through middle age (pre-retirement counselling) and into old age where it could be provided in housing projects, well adult clinics, senior citizens clubs, etc., as well as through individual counselling.

There is no doubt that physicians and community agencies must promote positive physical and mental health by individual, group and mass education methods. Proper nutrition, mental hygiene, adequate housing, appropriate balance between work and play and between rest and exercise, and a useful and productive place in society are among the best recognized factors contributing to the maintenance of optimum health.[16] While it is true that the individual must control his own food intake, consumption of alcohol, and smoking of cigarettes, advice from his doctor may be a great stimulus and this can be supplemented very usefully by mass and group education. We would agree with the statement of the Canadian Medical Association that "although health education is largely a matter between the physician and his patients, public education programs in the prevention of disease and maintenance of good health for older people should be encouraged through voluntary and governmental agencies in health education with necessary advice from medical associations."[17]

Considerable lip service has been paid to the principle of "pre-retirement counselling" but very little actual counselling has been provided, with the exception of some spotty developments in industry. Physicians are in a particularly favourable position to counsel their middle-aged patients about health and related problems in retirement. In doing so they should keep in mind the epidemiological pattern of health problems in the elderly, including the high rate of accidents and their causes, and also of suicides, both of which are, theoretically at least, preventable.

There is an increasing list of chronic diseases which can be specifically prevented. Members of the health professions must apply fully what is already known and develop newer means of primary prevention as quickly as possible, through research into the etiology of diseases in the elderly. The difficulty in preventing some of the more serious chronic diseases is that at worst the cause is unknown and at best multiple. Unfortunately, at this stage, we are unable to prevent the onset of some of the more important causes of death and disability in the elderly.

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[15] We fully endorse the observations and recommendations in regard to Statistics by the *Royal Commission on Health Services.* Vol. I, pp. 82, 83, and Vol. II, pp. 133-150.

[16] *U.S. Commission on Chronic Illness,* Vol. 1, *op. cit.*

[17] *Canadian Medical Association,* brief, op. cit., No. 20, p. 1343.

We must actively encourage research into some of the unproven areas of primary prevention. For example, why could not some of the five million dollars granted annually for physical fitness be allocated to investigating the beneficial effect, if any, of regular exercise on the health of the elderly?

Early Diagnosis and Prompt Treatment

A great deal of discussion has taken place recently, and a number of investigations have been undertaken in various parts of the world to prove or disprove the value of annual physical examinations to the middle aged and elderly. These are sometimes referred to as health inventories or appraisals and are recommended by many authorities for everyone over 40 years of age. Two things do seem evident: a) significant health defects may be discovered which have been previously undetected and have no overt symptoms or signs, and b) it is a golden opportunity for health education. On the other hand, if thorough, these examinations are expensive and time-consuming. With the present personnel shortage, doctors if required to do many such examinations would be occupied with little else and have no time for treatment. Physicians tend to be ambivalent about the value of these examinations and there has been relatively little encouragement given in medical schools. Patients are also notoriously ill-disposed to present themselves for examination when well, which slows down the demand. However, there has been a trend recently for executives to become interested in physical examinations for themselves and labour unions ask the natural question, "If it's so good for management why not for the rest of the staff?

It is accepted that personal physicians should be encouraged to do suitable periodic health appraisals.[18] For the health maintenance of the elderly we should also experiment more with clinics for well older people and can benefit from the experience in the U.S.A. with "Well Oldster Clinics", and in Great Britain with "Health Advisory Clinics" under the direction of the health department or, as the brief of the Canadian Medical Association suggests, with "Geriatric Consultation Clinics" in out-patient departments. A group practice setting would also be an admirable place for the provision of such a clinic.

There are interesting developments such as the pilot project started by the Medical Officer of Health in the city of London, Ontario, mentioned in the brief of the Ontario Welfare Council.[19] There, a health advisory clinic is operating very successfully in the Senior Citizen Recreation Centre. Every effort should be made to detect chronic disease and disability as early as possible through organized community effort.

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[18] *Ibid.*, p. 1343; also the Royal Commission on Health Services recommends periodic examinations as a medical service benefit under its programme.

[19] *Ontario Welfare Council,* brief submitted to the Special Committee of the Senate on Aging, No. 8, May 21, 1964.

An alternative to periodic health appraisals has been developed to bring the benefits of early detection to large groups of apparently well people who would not otherwise receive such investigations. This is called "multiple screening" and consists of several tests for various significant chronic diseases given during one visit in order to save time and money. Scarce professional time is also saved by using technicians whenever possible. The tests are, as stated, "screening" (not diagnostic) and the confirmatory diagnosis is made by the private practitioner. Certain individual screening tests are at present carried out by private practitioners and these are to be encouraged, e.g., tonometry for glaucoma and Papanicolaou's smear for cancer of the cervix. In a group practice several examinations of a screening nature can be combined and performed by technicians, much the same as on admission to a general hospital. Multiple screening clinics have also been carried out by health departments in the United States and more recently in western Europe. More encouragement should be given to health departments in Canada to experiment with this method which, as the brief by the Department of National Health and Welfare states, should be related to the planned development of comprehensive community health services. (See Appendix II).

Care of the Long Term Patient

Several principles have been enunciated in the briefs concerning the care of the chronically ill in cases where it has not been possible to prevent the onset or detect the condition at an early symptomless stage. First, there is definite agreement that the care of the chronically ill must be closely integrated with general medical care. Unless this is done, there tends to be medical stagnation and deterioration of quality. Second, there is the need to incorporate rehabilitation in all phases of the treatment of aged patients. Third, is the recognition of excessive institutionalization and a plea for keeping older people at home as long as possible with suitable and sufficient home care services.

There is a need for some agreement on the definition of different types of sheltered accommodation. "Nursing Home", "Home for the Aged", and "Rest Home" for instance may well mean different things in different parts of the country. It is, therefore, extremely difficult if not impossible to make comparisons, and this is one of the reasons our statistical tabulations are so inadequate. The federal Department of National Health and Welfare is in an admirable position to convene a conference to draw up generally acceptable definitions and standards.

In its brief to the Committee, the Welfare Branch of the Department of National Health and Welfare presented us with an overall picture of the numbers and per cent of older folk in institutions in Canada as a whole.[20] In this brief there is a fascinating history of the development of institutional care stemming from

[20] *Department of National Health and Welfare* brief, *op. cit.*, No. 24, p. 1652 ff.

the Judaeo-Christian tradition, in which the virtues of charity were emphasized as a religious duty and a manifestation of brotherly love. In Quebec which inherited the traditional system of monastic institutions from France, both congregational and specialized institutions operating under religious auspices have been developed. The rest of Canada has tended to base its experience on the English Poor Relief Act of 1601, its various amendments and its successor of 1834, The principle of poor relief was that of "less eligibility", implying that recipients of relief should not enjoy conditions of life as good as those of independent laborers of the lowest class. In Canada we still have a philosophic legacy of the English workhouse.

Table 17.—Institutional Care of Aged Person in Canada[21] 1962–1963
(Includes General and Allied Special Hospitals, Mental Hospitals, Tuberculosis Sanatoria, and Homes for Special Care).

a) By Province	Estimated beds used by persons 65 and over	
	Number of Beds	Beds per 1,000 Population 65 and over
Newfoundland	1,073	39.2
Prince Edward Island	771	69.5
Nova Scotia	2,931	45.6
New Brunswick	3,260	68.5
Quebec	23,006	73.1
Ontario	43,883	84.7
Manitoba	6,864	81.2
Saskatchewan	6,261	72.6
Alberta	8,843	92.9
British Columbia	12,433	74.4
Yukon	78	195.0
Northwest Territories	20	40.0
Total	109,423	77.2

b) By Auspices	Number of Beds	Per Cent of Beds
General and Allied Special Hospitals	34,527	31.6
Mental or TB Hospitals	17,022	15.5
Homes for Special Care	57,874	52.9
Total	109,423	100.0

[21] *Ibid.* pp. 1656-9.

The closest estimate we have of institutional care, therefore, at the present time is that on any particular day 109,423 or 8 per cent, of persons aged 65 and over are residing in some form of institution rather than in the community at large. It was stated that for the population aged 75 and over this would rise to 15 per cent in institutions. There is a variation from 39.2 in Newfoundland and 45.6/1,000 persons in Nova Scotia aged 65 and over to over twice this rate (92.9) in Alberta. These statistics, although derived from a number of sources and, therefore, not fully accurate, are the most complete national compilations available up to the present.[22]

Hospitals

The brief by the Canadian Medical Association assumes the need for the ratio of 7 beds per 1,000 of population established in surveys by the Department of National Health and Welfare and the Provincial Health Departments in 1948. They make comparisons of bed requirements in Canada, the United States and Great Britain as follows.[23]

Table 18.—Estimates of Hospital Bed requirements per 1,000 Population in Canada, the United States and Great Britain, 1948.

	Acute	Chronic	Total
Canada	5.5	1.5	7.0
United States	4.4–4.7	2.3–2.6	6.7–7.3
Great Britain	3.9	1.4	5.3

One reason for these striking differences is that in Britain greater emphasis is placed on out-patient and home care services as alternatives to inpatient facilities. In 1960 there were 6.3 beds per 1,000 population in general chronic and convalescent hospitals in Canada divided as follows:[24]

Table 19.—Estimate of Beds Provided in Canada per 1,000 Population in General, Chronic and Convalescent Hospitals and in Nursing Homes, 1960.

		Long Term Care
Canada—Acute Beds	5.4	
(Short term 3.6)		
(Long term 1.8)		1.8
Chronic Beds	0.9	0.9
Total	6.3	2.7

[22] *Ibid.*, p. 1654.
[23] *Canadian Medical Association,* brief op. cit., No. 20, p. 1337.
[24] *Department of National Health & Welfare,* brief op. cit., No. 23, p. 1545.

Actually 2.7 beds per 1,000 are at present being used for long term care in acute and chronic hospitals. In addition, the Department of National Health and Welfare points out, 0.9 beds per 1,000 of population are provided in nursing homes, not to mention the chronic beds in mental and tuberculosis hospitals, nor the many nursing beds in homes for the aged.

In order to answer the crucial question of how many beds we need in hospitals for the aged sick we must first of all develop some system for defining the different levels of care and types of institutions and get agreement among the provinces. The Saskatchewan government submission quotes a comprehensive list of levels of care developed by their Aged and Long Term Illness Survey Committee which is given here in abbreviated form.[25] Other briefs have similar levels:

Level 1 - Self Dependent Care in the Community.

Level 2 - Sheltered Accommodation—Supervision and necessary personal care services—Hostels, Lodges and Homes for the Aged.

Level 3 - Nursing Homes—Basic nursing care and medical supervision.

Level 4 - Long Term Care Units of General Hospitals and Geriatric Centers—Skilled technical nursing care and regular and continuing medical supervision.

Level 5 - Long Term Care Units of General Hospitals and Geriatric Centres—Intensive rehabilitation.

The Saskatchewan submission recognizes that to provide for all these requires careful planning which must take into account "the needs of old people in respect to housing, sheltered accommodation, nursing homes, long term care hospitals and general hospitals". Many of the briefs asked for the development of an adequate range of facilities and services for the short and long term care of the aged adapted to their social and medical needs. The number of beds in one type of institution, of course, depends on the availability of beds in the other types. "It is important to consider housing, domiciliary services and communal care together, because a coordinated policy in the provision of all three is the only way to make the most effective use of them all, both from the point of view of the needs of older householders and from that of the cost to the consumer."[26]

The Senate Committee subscribes to the principle that older people should remain in their own homes as long as possible. It is frequently better for them, they are generally happier there, and it is usually a great deal cheaper. We must not be inflexible in applying this rule, but old people's homes, nursing homes and hospitalization should be considered only if absolutely necessary. There is a great deal more preaching of this principle in Canada than actual practice. Until we give

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[25] *Province, Saskatchewan,* brief submitted to the Special Committee, the Senate on Aging No. 4, pp. 216-7.

[26] Shenfield, B. E., *Special Policies for Old Age,* London: Routledge and Kegan, Paul, 1957.

Home Care a real trial in both the United States and Canada we must continue to be institution-oriented and the proportion of those unnecessarily institutionalized will keep ahead of European countries where home services are much more liberally available.

We were greatly impressed with the Canadian Medical Association presentation which brought to our attention successful experiments in the United Kingdom with "dynamic programs for the chronically ill . . . developed in association with the general hospital or a general hospital complex by the late Dr. Marjorie Warren and Dr. Lionel Cousin".[27] This arrangement has spread widely in Great Britain; long range plans which are well advanced include a geriatric department (or unit) in every general hospital headed by well qualified, rehabilitation oriented, geriatricians in charge of the acute and chronic geriatric sick. The geriatrician acts as the consultant to local general practitioners. The Canadian Medical Association brief stated, "experience has shown that there are many disadvantages of segregating the sick older patient in isolated institutions". The present opinion of the medical profession as expressed in the Canadian Medical Association's submission to the Royal Commission on Health Services is that patients should be cared for in wings of general hospitals. We agree with this point of view. If the chronic disease section is not actually on the premises at least there must be a very close integration with the general hospital, as, for instance, between the Baycrest Hospital (chronic) and Mt. Sinai Hospital (acute) in Toronto.[28]

More imaginative and flexible admission and discharge policies could be developed in our chronic disease institutions. Some of the European procedures of "six weeks in and six weeks out" and summer admissions not only help the patient but also provide well earned relief to the relatives. Day and Night Hospitals are increasingly common in Europe where older people are brought in two to three times a week by "ambulance", given occupational therapy, physiotherapy, chiropody, meals, baths, etc., and then driven home. Night hospitals are provided in some places for the patient who is confused at night and can be home during the day. These principles have been used for some time in the psychiatric field, and are now being introduced into the field of geriatric care. We would subscribe to the briefs that ask for an extensive development of day and night hospitals.

Another item that has been emphasized in several of the briefs is the extension of out-patient departments for geriatric patients. The Canadian Medical Association brief advises more geriatric consultation clinics for diagnosis and evaluation where special services or equipment are required. A different type of orientation, philosophy and special training is needed than in the regular clinics. The matter of

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[27] *Canadian Medical Association brief*, op. cit., No. 20, p. 1339.

[28] *The Jewish Home of the Aged*—brief submitted to the Special Committee of the Senate on Aging, March 12, 1964, No. 3.

time, for example: older people hate to be hurried and indeed should not be rushed for fear of missing their basic complaints and prescribing inappropriate remedies.

An imposing problem which the community has not yet faced up to is the enormous increase in the number and proportion of mentally ill older people needing institutional care. In the past many older people have been certified insane and sent to mental hospitals partly under the misconception that they were mentally ill and partly because of the lack of other facilities. The trend now is to get them out of the mental hospital even though community facilities may not be equipped to handle them. For instance, in Ontario recently a bill was passed, the purpose of which was to transfer 5,000 older people as quickly as possible to some other type of custodial care.[29] It is suggested that a pilot project be useful, akin to the Geriatric Short Stay Unit in Amsterdam, where acute confused older people could be observed and treatment instituted. A large proportion of these cases return home rather quickly. Again, the day hospital principle for aged patients could be adopted by mental hospitals in the hope that this would lead to greater concern for the rehabilitation of the elderly. Also, special nursing homes for mentally confused older people could play a useful role. These must not be too large and there must be a continuous effort at rehabilitation.

We fully subscribe to the Canadian Medical Association recommendation that rehabilitation services for aged patients in psychiatric hospitals should be greatly extended.[30]

Nursing Homes

Elderly people in need of nursing and personal care are caught in a vicious circle. On the one hand, we are told that long term patients are in hospital when all they need is skilled nursing care. On the other hand, lack of nursing homes is causing the bedridden to be placed in municipal homes which were not set up to care for the ill. So desperate is the situation that even nursing homes of such poor quality that authorities feel they should not be in operation, have long waiting lists. The nursing home is caught in the middle with pressure from the overcrowded hospitals on the one hand and from overcrowded and inadequate housing and domiciliary care on the other. The Community Planning Association described the Nursing Home as "the bottleneck for housing authorities as well as for hospitals."[31]

The term "nursing home" is far from precise, although it is sometimes given specific meaning for the purposes of particular legislation. It has not the same meaning in all provinces. In Quebec, for instance, the term is not used officially at all. Nursing homes are, usually, under nursing rather than medical direction; they are thus distinguished from chronic hospitals on the one hand, or homes for the aged

[29] It is at present difficult to get older people admitted to the psychiatric units of general hospitals because of the lack of interest and undue pessimism of the staff.

[30] *Canadian Medical Association*, brief, op. cit., Vol. 20, pp. 1343-47. Remarkable results have been obtained when psychiatrists have developed an interest in geriatic psychiatry.

[31] *Community Planning Association*, brief submitted to Special Committee of the Senate on Aging, June 4, 1964, Vol. 10.

on the other, by their auspices with, however, very little difference in their clientele. By far the majority of nursing homes in Canada are proprietary.

Nursing homes have arisen to fill a vacuum that exists in the care of the elderly. No matter how bad they may be they permit a feeling of independence on the part of an older person who is paying his own way rather than accepting the "charity" of a municipal institution. Nursing homes have arisen as profit-making ventures and, as Mr. Ruth of the Jewish Home for the Aged told us, they appear to have been forgotten by charitable groups and by governments.[32] Dr. Charron says that 0.9 bed per thousand inhabitants in Canada is in a nursing home, against 1.6 per thousand in the United States.[33]

The least that could be done, in the opinion of the Committee, would be, as so many suggest, to set up much more stringent and specific legislation administered at the provincial level to license and inspect nursing homes with regard to both their personnel and physical facilities. Ontario at the present time appears to be the only province without any provincial licensing but does have a "model" by-law which has been adopted by many municipalities. In all provinces there is a need to raise standards and this does not mean that the home has merely met the requirements of the building code, the fire department and the sanitary inspector. Such simple requirements as adequate records (including accident reports) and medical control leave a great deal to be desired. Rehabilitation is non-existent in most homes and recreation is limited to television.

One method of providing necessary rehabilitation and recreation would be for nursing homes to pool their resources. This could, certainly, be arranged through nursing home associations wherever they exist. Why, for instance, could not occupational therapists and physiotherapists be shared among several homes? In the U.S.A. there is increasing awareness of the responsibility of state authorities for in-service training in rehabilitation for nursing home operators. The states of Washington, Wisconsin, Texas, and Illinois have teams of experts—physiatrists, nurses, occupational therapists, and physiotherapists—going from home to home, giving courses. There is no reason why the provincial authorities in Canada could not do likewise.

There is some difference of opinion as to whether the responsibility for nursing homes is primarily one for the welfare or health administration.The important thing is to ensure that the agencies in both fields co-operate in drafting suitable legislation. An attempt must be made in the legislation to ensure that the proprietor or operator is qualified for the task. In addition to suitable supervision at the provincial level in departments of health and welfare, the federal Department of National Health and Welfare could provide guides for building standards, rehabilitation facilities and training courses for operators. There is very little leadership in this area by any level of government.

[32] *The Jewish Home for the Aged* brief, *op. cit.*, No. 3

[33] *Department of National Health & Welfare brief*, op. cit., No. 23, p. 1545.

All nursing homes should be licensed by a health agency in the province and grants should be provided for the building of more suitable homes to voluntary non-profit bodies which are now providing facilities for ambulant well older people who could be looked after better elsewhere. A strong case could be made for developing, as suggested in the health brief of the Department of National Health and Welfare, a system of skilled nursing homes which would be closely associated in a functional manner with hospitals.[34] Perhaps this is inevitable; as more expensive services and facilities are provided in accordance with provincial regulations the rates will have to rise. This will mean a bigger subsidy and with more financing the government will necessarily have to exercise more direct control. It is to be hoped that eventually nursing home care will be taken over as an extension of hospital services. According to the best estimates we were able to secure, care in nursing homes costs on the average $8 to $10 per day. This cannot be paid for by low and middle income groups. It is only a question of time before provincial governments develop more concern for the increasing subsidies they are giving to nursing home operators for indigent cases. The pressure is on the provincial governments to take action and the above are offered as alternatives.

There are undoubtedly a great number of ambulant patients who could be accommodated in sheltered home care if additional services and facilities were provided. At present there is no real choice offered to the elderly. When isolated older persons are only slightly disabled, they are often unable to cope longer at home and there are only two major choices available to them in Canada: the public home for the aged and the private nursing home, neither of which is appropriate to their needs and both of which tend to sap whatever independence they may have had on admission.

Homes for the Aged

At present there are 1,500 homes for the aged in Canada, according to a recent study by the Canadian Welfare Council.[35] One of the most encouraging changes occurring in homes for the aged is the drop in the percentage of so-called "normal" care. With the increase in the old age pension many more older people are now enabled to make their own way in the community in spite of the lack of services. There is no doubt that, in the future, residents of Homes are going to be increasingly older and sicker than at present. Whether we call it "re-activation" or rehabilitation, more and more of them will need physiotherapy, occupational therapy, and speech therapy. Medical and nursing care must be much more highly skilled and the need for a closer liaison with the general hospital will become increasingly apparent and necessary. Homes for the aged will then have turned into long term geriatric nursing units and (along with nursing homes) will be equivalent

[34] *Department of National Health and Welfare,* brief op. cit., No. 23, p. 1525.
[35] *A Home after 65,* The Canadian Welfare Council, Ottawa, 1964.

to the long stay annexes in the British geriatric units. Alternative accommodation must be discovered for the relatively well, ambulant patients in sheltered independent living: hostels, foster homes, etc., as suggested in the case of similar patients now in nursing homes.

There is no general agreement regarding the ideal size of homes for the aged. We must be realistic. The size depends to a large extent on the people who have to live there. As they become more and more in need of special professional personnel, either resources of personnel and facilities must be pooled or else the institution must increase in size to warrant the full-time use of such personnel. Rehabilitation facilities and equipment can also be too expensive for a great number of smaller institutions unless they can be shared by several institutions.

The 1,400 old people's homes in Sweden, mentioned in the welfare brief of the Department of National Health and Welfare,[36] are perfectly delightful with their 20-30 beds but they are often inappropriate for the patients living in them who are increasingly mentally disturbed and chronically ill. These homes have been overbuilt and there is now a trend toward bigger institutions, more closely associated with hospitals. Old people will stay out of institutions, however attractive, as long as possible if they can live at home with additional services. With such sheltered home care there is no longer the need for the small institution for the merely frail older person who is not in need of continuous nursing care.[37]

An exciting new development is taking place in Jewish homes for the aged both in Canada and in the United States. Day care centres have been started to serve the old people on their waiting lists and the day care centre at the Jewish Home for the Aged in Toronto was described to the Committee.[38] Meals, baths, occupational therapy, physiotherapy, counselling, sheltered work, and other suitable services are offered. This is a pattern which might well be considered seriously by other residential homes, both voluntary and official. There is a great need to integrate such institutions with the community and one can envisage the provision of day care services emanating from suitably situated homes. Eventually, these could be co-ordinated with the day care centres in the geriatric departments of general hospitals. The likelihood of duplication in the immediate future is remote in view of the scarcity.

Much more concern must be shown for the selection and training of directors of homes for the aged. Great Britain has had a course lasting several months for matrons and assistant matrons. Sweden has been training administrators of homes since 1908, and the course lasts three years. At present the qualification of directors of homes for the aged in Canada remains dubious in most parts of the country.

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[36] *Department of National Health and Welfare brief, op. cit.*, p. 1687.
[37] Townsend Peter—*The Last Refuge*, London: Routledge and Kegan Paul, 1962.
[38] *The Jewish Home for the Aged brief*—op. cit.

Foster Homes

A number of suggestions was received concerning the use of foster homes and proposals that greater use be made of foster home care and boarding homes for older people, who need some degree of care or protection.[39] The committee agrees that more attempts should be made to place older people in suitable foster homes but a strict watch should be kept to make sure that the older person is not taken advantage of by unscrupulous "foster children". Also, increased use could be made of foster home care by homes for the aged but again under strict supervision.

Sheltered Care

There is a large and increasing number of older people too frail for completely independent living and yet not disabled enough for a home for the aged. We need much more housing and hostels with shared facilities, such as dining, laundry, and entertainment. Also desirable is a little supervision from a Canadian equivalent of the British "housemother" who supervises the residents of a group of flatlets. Not only do older people need shelter, they need also facilities for health care, recreation, education and sheltered employment. Some or all of these can be provided in housing developments and even made available, as in some other parts of the world, to the older people of the surrounding community.

Community Services at Home

The Royal Commission on Health Services recommends "measures to foster the implementation of home care plans".[40] The Royal Commission reports that, from the point of view of the agency financing either home care or hospital service, "in most cases home care will be cheaper than hospital care, where 38.3 per cent of the operating cost in general and allied special hospitals is accounted for by general services other than those provided by the service departments of the hospital." There is the further saving in capital cost due to the reduced expenditure for hospital construction if fewer hospital beds are needed. But from the point of view of the patient and the community, comparisons of costs would have to take into account the cost of keeping the patients at home which may be increased substantially where extensive housekeeping and other ancillary services are required.

A great many submissions to the Senate Committee supported the strengthening of such home care services as visiting nursing, occupational therapy, physiotherapy, chiropody, sick room equipment, etc. Several agencies made recommendations concerning the desirability of a more rapid development of home care and suggested the active role of government in its promotion, financed either as a part of a

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[39] *Testimony of K. O. Mackenzie,* Deputy Minister of Welfare, province of Manitoba; Proceedings of the Special Committee of the Senate on Aging, Oct. 28, 1964, No. 19, p. 1288.

[40] *Royal Commission on Health Services,* Vol. 1, op. cit., 60-62.

comprehensive health care program or under hospital insurance. Among the reasons given by the Department of National Health and Welfare for the lagging development of organized home care plans in Canada are:

(a) The pattern of medical practice in Canada places an emphasis on hospital and office practice, eliminating all but a minimum of house calls.

(b) Administration of hospital based programs proves difficult because of the lack of regionalization of hospitals.

(c) The lack of interest on the part of public health departments.[41]

One of the main reasons for lagging acceptance of home care is that the patient is insured for services which are provided in hospital but has to make his own arrangements for home care. Once this difficulty has been surmounted, more patients (especially older ones) would prefer to be cared for at home and would apply pressure on relatives and on the physician to allow them to stay at home if at all possible, providing, of course, that suitable services are available.

Among the health services provided in the home have always been the home calls by physician and, since before the turn of the century, the Victorian Order of Nurses has been providing for visits by graduate nurses on a national scale, followed by other visiting nurses associations operating in certain areas. In some of the provinces public health nurses also provide some visiting bedside nursing, a policy adopted on a province-wide basis in British Columbia. A new element has been added to home care by organizing the visiting nursing services together with other community services into organized plans. Such plans may be operated by an individual hospital (hospital based) primarily with a view towards an earlier discharge of some of its own patients, or they may be operated on a community basis without limitation to a specific hospital. The objective in the latter case is to keep patients out of hospital as well as to facilitate their earlier discharge, and also to mobilize the various community services for patients outside the hospital who may benefit from them. We noted that the Royal Commission on Health Services forcefully recommends the extension of organized home care.

We strongly support the development of organized home care under any auspices. When it is provided by voluntary agencies, higher subsidies and adequate payment for services must be provided to permit the extension of these services to all areas and, particularly, to rural communities where probably greater use will have to be made of the public health nurse in the provision of bedside nursing on a visiting basis. It is rather starting to find the lack of home services in Canada compared with Europe.[42]

Podiatric or chiropodist services are now considered essential for the aged. In Edinburgh, for example, five full time podiatrists are on the staff of the local health

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[41] *Department of National Health and Welfare,* brief op. cit., p. 1547.
[42] *Department of National Health and Welfare,* brief op. cit., p. 1694.

department. It is suggested that we need at least one podiatrist per 100,000 population;[43] their services are woefully inadequate in Canada. Physiotherapists and occupational therapists working in the home are almost non-existent in Canada except in a few areas. Until such services are available, including the relief of the crucial shortage of visiting homemakers, we are not able to offer a real choice to older people, or to the doctor as between hospital and home care.

Health Department

What we have said about the need for re-orientation of health agencies, in general, in order to provide the services needed by the aging applies, particularly, to health departments at all levels. As part of the assessment of its present and future role, the health department must effectively coordinate its services with the other agencies in the community.

We have already referred to the role of the public health nurse. Although the number of home visits to older people has increased in the past few years, a great deal more could be done. In Edinburgh, for instance, in a recent survey 38 per cent of old people needed the services of a health visitor and only 2½ per cent received them.[44] In some European health departments there is so much concern about the problems of the aged that a new speciality called Geriatric Public Health Nursing has arisen.

A recommendation has recently been made by the Royal College of Physicians in Edinburgh which has relevance in Canada. It suggests that a register be kept by health departments not only of needy older people (as many health departments in Great Britain are already doing) but of all people over 70. It is suggested that when the older person first receives the government pension his name be sent automatically to the health department. A routine visit could then be made and follow up visits, if necessary and desired, much as in the case of birth registrations to-day. No difficulties are envisaged since most older people love to be visited and there is no longer the same necessity for confidentiality.[45]

In Norwegian cities the Health and Welfare Centres get the names of all people in their area when they begin to receive the pension, and they are all routinely contacted either by letter or visit. As a result resources can be mobilized early to meet an old person's social or medical disability instead of waiting for an emergency to arise. Such a register would also yield the statistics necessary for the adequate planning and evaluation of health services to the aged.

It is strongly recommended that local Canadian health departments keep a register of all older people and that the staff of the health department visit these old

[43] *The Care of the Elderly in Scotland*, op. cit., p. 43.
[44] *Ibid.*, p. 35.
[45] As recommended in the presentation by the *Anglican Church of Canada* to the Special Committee of the Senate on Aging Proceedings, June 12, 1964, No. 12, p. 783.

people with a view to ascertaining their health status and needs. Consideration might be given to including with the first old age security cheque a letter informing the pensioner of health and other community services available to him.

FINANCING

Hospital Care

Ninety-eight per cent of Canada's population is insured for hospital care under the federal Hospital Insurance and Diagnostic Services Act, with the federal government providing funds to meet approximately 50 per cent of the operating costs of general, chronic, and convalescent hospitals. The federal expenditure for 1964 is estimated to be $425,000,000.[46] There is no limit on length of stay if medical need is established.[47] Tuberculosis and mental hospital care, however, is not at present covered by this Act.

Medical Care

Saskatchewan and Alberta both have province-wide medical care programs; Ontario, and more recently British Columbia as well, have announced plans to set up medical care schemes. In Newfoundland approximately one-half the population receive physician services at home or in hospital under the Cottage Hospital Medical Care Plan, including all children under 16 years of age.

People of all ages come under the Saskatchewan Medical Care Insurance Plan which is financed from personal premiums, with contributions from general revenue. The plan covers 95 per cent of the population for benefit purposes. Excluded from benefits are a few groups otherwise provided for, such as some Indians, veterans on War Veterans Allowances, members of the armed forces and the R.C.M.P. The Department of National Health and Welfare reports that, "no premiums were levied in respect of 1962. For 1963 the annual levies were $12 per adult and $24 for a family maximum. For 1964 the premiums were reduced to $5 and $12 respectively. Special corporation and personal income taxes have been introduced to help support the program along with the use of a portion of revenue of a 5 per cent retail sales tax."[48]

The Alberta plan, introduced in 1963, is voluntary, covering those who purchase their own insurance and a large number—estimated at about 425,000 persons—who, though otherwise self-supporting, require help in paying for medical

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[46] *Department of National Health and Welfare,* brief *op. cit.,* p. 1543.
[47] *Ibid.,* p. 1545.
[48] *Public Health and Welfare Services in Canada,* a report prepared for the Canada Year Book 1964 by the Research and Statistics Division, Department of National Health and Welfare, p. 37.

care insurance. The "65,000 pensioners and others receiving public assistance," continue to be cared for under the same arrangements as before. "Residents desiring a subsidy must establish that they cannot afford to pay the full cost of the premiums . . ."[49]

The method used in Alberta subsidizes individuals on a means test basis rather than applying the subsidy to a common fund, and thereby reducing premiums for all as in Saskatchewan. This approach was rejected by the Hall Commission as unacceptable. The Senate Committee agrees with their conclusion that if millions of Canadians were to be "subsidized and means tested . . . . this would pose a formidable task in terms of organized administrative machinery, extra costs which Canadians cannot afford, and a method of examining the individual which, in the opinion of many Canadians, is contrary to the dignity of man".[50]

In addition to the foregoing public plans, there are throughout Canada commercial insurance plans and prepayment plans sponsored by the medical profession available to older people usually, however, at a cost reflecting the greater risk in this age group.

To end this state of fragmented, incomplete, often excessively costly, and generally inadequate coverage of health care needs by insurance or prepayment, the Royal Commission on Health Services has recommended a universal and comprehensive Health Services Programme. Its objective, furthermore, is not merely the financing of health services but also to ensure the quality of these services and adequate resources in terms of both personnel and facilities. It also provides guide lines for a rational coordination and organization of all health services.

The implementation of the Commission's recommendations would add to the existing hospital and diagnostic services the medical services it specifies,[51] dental and optical services for certain groups, prescription drug services (with a $1.00 fee), prosthetic services (including appliances), and home care services.

The removal, as recommended by the Royal Commission, of the restriction of the Vocational Rehabilitation Act essentially to members of the labour force would clearly make this Act applicable also to the aging and aged.

PERSONNEL

There is a serious shortage of members of the healing and helping professions concerned with the problem of old age e.g., physicians, nurses, physiotherapists, occupational therapists, physiatrists, orthotists, prosthetists, social workers, podiatrists, etc. Part of this shortage is due to the general shortage of such workers for all

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[49] *Ibid.*, p. 39.

[50] *Royal Commission on Health Services, op. cit.*, p. 738.

[51] i.e., the various forms of physicians services; X-ray, laboratory and other diagnostic procedures, preventive services (incl. periodic examinations), appliances, therapists' services, podiatric and chiropractic treatment if prescribed, transportation services.

ages, but it is also due to the lack of interest on the part of professional personnel and others in the whole area of geriatrics. Old age and chronic diseases are alike rejected. When they are combined there is a double rejection. When the chronic disease is mental illness this is the third strike which only too often counts the old person out as far as help is concerned.

Part of the reason for the neglect of the aged is cultural but another important factor is the lack of training of professional personnel in the area of chronic diseases and gerontology. Teachers tend to be youth-centred, acute illness oriented, and efficiency focussed. There is a need to emphasize control rather than cure, management rather than recovery, and rehabilitation for the activities of daily living (A.D.L.) rather than for holding a job. There is also a need to emphasize the satisfactions, rather than the frustrations, of dealing with geriatric patients.

We would subscribe to the policy statement of the Canadian Medical Association Committee on Aging: "Greater emphasis should be given in the curricula of medical schools on the medical, social and economic aspects of aging. Programs for the aging population cannot succeed unless the medical student, the physician of tomorrow, is properly prepared for the handling of geriatric problems. The medical student should be indoctrinated to develop an interest in the problems of the aged and learn to assess the various factors involved in the illness of the patient: a) A form of continuing education in the area of aging should be maintained during the training period of internship and residency by formal guidance and instruction. b) Programs for the stimulation of greater interest in Geriatrics by the medical profession are essential."[52]

There should be a similar emphasis, in post-graduate training in all specialties having any bearing on health problems of the aged, in medical societies and associations, and in post-graduate refresher courses. It goes without saying that the programs of existing gerontological and geriatric organizations should be strengthened.

RESEARCH

Research in aging is divided into at least four categories: 1) Basic research into the nature of aging including biological, psychological and social aspects, 2) Basic research into the nature of chronic diseases including methods of preventing their onset, 3) Clinical research into the diagnosis, treatment and rehabilitation of chronic diseases, 4) Community health research; developing methods of applying the knowledge already known to the older people who need the services, e.g., the use of well oldster clinics, screening tests, home care, etc.

Much greater financial support is needed for the promotion of research in all the above areas. In regard to research, more particularly in the clinical field, the Canadian Medical Association's brief states: "Despite substantial and gratifying

[52] *Canadian Medical Association Journal*, Sept. 5, 1964, Vol. 91, p. 486.

increases by government in the past few years, the funds available for medical research are still short of advancing requirements and lag behind the level of funds provided by the Governments of the United Kingdom, Sweden and the United States. Industry and commerce should supplement government support in the field of clinical research. The augmentation of an active program of clinical research would be a vital factor in the improvement of the standards of medical care for all of our citizens."[53]

COORDINATION AND PLANNING

Here again reference is made to the extensive studies and proposals by the Royal Commission on Health Services. There are several crucial areas in dealing with the problems of the aged where coordination and planning are not only desirable but essential in dealing with the problems of the aged, e.g., the inter-relationship of the fields of health, education, welfare, and labour, and the inter-relationship of the physical, mental and social aspects of well being.

Teamwork is imperative if we are to deal effectively with the problems of the aged, e.g., teamwork between medical and paramedical personnel; between professional, technical and ancillary workers; between voluntary, official and professional organizations.

In caring for the sick older person at home, teamwork should bring together the services of the doctor, nurse, occupational therapist, physiotherapist, social worker, visiting homemaker, chiropodist, friendly visitor, etc. Unfortunately, in the past education of the health professions has not always prepared their members for this role and, as said above, improvements at the undergraduate and graduate level are necessary, An offer of cooperation with far-reaching implications is contained in the statement of policy of the Canadian Medical Association Committee on Aging: "The Canadian Medical Association cognisant of the multiple aspects of Aging (e.g., the social, economic physiological and environmental) that extend beyond the purely medical facet, is prepared to cooperate and work with all groups which have these areas as their primary concern for the welfare of the aged citizen."[54]

LOCAL

It is felt by many workers that the health needs of the aged would be best served through local agencies and municipal departments combining the functions of health and welfare. However, the vested interests on both sides are great, professional lines have been drawn, and the positions have become established. An alternative is a close working relationship through committees and other devices to bring the two groups together regularly in considering provisions for the elderly. Also necessary is the coordination of other official, voluntary and professional

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[53] *Canadian Medical Association brief*, op. cit. pp. 1353-4.
[54] *Canadian Medical Association Journal. op. cit.*, Vol. 91, p. 486.

agencies and individuals concerned with caring for the elderly. All can be drawn together at the local level in the Aging Committees of Social Planning Councils (where they exist) or in Senior Citizens' Councils, which have proven their worth in certain parts of Canada, although most of these councils are seriously understaffed and underfinanced.

Planning for the health of older people cannot proceed without considering the other facets of need, such as housing, welfare services and recreation. An increase for provision in one area will have an inevitable effect on others. A variety of facilities and services is needed, much of the planning for which must be done at the local level.

PROVINCIAL

Some 35 American States at the present time have permanent Commissions or Committees on Aging, normally set up by the Governor and reporting to him. No corresponding development has occurred so far in Canada, although it should be noted that over the past few years three provinces, Saskatchewan, Nova Scotia and Ontario, appointed official committees to inquire into the situation of old people, which may perhaps be regarded as steps in this direction.

A crucial need in the health field is for a Branch on *Aging and Chronic Illness in each of the ten provincial departments of Health.* It may be significant that while all provincial welfare departments sent in briefs to the Senate Committee none was received from a provincial Department of Health. The only submission from a health department came from the Department of National Health and Welfare. More assistance from the provincial level should be given to local medical officers of health in setting up new programs and services for the elderly in their areas. Health departments at present seem preoccupied with maternal and child health to the exclusion of other age groups in the community.

In addition to the Branch advocated above, there should be a continuing committee of the Health and Welfare Departments which would meet regularly to consider mutually important matters, such as nursing home legislation, home for the aged, etc.

FEDERAL

There is entirely too little emphasis on aging and on the overall care of the chronically ill at the federal level. The federal Department of National Health and Welfare is in admirable position to set up a committee on aging coordinating both Health and Welfare which would bring these two groups together to consider problems of mutual concern.

In addition there should be a special *Health Services Division on the Care of the Aged and Chronic Disease Control* under the Direction of Health Services. It is not sufficient to have this centred in the Division of Medical Rehabilitation. The concern and programs should be much broader than merely rehabilitation.

Appendix I

Largely Controllable, Partially Controllable, Largely Uncontrolled Chronic Illnesses

(Excerpts from a Speech Presented in March 1951 by Dr. David Seegal at the Commission's Conference on Preventive Aspects of Chronic Disease)*

Table A-1 lists 17 long-term diseases which may be *largely controlled* if proper preventive diagnostic, and therapeutic measures are employed.

Table A-1.—Largely controllable chronic illnesses

Diabetes mellitus	Rickets
Pernicious anemia	Hookworm infestation
Syphilis	Malaria
Hyperthyroidism	Amebiasis
Myxedema	Thrombocytopenic purpura
Hyperparathyroidism	Familial hemolytic jaundice
Sprue	Poliomyelitis
"Alcoholic" neuritis	Retrolental fibroplasia
Pellagra	Rheumatic fever
Beri-beri	Patent ductus arteriosus
Scurvy	

Table A-2 contains a list of 27 chronic illnesses which are *partially controllable.*

Table A-2.—Partially controllable chronic illnesses

Congenital heart disease	Disseminated lupus erythematosus
Addison's disease	Bacterial endocarditis
Cretinism	Lung abscess
Diabetes insipidus	Bronchiectasis
Acromegaly	Trypanosomiasis
Coeliac disease	Hay fever
Hemophilia	Asthma
Erythremia	Myasthenia gravis
Tuberculosis	Myotonia congenita
Actinomycosis	Familial periodic paralysis
Osteomyelitis	General paresis
Rheumatoid arthritis	Epilepsy
Gout	Certain neuroses and psychoses

Table A-3.—Largely uncontrolled chronic illnesses

Certain congenital defects
Certain neurological diseases
Certain psychoses
Certain neoplasms
Chronic glomerular nephritis
Hypertension
Arteriosclerosis

*Contained in "*Prevention of Chronic Illness,*" Vol. 1, U.S. Commission on Chronic Illness, 1957, P. 322. In the intervening years there have been several additional advances in diagnosis and management of certain of the diseases cited.

Appendix II

Secondary Prevention Through Screening Examinations

"Screening is the presumptive identification of unrecognized disease or defect by the application of tests, examinations or other procedures which can be applied rapidly. Screening tests sort out apparently well persons who probably have a disease from those who probably do not. A screening test is not intended to be diagnostic. Persons with positive or suspicious findings must be referred to their physicians for diagnosis and necessary treatment."[1]

Multiple screening is the application of two or more screening tests in combination to large groups of people.

Criteria

- Reliability
- Validity—Specificity
- —Sensitivity
- Yield
- Cost
- Acceptance
- Ease of Performance
- Time Required
- Importance of Condition
- Laboratory Facilities Available
- Follow-up Services

Representative Screening Tests for Chronic Disease[2]

Evaluation of Physical Status

- Height, weight, and body build
- Pulse and respiration
- Temperature
- Blood pressure

Blood Tests

- Hematocrit determination
- Buffy coat test
- Blood count
- Hemoglobin determination
- Serologic test for syphilis
- Blood group and Rh factor determinations
- Sedimentation rate determination
- Blood sugar level determination

Urine Tests

- Albumin
- Sugar
- Acetone

Eye Tests

- Visual acuity determination
- Intraocular pressure determination

X-Ray Procedures

- Dental X-ray
- Chest X-ray (read for evidence of lung and/or heart pathology)

Miscellaneous Procedures

- Electrocardiography
- Cervical cytology test (Papanicolaou smear)
- Hearing test (audiometry)
- Self-screener history (done by the patient or a clerk, as distinguished from a complete medical history)
- Stool examination (for occult blood)

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[1] From *"Proceedings on Preventive Aspects of Chronic Disease"*, March 12-14, 1951. Baltimore, U.S. Commission on Chronic Illness, page 14.

[2] From *"Prevention of Chronic Illness"*, Vol. 1, U.S. Commission on Chronic Illness, 1957, p. 52. In the intervening years there have been several additions to this list of suggested screening tests.

CHAPTER 12

Housing for Older People

I. The Problem

A. HOUSING SITUATION OF THE AGED

Before answering the question whether Canada's aged population is adequately housed, it is important to secure a clear impression of the reality lying behind the words "the aged"—keeping in mind, of course, that we are concerned here not with the totality of the problems of the aged, but specifically with their housing situation.

1. *Housing Status*

The following table describes the living arrangements adopted by older people, according to the evidence submitted to the Senate Committee by the Dominion Bureau of Statistics.

Table 20.—Household Status of Population aged 65 and over June 1, 1961

	Male	Female	Total
	%	%	%
In families (married population)			
In own household	63.2	44.7	53.7
Not in own household	3.3	2.8	3.1
Live with relatives	2.6	2.3	2.5
Lodgers	.7	.5	.6
Not in families (single and widowed)			
In own household	14.6	23.4	19.1
Living-alone	9.8	15.5	12.7
Other person present	4.8	7.8	6.4
Not in own household	19.0	29.1	24.2
Live with relatives	7.8	17.2	12.6
Lodgers	6.8	15.2	6.0
In Institutions	3.9	4.7	4.3
Employees or share accommodation	.5	2.0	1.3
Total	100.0	100.0	100.0

SOURCE: Brief of the DBS to the Special Committee of the Senate on Aging, October 27, 1964, No. 18, p. 1253.

It appears from these figures that where husband and wife lived together, or where a married woman was still head of a family, the usual pattern was for the family to maintain its own home. A very small percentage of older couples doubled up with relatives, while an even smaller group lived as lodgers. A doubling of an older couple with their younger married children, popular stereotypes notwithstanding, appears rather rare.

The situation was different where a man or a woman was left alone. The most frequent solution was *not* to maintain a household:[1] 56 per cent of the single and widowed aged people followed that course of action. Half of these lived with relatives and thus became part of a family of sorts; this was more common among women (59 per cent) than among men (41 per cent). Those who maintained their own household lived by themselves in 66 per cent of the cases. From the table we can also see that about 55 per cent of the single aged were living *alone* in their own homes, or as lodgers, or in institutions. Among these men and women must be those who experience most intensely the crushing impact of solitude, whether their material needs are cared for or not.

2. *Home Ownership*

A noteworthy fact is that in 1961, 77 per cent of the aged heads of households owned the homes they lived in, and that the vast majority held a clear title to them. However, the median value of dwellings owned by older people was relatively low: $9,296 for non-farm single detached dwellings owned by persons in the 65 to 69 year age group, and $8,399 for similar dwellings owned by persons 70 years and over, as compared with a national median of $11,021.

Older people, not fortunate enough to own their own homes, paid comparatively high rents: the average cash rent paid by tenant households whose head was 65 years of age or older was $64 in 1961, only slightly less than the national average of $65; and in five metropolitan areas (Montreal, Quebec, Ottawa, Sudbury and Saint John) the average rent paid by the aged exceeded the over-all average for the metropolitan area. Elderly women, despite their generally lower incomes, tended to pay substantially more for rental accommodation than elderly men.[2]

3. *Housing Conditions*

Whether older people own or rent the place they live in is less important than the actual quality of the accommodation and the availability of essential facilities. The following table throws light on this subject and provides a comparison with the housing conditions of the group aged 45 to 64. It is to be observed that the figures relate only to households, and, therefore, take no account of the situation of some 27 per cent of the older population, mostly single and widowed, who live with relatives or in rooming houses, and in many cases enjoy fewer amenities than those available to heads of households.

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[1] According to DBS definitions, "a household constitutes all persons occupying the same dwelling regardless of relationship to the head. It may comprise one family, two or more families or no families. It may also consist of one person maintaining a separate dwelling."

[2] *Central Mortgage and Housing Corporation*, brief submitted to the Special Committee of the Senate on Aging, proceedings November 26, 1964, No. 22, p. 1470.

Table 21.—Condition of Housing occupied by the Aged, 1961

% of Households Without:	Age of Head of Household			
	45–54		65 plus	
	Male	Female	Male	Female
Running Water	10.8	8.8	17.2	11.9
Exclusive bath or shower	21.4	21.6	30.8	26.0
Exclusive flush toilet	20.2	18.9	27.8	26.6
Furnace	31.1	30.2	39.9	34.3
Refrigerator	8.3	8.6	13.8	11.3
Automobile	22.6	60.1	48.8	71.4

SOURCE: 1961 Census

These figures make it clear that a substantial number of older people live in less than satisfactory accommodation and that housing conditions tend to deteriorate as age advances. Why this should be so is related, of course, to the question of income, actual and prospective, which has been examined in Chapters 2 and 9. Our present economic system links together the strength of an individual's bid for suitable housing with the amount of money he is in a position to devote to this type of expenditure, and as we have seen the older person in this competitive situation is at a distinct disadvantage. Not only is there a major drop in average and median income after age 65, but also a considerable part of this reduced income assumes the form of fairly fixed payments, such as pensions, government allowances and the like, which are all very sensitive to inflationary trends.

4. *Marital Status*

In 1961, out of the 1,391,000 elderly persons 757,000, or 54 per cent, were married and 634,000 were single, divorced or widowed.

For various reasons, the rate of separation is higher among the aged than in the younger age groups and one out of every ten married elderly persons did not live with his or her spouse. Of the 757,000 married elderly persons, therefore, only 684,000 were members of traditional, husband-wife families. Of the latter, 493,000 formed 246,000 families where both husband and wife were 65 years of age or older, while the remaining 191,000 elderly lived with a partner who was less than 65 years of age.

Of the 634,000 unmarried elderly persons, 421,000 or 67 percent were women. Due to the different life expectancy between the sexes the proportion of unmarried women is very high in the older age groups. In the 75 to 79 age class, for example, 67 percent of all women were unmarried and only two out of every ten women over the age of 80 were married.

B. Housing Standards for the Aged

Most conventional housing does not readily facilitate the adjustments in living patterns required of the aged because of their declining physical, social and financial capabilities. This section explores standards for the design of suitable housing agreements.

1. *Design*

Essentially, housing for the aged should provide a greater degree of convenience, comfort and safety and this can be achieved by applying these criteria to all aspects of housing, i.e., relationship to community facilities, microclimate and site development, general layout and space requirements, and the details of illumination, finishes, hardware and electrical and mechanical controls.

The most critical design areas are:

Approach to the Accommodation—stairs should be avoided and wheelchair access should be provided.

The Kitchen—storage should not be placed higher than 63″ above the floor, and an electric stove with controls at the front is recommended.

The Bathroom—provide non slip floors and surfaces in tub or shower, seating for bathing or showering, strong grab bars and towel rails, bathroom doors which can be unlocked from the outside in an emergency and a direct, well lit path between the bathroom and bed areas.

Large scale multiple housing schemes should include features such as intercom warning lights, buzzers or bells for emergencies, temperature control with design temperature of at least 75°, elevators in structures of two or more stories and these large enough to permit access for wheelchairs and stretchers, smoke and fire detection equipment and a means of emergency evacuation or protection in case of fire.

2. *Community Planning*

One main objective of any housing policy must be the provision of a wide range of facilities and locations meeting minimum standards at reasonable prices. This applies equally to housing for the aged; old people should have wide choice among types of living arrangement.

Group residential facilities, whether apartments or hostel types, have a place within the desirable spectrum of accommodation for the aged. Their siting raises complex economic (which we shall ignore here) and community planning problems. It is now commonly accepted that the aged should not be segregated into "gerontological preserves." The ideal rather is to locate them in normal residential neighbourhoods. We must keep in mind that the overall objective is to create for the aged as natural as possible a "social milieu" in which they can continue to function as individuals and as members of various social groups; the disappearance

of the natural "social milieu" provided by the family renders this task at once more difficult and more urgent.[3]

Public transportation (recall that few aged have cars and fewer still may care to drive them) should be within walking distance. Community services and facilities should be easily reached, and include laundry, dry cleaning, shoe repair, barber shop, beauty parlor, restaurant, library, churches, movie theatres, clothing and drug stores, physicians and dentists. The site or the immediate area should offer space for outdoor activities; the nearby shops and services mentioned would at the same time provide areas of activity for the aged to enjoy. These various needs clearly bar cheap sites in remote or isolated areas, and in recently developed fringe areas where services are not already available.

Little can be said about housing structures themselves, as long as the design requirements mentioned above are met. No one type of construction is ideal: it should be possible to provide an esthetically pleasing variety of one-storey, garden-type and multi-storey structures. If hostel accommodation is contemplated, the size could range efficiently from 25 to 250 units, although a spread between 50 and 100 units is, probably, to be preferred. Where a central kitchen and minimum personal services are provided, economical operation is difficult in projects of less than 50 units, and as the number rises above 100, the friendly, homelike atmosphere, which is so desirable, tends to disappear.[4]

3. *Ancillary Services*[5]

Assuming that we intend to maximize the old person's opportunity for independent living, the following special services, in addition to those normally available to everyone (viz. hospital care), need to be provided in the vicinity of their homes.

—Financial: including access to a financial counselor;

—Personal: a short incapacity requires arrangements with friends or through volunteers for transportation and assistance in shopping; homemaker services, meals-on-wheels and laundry service can go a long way toward delaying the moment when institutional care becomes necessary;

—Health: home care program with services of visiting nurse;

—Personal adjustment and family life: help of competent case workers and counselors for older people and also for younger families with aging relatives;

—Employment and rehabilitation counselling;

—Promotion of activity and of participation: through adult education programs, senior citizens clubs, activity centers, hobby and handicraft groups, etc.

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[3] *Cities in the Suburbs*—Humphrey Carver, University of Toronto Press, 1964.

[4] This chapter, throughout, is concerned with accommodation for relatively able-bodied old people. The situation of those in need of prolonged nursing and institutional care has already been dealt with under Health in Chapter 11.

[5] For fuller discussion of Ancillary, or Community Services, see Chapters 6 and 13.

C. Demand for Housing for the Aged

Predicting housing demand is a most elusive task: the estimates mentioned here should, therefore, be taken with due caution as informed guesses based on the most recent evidence available.[6]

Of the 1961 total of 516,000 elderly *families,* it is estimated that 30 per cent to 35 per cent are experiencing difficulty in securing decent housing at reasonable cost. Some 50,000 of the families are thought to dwell in unsatisfactory conditions: overcrowded dwellings or units requiring major repairs. A further 130,000 families are probably straining their resources to achieve reasonably adequate accommodations. This larger group may find their housing problems considerably alleviated by increased social benefits, larger pensions, etc. But, as things stood in 1961, their economically derived housing difficulties must be accounted for in any comprehensive low-income housing analysis. We thus arrive at an estimated 180,000 elderly families with housing problems.

Some figure must also be included for *single* elderly persons in bad housing. In 1961 there were 235,000 elderly non-family households, of which we can say that 117,000 have housing difficulties. The number of unsatisfactory dwellings occupied by this group has been estimated at 20,000 units requiring major repairs and 5,000 where there is overcrowding.

We thus arrive at a rough figure of about 300,000 elderly family and non-family households which, in 1961, were experiencing difficulties in their housing situation. This estimate is confirmed by a statement made by R. Adamson, CMHC economist, before the Senate Committee on Aging: he estimated indeed that at least 400,000 elderly persons as of that date were in need of housing assistance.[7]

Looking to the future, we can say the elderly population of Canada is likely to grow by some 990,000 before 1980.[8] At the 1961 average of 1.86 persons per elderly household, these persons would form some 360,000 family and 170,000 non-family households, and assuming no change either in income benefits or in the general effectiveness of our housing system meanwhile, we can expect that by 1980 some 126,000 new family households will be added to the existing group with housing problems. Similarly, assuming a continuation of the present situation, and, as in the case of the families above, making no allowance for vacancies, 50 per cent of the 170,000 new, non-family households formed by 1980 will experience housing difficulties. We have thus a need of 85,000 units for these households.

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[6] This section draws heavily on the study prepared by Prof. J. A. Murray for the Ontario Association of Housing Authorities: *"Good Housing for Canadians"* 1964, p. 128 ff.

[7] *R. T. Adamson,* Testimony before the Special Committee on Aging, Proceedings, Nov. 26, 1964, No. 22, p. 1435.

[8] Estimates given in Table 4-4, *Report of Royal Commission on Health Services,* (based on net immigration of 50,000 annually), Vol. 1, pp. 114-5.

In this fashion, we reach a total figure of 211,000 new or converted dwelling units for old people needed by 1980, if the housing requirements of the forthcoming aged are to be met in accordance with decent standards; and, adding this to the earlier figure of 300,000 for the current group of ill-housed elderly, yields a grand total of 511,000. The task before us is, therefore, of considerable magnitude and we turn now to consider how best it may be accomplished through a combination of public and private initiative.

II What Is Being Done

A. The Federal Government

The National Housing Act—1954, which succeeded previous statutes dating back to the pre-war period, is entitled "An Act to Promote the Construction of New Houses, the Repair and Modernization of Existing Houses, and the Improvement of Housing and Living Conditions." Its general aim, as stated by Mr. Hignett, President of CMHC in January, 1965, is "to bring to an end the existence of sub-standard housing conditions in Canada."

The NHA with its subsequent amendments (substantial changes were introduced in 1964) contains no specific provisions for housing for the elderly; indeed, that expression does not appear in it. A collection of speeches by the late Dr. Stewart Bates, President of CMHC from 1954 to 1964, published in the CMHC-sponsored journal "HABITAT", is equally barren of references to the problems of housing for the aged. It is, therefore, safe to state (not necessarily to criticize) that Canada does not have a federal policy dealing specifically with the problem of housing for the elderly.

Nevertheless, the general provisions of the NHA have relevance to the issue at hand, inasmuch as they address themselves specifically to sub-standard housing. The special benefits provided by the Act are available to assist the elderly as long as they fall within the category of "low-income persons."

General assistance for housing is provided through the National Housing Act in the form of loan insurance, guarantees, direct loans by CMHC, joint Federal-Provincial projects and direct grants.

(1) *Loan Insurance*

Insurance of Loan Principal (see particularly Sections 6-13 inc. of NHA).

The NHA provides for the insurance of the full principal amount of loans made by approved lenders for new home-ownership and rental housing. The same insurance provision is made for existing dwellings in designated urban renewal

areas. Approved lenders are private companies (chartered banks, life insurance, and trust and loan companies) authorized by the Government to make loans under the Act.

In the case of home-ownership dwellings, the maximum loan insurable is 95 per cent of the first $13,000 of the lending value of the property, plus 70 per cent of the remainder, up to an established ceiling amount of $18,000. For rental projects, the loan is 85 per cent of the lending value, subject to a maximum amount of $18,000 for houses and $12,000 for each self-contained family housing unit in apartment projects.

Insured loans from approved lenders are available to individual home-owner applicants, to builders constructing houses for sale or for rent, to rental investors, to co-operative housing associations and to farmers. There is no age limit as a qualification for these loans.

The interest rate on NHA loans is established by the Governor in Council and repayment terms vary from 25 to 35 years.

CMHC is authorized under Section 40 of the Act to make direct loans for home-ownership and rental housing where assistance is not available through the approved lenders. By policy, such loans are made to any eligible home-owner applicant but direct assistance to builders is generally subject to the pre-sale of the dwellings to satisfactory purchasers.

(2) *Guarantees*

Guaranteed Home Improvement Loans (Part IV, NHA)

Loans for home improvement purposes made by the chartered banks in accordance with the terms of the Act are guaranteed up to a maximum of $4,000 in the case of a one-family dwelling. For multiple-family projects, the maximum guarantee is $4,000 for the first dwelling unit plus $1,500 for each additional unit in the building.

The effects of home improvement loans on housing for the elderly are difficult to assess. Since 1955, when the Home Improvement Loans Program was inaugurated, 272,145 loans in an overall amount of $348.2 million have been approved. It is impossible, however, to ascertain how many of these were for the purpose of improving or generating housing for the aged. There was some decline in the number of NHA-guaranteed home improvement loans in 1964, with the banks approving 19,800 loans for a total value of $36 million. Despite the decrease in loan value from the 22,024 authorized in 1963, the total value of the loans approved was little changed.

Guarantee of Annual Returns (see Sections 14 and 15, NHA).

Private investors building rental housing projects of not less than eight units can be guaranteed a certain annual return from rentals for a maximum of 30 years.

These provisions designed to make such undertakings attractive to large investors, were introduced during the immediate postwar years. No new guarantees of this kind have been made under these Sections since 1954.

(3) *Direct Loans for Low-Rental Projects* (Sections 16 and 16A)

There are special categories of NHA loans which may be used by organizations wishing to provide accommodation for individuals and families of low-income including elderly persons.

Prior to the June, 1964, amendments to the Act, CMHC was authorized under Section 16 to make loans to limited-dividend companies to assist in the construction of low-rental housing projects or in the purchase of existing buildings and their conversion into a housing project for families of restricted income and for elderly persons.

These limited-dividend companies were incorporated to construct, hold and manage a low-rental housing project with dividends established by the terms of their charters or instruments of incorporation at five per cent per annum or less of the paid-up share capital. The majority of these projects were entrepreneur sponsored. However, loans were also made under this Section to non-profit organizations or municipalities which incorporated a non-profit company to construct, hold and manage low-rental housing projects. In these cases, the organizations were permitted to construct hostel or dormitory accommodation for elderly persons on the ratio of one hostel bed for each self-contained unit constructed.

The intent of the June, 1964, amendment, which added Section 16A to the Act, was to segregate these two classes of borrowers.

Loans under Sections 16 and 16A are now made as follows:

Section 16 To limited-dividend companies seeking a profit. Projects consist of self-contained units for families of low income.

Section 16A To non-profit corporations. Projects, in addition to self-contained units may consist of hostel or dormitory type or a combination of both types and are to be leased to individuals or families of low income. While the Act does not specifically use the term "elderly persons" it is permissible to construct housing projects for individuals or families classified as elderly persons.

Projects financed under Sections 16 and 16A are designed for individuals and families of low income who are not able to afford open market rents. Such projects for elderly persons are intended to provide accommodation to the following categories:

Self-Contained Accommodation

An ingoing tenant's gross annual income may not exceed $2,700 for a bachelor unit, and $3,600 for a one-bedroom unit.

Hostel or Dormitory Accommodation

This form of housing is reserved for persons who are unable to obtain suitable accommodation within their means. Priority is given, to the extent possible, to those having lower incomes.

NHA loans to limited-dividend housing corporations, as of the end of 1964, amounted to $186.7 million, out of a total CMHC loan portfolio of $1.9 billion.

(4) *Direct Loans for Public Housing Projects* (Sections 35C and 35D).

CMHC may make a loan to a province, or to a municipality or public housing agency with the approval of the province, to construct, acquire and operate a public housing project for low-income families and individuals.

A "public housing agency" is a corporation wholly owned by a provincial government or agency, one or more municipalities or a combination of these, having appropriate power to undertake public housing projects. A "public housing project" includes land and buildings providing family, hostel or dormitory type accommodation whether the buildings are new construction or existing housing.

The construction or acquisition loan may be up to 90 per cent of the total cost as determined by CMHC.

The term of the loan, which is secured by a first mortgage on the project, may be for as long as 50 years but not in excess of the useful life of the development.

Loans are also available to assist proponents of public housing projects to acquire land for future public housing projects. The maximum loan that may be made for this purpose is 90 per cent of the cost of acquiring and servicing the property. The period for repayment of the loan may be up to 15 years at an interest rate set by the Governor in Council.

(5) *Grants for Operating Losses* (Section 35E).

Whether or not a public housing project is undertaken with a loan under the National Housing Act, it may be eligible under Section 35E of the Act for Federal contributions to assist in meeting operating losses incurred. Grants may cover up to 50 per cent of operating losses for a period up to 50 years but not exceeding the useful life of the project.

Rents in public housing projects subsidized under Section 35E of the Act are based on the income of the tenants.

(6) *Joint Federal-Provincial Public Housing Projects* (Section 35A)

Partnership agreements between the Federal and Provincial Governments are authorized under the Act for the construction of public housing projects for low-income families and individuals, the sharing of operating losses and the assembly of land. The agreement also makes possible the acquisition, improvement and conversion for housing purposes of existing buildings in any area of a municipality. Projects are initiated by a municipality through the Province.

For Federal-Provincial public housing projects the Federal Government assumes up to 75 per cent of the capital cost of the project, the remainder being borne by the Provincial Government which may call upon the municipality to meet a portion of the provincial share.

Provision is made for the sharing of operating losses on the same basis as capital costs. The Federal Government shares up to 75 per cent and the Province up to 25 per cent, depending on the agreement with the municipality.

Rents in such public housing projects are geared to tenants' income through the application of a graduated rental scale. Minimum rentals may be imposed for welfare tenants whose shelter costs are paid from public money by the municipality.

In the period from 1950 to 1964, the number of dwelling units approved in public housing projects was 12,674 with the Federal share of actual expenditures amounting to $97.4 million. Of these units 1,366 are suitable for, but not necessarily occupied by, senior citizens.

It will be noted that low-rental housing projects call for a means test of sorts. Current policy requires that the monthly income of a prospective tenant be at least twice but not more than five times the monthly rent. In recently completed projects, the monthly rent for a one-bedroom unit was about $60, thus pre-supposing a minimum annual income of at least $1,440. We must recall that the median annual income of persons aged 65 and more, in 1961, was $1,440 for men, and $830 for women.

The 1964 amendments to the Act have eliminated some of the provisions most strenuously objected to in several Briefs submitted to the Senate Committee. In particular, hostel and dormitory facilities can now be provided and subsidized; the maximum value of loans has been considerably increased; the limitations in the "housing for the aged" component of public housing projects has been removed; and assistance is available for the purchase and transformation of existing buildings into housing projects, hostels or dormitories. Old houses themselves can now be rehabilitated with public assistance (85 per cent of the lending value) in designated urban renewal areas; since many elderly own deteriorated homes in contemplated urban renewal areas, this provision may come to have considerable relevance.

It is impossible to evaluate, even in a preliminary fashion, the impact of the 1964 amendments to the NHA, as far as housing for the aged is concerned. These changes, if successful, will remedy a situation which is not one of unmitigated success. Under Section 16 of the NHA, 8,217 units for the particular use of old people were built between 1946 and 1963; the public housing provision of the Act, for its part, lead to the construction of 167 units reserved for aged persons, and of 1,366 more classified by CMHC as "suitable for allocation to elderly persons." Assuming that the last units are all occupied by aged persons, we arrive at a grand total of 9,750 units provided for the aged through federal action in Canada, after 17 years of effort.

Whichever way one looks at the consequences of federal intervention, then, it is not easy to escape a feeling of inadequacy.

B. PROVINCES AND MUNICIPALITIES

A survey of provincial action in the area of housing for the aged reveals a mixed pattern. A few provinces have special programs, but these tend essentially to supplement the felt shortcomings of the NHA. At the same time they leave the initiative at the local municipal level, without providing much active guidance or leadership.

(1) Provincial assistance for the construction of various forms of housing for the elderly include:

(i) *Manitoba*

Legislation provides capital grants as follows:
For self-contained units:
2-person unit—lesser of $\frac{1}{3}$ construction costs or $2,150 per unit.
1-person unit—lesser of $\frac{1}{3}$ construction costs or $1,700 per unit.
For hostels:
New construction—lesser of $\frac{1}{3}$ construction costs of $1,700 per bed.
Existing buildings—lesser of $\frac{1}{3}$ construction costs or $825 per bed.
Personal Care Homes—lesser of $\frac{1}{3}$ construction costs or $2,000 per bed.

(ii) *British Columbia*

Capital grants do not exceed one-third of the total cost of the project and the limited-dividend housing company must provide equity in amount of 10 per cent of the total.

(iii) *Saskatchewan*

A provincial grant of 20 per cent of the capital cost is available for the construction of approved projects. Annual maintenance grants to assist finance the operation of the projects are also given. CMHC loans do not exceed 72 per cent of cost by provincial request. The province requires the applicant to provide an equity of 8 per cent.

(iv) *Ontario*

(a) *Elderly Persons Housing Aid Act*

Grants in the Province of Ontario may be made only to a limited-dividend company which has had a loan made to it under the National Housing Act, 1954. The grants are calculated at the rate of $500 for each dwelling unit or 50 per cent of the costs in excess of the Corporations's loan, whichever is the lesser.

(b) *The Housing Development Act*

A grant made under this Act is not defined. The implementation of the Act is the responsibility of the Ontario Housing Corporation and no set formula has been set out, each case being treated on its merits. Grants have been made for rent reduction funds on some projects in the amount of $1,000 per unit, but these are not to be taken as precedents.

(c) Capital grants equal to 30 per cent of the cost or $1,500 per bed are available for hostels provided the municipality concerned gives a subsidy equal to 20 per cent of the cost.

(d) Capital grants of 25 per cent of the construction costs (or $5,000) are offered for community centres which can be used as clubs or day centres for the aged.

(v) *New Brunswick*

The Province will contribute 50 per cent or $2,000 per bed of the capital costs (including furniture) of a home for the aged. Two NHA-financed housing projects for elderly persons received provincial capital grants of $500 per unit but these were approved by the Premier's office and not by Legislature.

(vi) *Nova Scotia*

The province will contribute $500 per unit of housing accommodation or 10 per cent of the cost of the project, whichever is the lesser amount.

(vii) *Prince Edward Island*

Elderly persons' projects are constructed and owned by the Provincially-owned Senior Citizens Housing Corporation. The province provides the 10 per cent equity.

(viii) *Newfoundland*

Legislation permits the province to guarantee repayments of principal and interest on borrowings of non-profit companies constructing housing for elderly persons under the provision of Section 16A of the National Housing Act. In addition, by Order in Council, the province has made construction grants but these are not defined and amounts vary.

(2) Provincial grants are made to non-profit corporations, religious, charitable or philanthropic organizations, or to municipalities.

(3) Most provinces appear to have licensing bodies which supervise privately or commercially-sponsored homes for the aged. These bodies are usually part of the provincial welfare department. Several provinces (British Columbia, Ontario, Quebec and Newfoundland) pay subsidies to boarding homes which accept aged persons of limited means.

(4) Only Manitoba has, within its Welfare Department, a senior officer entrusted with the specific duty of assisting local governments and local voluntary organizations in providing adequate housing for the aged. The effect of this has been striking: from 1955 to 1959, twelve housing projects for the aged were built in Manitoba; since 1960, when the post of Director of Elderly Persons Housing was created, fifty-six projects have been built, providing some 2,800 accommodations at a cost to the province of $3 million.

(5) The impact of provincial policies is difficult to measure since they are directed to supplementing federal assistance rather than to generating additional projects. British Columbia, for instance, has subsidized the establishment of 4,000 beds; in Saskatchewan the government has contributed to 48 projects in 40 municipalities, providing 1,087 dwellings for couples and 259 bachelor suites; in New Brunswick, one low-rental housing project has been built so far and three more are under way; in Prince Edward Island, four units have been constructed by the government sponsored Senior Citizens Housing Corporation, and eight more are being built; in Nova Scotia, the government assisted Halifax Senior Citizens Housing Corporation and is about to build a 63-unit project, the second housing for the aged project to be undertaken in that province.

In general, the net effect of federal and provincial policies in the area of housing for the aged has been to pass the burden on to the poorest and most hard-pressed level of government in this country: the municipalities, assisted by those voluntary organizations active at the local level. Theirs has been the task of awakening and maintaining community interest, of gathering the initial capital, of finding architects, builders and specialized personnel, of acquainting themselves with the complexities of the relevant legislations and bureaucracies. They have had to initiate and carry out often protracted negotiations with distant provincial and federal offices, to guarantee the administration of the completed projects and to meet the deficits, if any, that could materialize. It is a tribute to the public-spiritedness of many Canadians that so much has been done against such odds, even if much more still remains to be accomplished.[9]

C. The Private Sector

Private efforts, in the area of housing for the aged, are not easy to document. Non-profit organizations have tended to avail themselves of the NHA facilities and

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[9] *Ottawa Welfare Council,* brief submitted to the Special Committee of the Senate on Aging, July 2, 1964, No. 14. (Read the evidence, as well as the brief.)

have, therefore, been covered. For instance, of the 8,217 limited-dividend units built for the elderly with NHA assistance, 1,017 were constructed by private entrepreneurs and 3,716 by charitable organizations.

Unfortunately, there are no reliable and comprehensive data concerning profit-oriented "homes for the aged" and related institutions. Indeed, general disorganization appears to characterize this field in Canada, and we might hope that something will be learned from the Ford Foundation-supported efforts to establish, in the U.S.A., a national organization of owners and operators of homes for the aged. There seems to be no ground to assume, however, that private efforts are any more successful than public ones, even where they are carefully supervised by provincial bodies.

Conclusions

I Basic Philosophy

Society has a responsibility to see to it that every Canadian has decent shelter, and especially those who have toiled in the community for many years, and have reached an age where our social system no longer permits them to find through their own work the resources needed to secure adequate shelter.

An important goal of any housing policy must be to include a wide spectrum of accommodation and of location, so that the elderly person may be enabled to make the selection which is best adapted to his means and inclinations.

Another goal must be the maximation of personal responsibility, the minimization of state intervention, and the provision of the widest possible spectrum of complete independence—complete dependence facilities, so that the aged be not obliged to choose between "either-or" facilities.

Concurrently, a housing policy must be operative before the elderly person exhausts his own limited resources, becomes destitute, and is obliged to live as a ward of the state. Similarly, a housing policy must respond to the needs of the middle-income aged as well as to those of the poor.

Whenever the aged person has to be placed in an institutionalized housing arrangement, care must be taken to provide him with an adequate social "milieu" or "substitute family" to replace as far as possible the one he has lost.

II The Role of Government

The overriding concept should be that of a *dynamic partnership* among the three levels of government, each concentrating on that aspect which it is particularly equipped to carry out successfully. The following is an attempt at articulating such a partnership:

The *Federal Government* has vast resources and wide redistributive powers. Its primary responsibility in the area which concerns us here should be that of the

banker of funds, of ideas, and of technical assistance, rather than that of the originator of detailed housing programs. It should, therefore, ensure that adequate funds and expertise are available and that minimum needs do not go unsatisfied for lack of resources.

It must always be remembered that the housing needs of the low-income aged are not substantially different from those of other low-income persons. To the extent that the aged need less extensive quarters, they are, indeed, less expensive to house than younger low-income families. There seems to be little justification, then, for the creation, at the federal level, of a bureau or agency specifically concerned with housing for the elderly. An effective and well-conceived general low income housing policy, if energetically implemented, will meet the legitimate housing needs of the low-income aged; it is doubtful whether any other approach can be successful.

A strong argument can be made that the National Housing Act has so far benefitted mainly the younger Canadian middle-class. The conditions which may have justified such a policy in the immediate post-war period are now largely over. The important resources and knowledge available within CMHC must urgently be redirected to that area which only the Corporation can tackle: low income housing for Canadians who need it. It would seem that the insurance companies, the trust companies and the banks—especially in view of the recent amendments to the Bank Act—can now very adequately respond to the mortgage needs of the young middle-class heads of family and are indeed doing so. The important money-management functions provided through the NHA can for the future be achieved in other ways, freeing CMHC for the tasks which it alone can undertake and carry out successfully.

The fact that the Federal Government would be playing the role of the banker of ideas and funds does not mean that it should take a passive attitude, quite the contrary. It must market aggressively the moneys and concepts at hand, within its constitutional prerogative. The current efforts of CMHC in the area of urban renewal indicates that an active stance can be taken, even if concrete initiative must, in the last analysis, come from elsewhere.

Provincial Governments, under the constitution, are responsible for welfare; they have the clear duty to formulate programs of concrete action in the area of housing for the aged. These programs are, basically, of two equally important kinds.

1. *Physical Shelter*

In close co-operation with local municipal agencies, the provincial agency concerned with low-income housing should make a survey of current housing conditions of the aged and of available private boarding and other homes for the aged. Consequent to this survey, it should establish and enforce strict regulations

concerning the design and operation of these homes, and formulate a program of action which would effectively provide, within a reasonable time period and according to a specified order of priorities, adequate shelter for its aged in accordance with the basic philosophy sketched earlier. It should co-operate at all stages with relevant municipal and voluntary organizations and advise them on the steps to be taken to reach the stated goals; in particular, provincial grants should reduce to no more than a token amount the capital funds needed at the local level to secure NHA assistance, and cover as well all operating deficits not met under NHA. The provincial agency concerned, about which more later, would be responsible for low-income housing generally; its program of low-income housing for the elderly would thus be integrated within a broader one. This appears preferable to an independent venture by a specialized "housing for the aged" agency and can be accomplished through a semi-autonomous "provincial housing corporation" or through a regular government department.

2. *Ancillary Services*

A vast majority of the aged wants to remain in independent quarters and to postpone to the utmost entry into institutions. Considerable housing flexibility, and capital economies as well, will be achieved if services aimed at enabling the aged to remain comfortably in their current remodeled private homes are provided on a sufficient scale. These services have been mentioned earlier under I.B. 3. The fluidity of the needs of the aged, which often vary from year to year and from month to month, renders such ancillary services of the utmost importance.

It should be the responsibility of the provincial low-income housing agency to negotiate, on its own behalf and on that of the municipalities and/or voluntary organizations, with competent federal departments and agencies. This would ensure co-ordination of efforts within each province, implementation of the overall provincial housing plan, development of expertise within the provincial housing agency, and effective communication with the federal authorities. The advisability of setting-up a structure similar to that of ARDA, with provincial co-ordinators at the center of the whole structure, might well be considered.

Within the framework of the provincially elaborated plan for low-income housing, municipalities should be expected to evolve detailed and concrete plans for the provision of adequate shelter for the aged and of ancillary services in their communities. The administration of low-income housing (and of its housing-for-the-aged component) could be entrusted to either provincial or municipal officers; that of ancillary services would be left to the municipal authorities and local welfare agencies.[10]

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[10] See Chapter 6, Recommendation 65.

To the extent that housing for the aged becomes recognized as a normal community service, the pioneering role of voluntary organizations will have achieved its purpose. Eventually, it is expected that local government rather than voluntary or charitable bodies would initiate action in this field, thus freeing the latter groups for new ventures in unopened areas.[11]

We must beware here of transplanting *talis qualis* and without the most careful evaluation certain ways of organizing specialized services, especially in the area of housing, which may have proved necessary in the U.S.A. The American tradition of strong local autonomy is grounded in neither Canadian law nor practice, and the creation of local semi-independent Housing Authorities appears neither necessary nor desirable. Whatever offices or agencies have to be created here should be branches of provincial or municipal departments or bodies. The financial participation of the provincial government, supplementing NHA funds, should, furthermore, eliminate the need for special borrowing at the local level in support of housing for the aged or, for that matter, of low-income housing in general.

The above proposals deal mostly with the creation of a co-ordinated federal-provincial-municipal structure in the area of housing for the aged. It is believed that without such a structure the present checkered and depressing situation will not be improved and, that, on the other hand, the kind of structure proposed is particularly adapted to the dynamic partnership which alone can solve the immense problem before us.

CHAPTER 13

The Case for Community Services

This Chapter will be concerned with the contribution that can be made to the health and well-being of the elderly by that broad range of programs which, together with social security and health programs, constitute the social services of the modern community. Specifically we shall consider:

(1) Services in a variety of forms offered on an *individual* basis. Such services may be aimed at helping the older person to cope with his physical environment (e.g. housekeeping), to overcome his loneliness and isolation (e.g. friendly visiting), or to solve problems of social adjustment (e.g. casework).

(2) Services offered on a *group* basis. These services have as their object helping older people (a) to enjoy their leisure time; (b) to develop personally, and (c) to deal with their problems or needs. Services of this second type may extend from relatively simple and unsophisticated programs of entertainment and social activity to the conscious use of the group process to achieve specified therapeutic goals.

[11] Brief of *Ottawa Welfare Council*, op. cit., pp. 936-8.

There were few submissions to the Committee which did not stress the importance of one or more community services as a means of ensuring that "older persons may continue to live healthy and useful lives as members of the Canadian community."[1]

The Committee is aware, of course, that the rapid growth of Canada during the post-war years, and the far-reaching social changes accompanying it have created serious social problems for all age groups. Nevertheless, the weight of opinion submitted to the Committee has led it inevitably to the conclusion that the development of an adequate network of community services for the elderly must be one of the major objects of social policy in the years ahead. Without the types of services discussed in this chapter, efforts to sustain an active and healthy older population through the provision of income, housing and health care can be seriously frustrated. The substantial investment of resources we are now making in these major health and welfare programs requires a growing investment also in community services, if maximum returns from the former are to be secured. The development of community services, therefore, must engage the attention, not only of private agencies, where responsibility for many of them has rested historically, but also of government at all levels.

Need For Community Services

The need for community services by the older group is associated to a considerable degree with socio-economic changes of relatively recent origin, some of which have had perhaps a greater impact on older people than on society as a whole.

(1) Increase in Life Expectancy

Many more people today than formerly survive to retirement and beyond, which focuses attention on existing social arrangements for the well-being of old people. A major problem is created by the dependence and ill-health that are likely to occur in the later years. How best can the care the elderly require under these conditions be provided?

In several Western European countries, faced as they are with larger "geriatric" populations than Canada, programs which enable older people to carry on in their own homes are well developed. In Canada the idea of the "community service" or "non-institutional" approach, although commonly accepted, is not yet widely put into practice. Community services do more than keep people out of institutions. Experience has demonstrated that the pathological aspects of the aging process can be significantly reduced, prevented or postponed by the imaginative use of various resources at appropriate or critical times in the individual's life. Social planners should take this fact into account.

[1] Order of reference, "Special Committee of the Senate on Aging".

Adequate income and shelter are, of course, essential to the maintenance of health and well-being, but so also are opportunities for personal development and a meaningful way of life. The Committee agrees with the many submissions which contend that the later years should not be given over to rocking chairs and memories. Community services can help immeasurably to prevent the narrowing and eroding of the psychological and social environment in old age.

(2) **Changes in Family Life**

Industrial society has brought important changes in family structure and family relations. Instead of living together as was not uncommon in an earlier period, parents and grown children today usually maintain separate households, often in communities that may be a thousand miles apart. The Committee heard reports of neglect and sometimes actual exploitation of older parents by their children, but the overwhelming evidence was on the other side and suggested rather support and devotion, often to the point of sacrifice. There is still much rich intergenerational life.

Nevertheless, it appears to be true that the expectations of the elderly, their children and society generally have altered considerably over recent decades. Most older people at the present time do not wish to be dependent on their children, or even to live with them; and society for the most part emphasizes the family's responsibility for the rearing of the young rather than the care of the old.

Today family relationships between old and young are marked by ambiguity. Adult children and their parents are frequently uncertain and confused as to what is right. This situation can lead to neglect of older people, albeit unwitting, or to undue protectiveness. The churches and other bodies concerned with family relations and social values have an opportunity and a special responsibility here.

The Committee is of the opinion that it would not be realistic in the modern world to look to the family alone to provide emotional support and care for the aged. Unquestionably, the family is still a major resource, but where it cannot function in these regards, help from the community should be available. Moreover, it is one of the main objects of community services to help the family perform its functions. For example,* life in the home is eased if the grandmother has outside interests; and clearly a family looking after an aged relative who requires constant care, could cope more readily if help were available to give occasional relief.

(3) **Living Arrangements**

Statistics on the marital status and living arrangements of older people provide striking evidence of the need there is for community services. These reveal the extent of widowhood and the considerable proportion of older people of both sexes

* With increased longevity and early marriage, the modern family "system" as pointed out by Peter Townsend and others, is becoming one of four generations with marked effects on the pattern of kinship relations and responsibility. In the future the old people most in need of care and support may well be great grand-parents with children in their sixties.

who live alone, lacking the support that home and family normally provide. Studies show the close relationship which exists between marital status and dependency; indeed a large part of the aging problem in modern society is a consequence of dependent widowhood. As already indicated, a significant proportion of elderly people live alone. When domiciliary aloneness is coupled with friendlessness, with infirmity and perhaps poverty, unhappiness and suffering can be expected. A primary aim of community services is to prevent or alleviate such situations.

A Review of the Present Situation

A comprehensive and up-to-date inventory of community and other services for the aged in Canada is not at present available. However, a review of such material as does exist reveals an uneven pattern of development and also a variety of approaches.

In a few communities a specialized agency has been created to plan and provide a variety of services for older people. The Age and Opportunity Bureau in Winnipeg and the Silver Threads Service in Victoria illustrate this approach. More usually a particular service or facility is specifically designed for the aged, examples of which are senior citizen clubs and centres, friendly visiting and "meals-on-wheels". Casework and home-maker services for older people are apt to develop as extensions of an already existing program. Regardless of the approach, the services available remain limited, as suggested by the following statement from the brief of the Canadian Association of Social Workers:

> ". . . . Few of its (C.A.S.W.) members are engaged solely in work with older people, which in itself, suggests the community neglect of this group. But many members are acutely aware of serious problems facing the aged, through their work in family agencies, social service departments of hospitals, mental health clinics, public assistance programs, information and service bureaus, group work and recreational centres, liaison with health services, visiting homemaker services and housing, and through sharing in the planning and coordinating efforts of welfare councils."

By and large the community services that do exist were initiated through the efforts of voluntary groups. In several provinces, however, Government financial support is available for certain services, notably recreation. Common to many submissions made to us was a call for more government action.

There is urgent need for the further development of services in both urban and rural areas. General community services, upon which services to the aged could be built, are already to be found in many cities. In rural areas, however, this foundation may not exist. The Canadian Federation of Agriculture pointed up the need that exists for *social* programs for older people in rural areas. Other briefs, also, brought to our attention the problems faced by elderly people living in the country removed from community facilities and services.

(1) **Information and Referral Services**

One type of community service advocated by a great many organizations is an information and referral centre. Such a centre where one can get a sympathetic hearing, information and advice, and where necessary referral to an appropriate community resource, is needed by people of all ages. It is especially important for older people, who often suffer needlessly through lack of knowledge about help that is available in the community and where it may be had. The elderly have neither the energy nor the means of transportation to run around from one agency to another.

(2) **Counselling and Casework Services**

Counselling is a service that should be more readily available to old people and their relatives. It may relate to very practical matters, such as budgeting or finding a place to live. It may provide skilful help when there are difficulties in family relations, or a supporting relationship for the lonely, discouraged or bereaved. For serious problems of emotional disturbance professional service from a caseworker or psychiatrist will be required. Counselling is recognized as an important element in the after-care of patients discharged from hospitals.

Family casework agencies, although limited in number, are an important resource on which old people can draw for help with their personal problems. A counselling service has also a place in the programs of day care centres for older people; the Notre Dame Centre in Winnipeg is a case in point. Also public welfare agencies, in some instances and in varying degrees, counsel those in receipt of financial benefit. It is the hope of the Committee that public welfare authorities generally will pay increased attention to this function in the years ahead. Because the need for counselling and casework is often associated with illness and hospitalization, a social service department is a necessary feature of a hospital program. At the present time, however, only a small proportion of hospitals has such departments.

In many communities, both urban and rural, it is the public health nurse to whom many old people turn for advice on their problems. Her primary responsibility is for health guidance, but problems of health are difficult to separate from problems of financial need, housing or loneliness. Greater account should be taken of this fact in the training of nurses.

There is evidence that although the elderly welcome help with immediate practical problems, they are less aware of the value of professional counselling or casework. Perhaps, as suggested by one family agency, there needs to be some modification in customary social work procedures, allowing more time in interviews, for example, and reaching out to old people rather than expecting them to come to the agency. There has been a suggestion that counselling and casework services could be most effectively provided in familiar settings, such as a church or a senior citizen centre.

(3) **Guardianship, Protection and Legal Aid**

Reference was made by several organizations to the need for some form of protection for older people who are not able to handle their own affairs or who may be exploited by others.

The Old Age Security and Old Age Assistance Acts both have provisions for trusteeship when this is absolutely necessary, and both Acts prohibit the assignment of the pension or allowance. These provisions, however, apply only to that portion of income which the allowance represents. The Department of Veterans Affairs, also, has power to administer a War Veteran's Allowance when this is necessary. In some provinces guardianship can be obtained by application to the Courts but this is a lengthy and costly procedure.

What appears to be required are legal arrangements whereby some public or private agency could assume responsibility for the protection and, if necessary, the guardianship of elderly people, such responsibility to pertain to the estate, the person, or both. This would, of course, require legislative action. It is a complicated matter involving the rights of the subject and little study has been given to it in Canada. The matter will become of increasing importance with the inauguration of the Canada Pension Plan.

Legal aid and legal counselling are needed frequently by elderly people who cannot afford to pay for it. The answer would seem to be the development of a system of legal aid for low income people generally.

(4) **Homemaker Services**

A visiting homemaker service provides trained and experienced personnel to assist elderly people, particularly the frail or disabled, with household tasks and, where necessary, with personal care. It may also bring relief to those who have continuing responsibility for the care of those who are sick and infirm. During periods of temporary illness a homemaker can help maintain a household and thus enable an old person to remain at home, who otherwise might have to go to an institution.

What is most frequently required by the elderly is part-time homemaker service. The homemaker may visit an old person one or more times a week for two or three hours on each occasion. The service may consist merely of taking over simple "housekeeping" tasks but, in other cases, under skilful supervision it may become a professional social service. In many cases the friendly approach is all that is required.

Homemaker services, generally speaking, are not widely available in Canada. They are most extensively developed in the Province of Ontario.[2] In the main the

[2] *See Report on Homemaker Service in Ontario,* Ontario Welfare Council, February 1964. This report points out (p. 42) that the elderly and chronically ill are the groups most seriously affected by the lack of available resources.

service offered is an emergency one, to families with children during the illness or absence of the mother, but limited staff and financial resources make it impossible to meet the demands of even this group. In consequence, homemaker agencies have found it extremely difficult, if not impossible, to extend or adapt their programs to include old people.

Some impetus to the expansion of homemaker service has been given by the provision of public funds. In Ontario, the province, under the Homemaker and Nurses Services Act of 1958, will share with the municipality, up to a specified limit, one-half the cost of providing homemaker services to families with children, the elderly and the chronically ill, if they are on public assistance or fall below an income level determined by the municipality. The municipality may provide the service itself or contract for service with an approved voluntary organization. Since this legislation came into effect, there has been a moderate increase of homemaker services in the province. Our understanding is that many municipalities for reasons of cost are reluctant to take full advantage of the provisions of the Act.

(5) Other Home Services

Prominent among these are visiting nursing and organized home care (discussed in Chapters 4 and 11), "meals-on-wheels", friendly visiting and a variety of neighbourly services.

Meals-on-Wheels

The delivery of hot meals to older people, who are unable to cook properly for themselves, is a type of program that has been developed extensively in some European countries and in a number of American communities. The meals are prepared in a community centre, a church or other facility and are delivered in heat-retaining containers by a corps of volunteers This service is recognized as having value in preventing malnutrition, but it has psychological and social benefits as well.

A number of organizations have strongly recommended the initiation of programs of meals-on-wheels, but the Committee knows of only one such program in Canada at the present time, that operated in Brantford, Ontario, by the Red Cross and the I.O.D.E.[3] It should be noted, however, that there are alternative ways of meeting nutritional needs. For older people able to go out it might be better to provide meals in places where they congregate, as at centres and clubs or churches. The meals provided daily at the Women's Sheltered Workshop in Toronto, and at the Good Companions in Ottawa, are illustrations of this approach. The purchase of meals for home delivery from restaurants or commercial caterers constitutes another possibility.

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[3] In April 1965, a Meals-on-Wheels program was inaugurated in Winnipeg for a three-year trial period (Canadian Welfare July-August 1965 p. 190); and in October, 1965 a similar program, offering a five days a week service, was launched in Toronto.

Friendly Visiting

When used with reference to community services the term "friendly visiting" denotes an organized program in which volunteers, on a regular basis, visit socially isolated old people, perform neighbourly services for them and encourage as normal a pattern of life as possible. The program can be organized and sponsored in a number of ways. It may be undertaken by volunteers through a church group, a service club, a community visiting committee or by members of an old people's club or centre. It may also be offered as a service under professional supervision by Public Welfare departments, family agencies, or by various health agencies. Friendly visiting need not, of course, be confined to the aged; it is a recognized service for shut-ins or the handicapped of all ages.

No matter how the program is organized, there is agreement that in order to ensure stability, continuity and sensitive approach, there must be careful selection and training of volunteers, thoughtful matching of visitor and visitee, a commitment by the volunteer to visit regularly for a prolonged period of time, and as well a ready channel to other community services when required. Reports received by the Committee indicate that a number of local welfare councils and social agencies, such as the Red Cross in Ontario and the Age and Opportunity Bureau in Winnipeg, provide systematic training to interested volunteers.

Neighbourly Services

During its hearings the Committee was informed of various other forms of neighbourly activity provided in response to the limited mobility of older people. These include regular transportation to a clinic, a club or to church; assistance with laundry and shopping; the delivery and return of library books; help around the house and property with tasks like snow shovelling, grass cutting, or putting up screens; or it may be a phone call to a shut-in older person at a certain time each day to make sure that "everything is all right". In some communities there is provision for a sheltered workshop or similar agency to deliver work to shut-ins at home.

All of these neighbourly services, apart from their immediate value, have the further advantage of maintaining communication with the old person, keeping him in touch with the community and lessening his possible feeling of being neglected. Moreover they offer to many volunteers the opportunity they desire to be of direct help to an older person.

(6) **Leisure Time Services**

In Canada, during the past decade or so there has been a wide-spread development under varying auspices of leisure time programs for the elderly. These programs offer social contacts and activities to replace those that were formerly

centred in work, child rearing and family life, or that have been lost through the removal or death of relatives and friends. By alleviating boredom, isolation and anxiety, they help to maintain the physical and mental health of the older person.

Senior Citizen Centres

In many Canadian communities special centres for the elderly have been established. Some are operated by volunteer groups with financial support from the local United fund. The Silver Threads Centre in Victoria, the Good Companions in Ottawa and the Second Mile Club in Toronto are illustrations. Others are joint public-private projects like the Notre Dame Centre in Winnipeg. Sometimes, as in the Ontario communities of London, Scarborough and North York, centres are operated by the public recreation authorities.

Generally, senior citizen centres offer varied social and, less often, educational and cultural programs. Some include as well a meal service and counselling on personal problems. The aim throughout is to further the well-being of old people; to assist in their rehabilitation where this is necessary; and to encourage their active participation in the affairs of the centre and in the life of the community.

Senior citizen centres frequently require substantial capital investment. Ontario, through the Elderly Persons Social and Recreational Centres Act of 1962, provides for a provincial grant to meet 30 per cent of the cost of building or converting premises for use as a centre, if the local municipality will assume 20 per cent of the cost. This is the first legislation of its kind in Canada. It is understood also that the Province of Manitoba will make capital grants or loans in aid of senior citizen centres.[4] The government of British Columbia assists the establishment of community centres for the general population through capital grants of one-third the cost, and encourages such centres to make provision for senior citizens.

It is important to note the possibility that exists for the use of federal funds in the development of recreation programs for older people, in the Fitness and Amateur Sports Act of 1961. This Act was designed to promote fitness in all age groups. The Department of National Health and Welfare reported to the Committee that while considerable emphasis is naturally placed on the encouragement of recreational pursuits on the part of youth, recreational programs for older people can also be assisted.[5] Under the Act the Federal Government assists the provinces in carrying out projects by reimbursing them 60 per cent of the costs and under this provision, to give one example, leaders and instructors of different kinds can be trained and provided for group recreational activities for the aged. Research on fitness in the later years can also be financed under the Act.

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[4] *Testimony of K. O. Mackenzie,* Deputy Minister of Welfare, Province of Manitoba. Proceedings of the Special Committee of the Senate on Aging, Oct. 28, 1964, No. 19. p. 1281.

[5] *Department of National Health and Welfare,* brief submitted to the Special Committee of the Senate on Aging, Dec. 10, 1964, No. 24. p. 1685.

Senior Citizens Clubs

These clubs, which meet at specified times for various informal activities or the furthering of common interests, are to be found in many Canadian communities. Some clubs have been formed by elderly citizens themselves, independent of any sponsoring organization; others, as in the Western provinces, have been initiated by Pensioners' Associations. They are also sponsored by church groups, service clubs or other community organizations. In some communities the initiative is taken by the local public recreation authority or by a voluntary recreation, welfare or health agency. There is now evidence that to an increasing degree large business firms are providing social programs for their retired employees, and in some industries the labor union assists or encourages its locals to establish programs for retired members. These latter two developments impress us as particularly promising, having in mind the importance of work experience and work contacts in the life pattern of many retired people.

Adult Education in the Later Years[6]

The importance of continuing education was stressed by several organizations and experts appearing before the Committee. Indeed in the years ahead, as the physical and material needs of old age are more completely met, the intellectual and social needs will increasingly engage our attention.

At the present time active participation by the elderly, in organized educational programs, is extremely limited.[7] This, no doubt, is related in part to the educational levels and experience of the present generation of older people,[8] but certainly not much effort has been made to encourage their participation in educational programs. Apart from what may be offered in centres or clubs, there are few if any programs of continuing adult education in Canada designed specifically for older people. Urban communities do provide opportunities for educational and cultural pursuits of which older people may take advantage: evening courses offered by Boards of Education, adult programs of recreation departments, University Extension courses, the programs of libraries, museums and art galleries come immediately to mind. Some of these are free or cost very little, but others like University Extension courses may be beyond the financial means of the old people interested.

It was suggested by one expert witness that because of lack of education, or fear of failure, many older people may do well only in special classes or activities

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[6] See also Chapter 14: *Living in Retirement*, which discusses education-recreational programs for old people.

[7] Old people, of course, get considerable educational stimulus and recreational satisfaction from television and radio. The notable contribution made by these media is referred to in Chapter 14.

[8] According to the 1961 Census 63 per cent of the population aged 65 and over had elementary school education or less. However, nearly 14 per cent were high school graduates or better.

planned with their capacities and interests especially in mind. Declining ability to learn,[9] he said, is not the problem.

Day Care Centres

Clubs and centres and adult education programs as described above serve primarily the active and more or less socially adequate person. There are, however, those who need special encouragement, assistance or a rehabilitative program. The physically or mentally disabled, those who are withdrawn, depressed or anxious, it has been found in many instances, can be maintained in the community through day care centres with therapeutic aims. Such centres may include in their program sheltered employment or other forms of meaningful activity, the provision of meals, health care and individualized personal services. They are regarded by hospital and mental health authorities as an important resource for patients after discharge from hospital.

A fully rounded day care centre is, in a sense, an institution without beds, although it might appropriately be located in a home for the aged. The day care program of the Jewish Home for the Aged, in Toronto, is an example. The senior citizen centres, described earlier, could very well incorporate in their programs at least some elements of day care as here outlined. In fact, a hard and fast line cannot be drawn between senior citizen centres and day care centres.

It is our conviction that day care centres, although not perhaps feasible in smaller places, should be established in all urban communities. Affiliated with them, or under separate auspices, there should be provision for sheltered employment and for a carefully supervised foster home program for the elderly.

Community Services Abroad

A number of countries in Western Europe have had earlier and longer experience than Canada in dealing with the needs of the aged. In the course of its investigation the Committee has attempted, on the basis of the literature, to familiarize itself with this experience, which has been helpful to us in assessing our own situation in Canada and in determining directions for future development. Space does not permit any detailed account of our findings, but, perhaps, a few brief remarks may help to set our Canadian experience in perspective.

First, it should be said that the aging of the population in Western European countries has been more extreme than in Canada. Secondly, basic programs for social security in old age were established somewhat earlier in most of these countries. Thirdly, centralized political structures permit more ready planning and development of services on a national basis.

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[9] On the whole subject of continuing education for old people see the testimony of *Dr. Roby Kidd,* (Proceedings No. 5, Nov. 21, 1963) and the brief of the *Canadian Association for Adult Education,* (Proceedings No. 18, Oct. 22, 1964).

Given these factors it is not surprising that the development of community service, particularly in north western European countries, is in some respects more advanced than in Canada. This applies, particularly, to care and help in the home. Home-helps or homemaker services are much more broadly available in England, the Netherlands and the Scandinavian countries. National and local public authorities are more involved in both the financing and the operation of services. Thus in the United Kingdom home-help is available through all County and County Borough Councils. Charge for service is based on the ability to pay. Those who cannot pay receive free service, the cost being borne by the local authority.

A number of countries have also developed comparatively extensive meal services. These include meals-on-wheels, lunch clubs or reduced rates for meals in restaurants and government-owned cafeterias. Programs of meals-on-wheels under varied sponsorship, which may be public or voluntary, are well established in the United Kingdom and Sweden. Some government support of meals-on-wheels is provided in Australia and New Zealand.

As in Canada, recreational programs abroad are a prominent feature of older peoples clubs and centres. In the United Kingdom local authorities may contribute to voluntary agencies providing recreation or meals. Organized personal services, like chiropody and hair-dressing, are available in a number of European countries.

Community services in the United Kingdom are notable for the variety of supportive services that have been developed by local old people's welfare committees. Among these is a "sitter-in" service, to bring relief to families caring for sick or confused old people who cannot be left alone for long periods. Another feature is a good neighbour service, with the backing of an organization, carried by persons living nearby who call regularly and are prepared to do regular light duties. Both sitters-in and good neighbours are usually paid.

Experience in the United States

No brief account could do justice to the very great attention that has been paid to the needs of the aged in the United States and to the many efforts of local communities to expand or initiate services.

Increasingly, however, government funds from federal and state levels have become available to local public or voluntary agencies. Federal public welfare legislation, for example, provides for federal sharing with state governments in the cost of certain community services for public assistance recipients. Grants in aid of demonstration programs are also available under several programs administered by the National Institutes of Health of the U.S. Public Health Service. Many states have established special bodies, such as State Commissions on Aging, that are playing a leading role. They undertake studies, make grants in support of local services, offer an information and consultant service, and in some instances initiate state-wide programs.

New York State has particularly well developed programs for old people in the areas of education, recreation, pre-retirement planning and "post-retirement activities". Local governments and Boards of Education are encouraged to provide such programs, for which they receive consultative services, materials and financial assistance from the State Level. Mrs. Henrietta F. Rabe, Supervisor of Education for Aging in the State Education Department, described these programs for us in a letter as follows:

> "During the past year, (1963), 104 school districts in New York State (not including New York City) operated 401 classes for retired persons, with a registration of 17,963. Most of these classes were offered during the day and are an integral part of senior citizen clubs and day centre programs, which were organized under public school adult education and provided with over all leadership . . . . subjects include public affairs, languages, music instrumentation, painting, the crafts, health education, Great Books discussion, etc.
>
> "In addition to public school education, the State Education Department administers state aid for approved municipal programs of recreation for the elderly. By co-ordinating education and recreation, we in the Education Department are able to bring about genuine cooperation between the public school and local government in the development of education-recreational programs for older persons."

Some of the larger urban centres in the United States have also developed noteworthy programs. The services offered by the New York City Department of Welfare, for example, include recreation centres, homemaker services, foster home care and rehabilitation counselling.

A Proposed Pattern of Community Services

From the many submissions received by the Committee, from the testimony of expert witnesses and from the extensive literature on the subject there emerges with some clarity, at least in its broad outlines, the pattern of community services for older people which ideally should obtain in all Canadian communities. Clearly, the pattern cannot be developed over night. Serious problems of financial resources and personnel must be overcome in the years ahead. We need, however, a goal toward which our efforts can be directed, and the Committee would propose the following as such a goal:

(1) In every community, rural or urban, there should be an *information and referral service* for older people and their families. Depending on circumstances, this service might be located in a welfare council, the local welfare authority, the public health authority, or the family agency. In metropolitan areas there is much to be said for distributing information centres on a district basis throughout the community. The service need not be designed, nor perhaps should it be, for older people only. People of all ages may require information and referral services.

(2) In every community there should be available the variety of *services* which *would permit an older person to remain in the familiar environment of his own home* with the maximum of comfort and security, and render possible his return from health institutions as soon as possible. Among these services, the most urgently needed is that which might be provided by full or part-time homemakers. Existing homemaker agencies should extend service to older people, and where they do not exist, other auspices for the provision of such service should be found; the local public welfare or health authority, a visiting nurse organization, or a senior citizen centre are all possibilities. Homemaker services should be buttressed by meal services, friendly visiting and other forms of practical and neighbourly help. They must be closely co-ordinated with counselling services and with community health services and institutions, particularly hospitals. Administrative provision should be made for the integration of the various home-help services.[10]

(3) *Counselling and casework services* for the elderly should be available in all communities and on a district basis in metropolitan areas. Resources should be available to enable family agencies to extend their services to the aged. Hospital social services should be more extensively developed. Counselling should also be provided at senior citizen centres, either by centre staff or through arrangements with another agency. Public welfare authorities should also assume greater responsibility for counselling old people, whether in receipt of financial assistance or not. In fact, we would urge a general broadening of services to the aged by public welfare authorities.

(4) Varied leisure time programs in which the elderly can participate should be available in all communities. In this regard, the Committee would caution against segregating the elderly from the rest of the population. Clubs and centres should not be ends in themselves; rather they should restore or strengthen the individual's motivation for normal community involvement and participation. For this reason community services should include programs in which the elderly can participate with other age groups as well as programs designed primarily for them. In fact where recreation services generally are under-developed, the first step should be to establish a community centre which would serve the elderly among other age groups.

The Committee suggests that in each sizable community and in appropriate districts of large cities there should be at least one community centre with trained staff, a membership active in conducting its affairs and a corps of volunteers. The centre should not only provide for social activities and

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[10] It was suggested by some witnesses that a competent *housekeeper*, without the special training and supervision given to "homemakers", would be able to meet the practical requirements of many old people.

entertainment; it should also encourage the participation of its members in the life of the community, offer counselling and guidance, and encourage continued learning.

While up to now voluntary organizations have been the chief sponsors of recreation for old people and will, it is hoped, continue to make a major contribution in the future, the Committee envisages growing participation by local recreation authorities in order to ensure that facilities and programs are more widely available throughout the community and that special provision is made for the interests of the retired population.

(5) Wherever possible *day care programs* for old people requiring intensive and individualized service should be provided. They may be offered by an agency established for the purpose, or in homes for the aged, in day hospitals operated by chronic convalescent or mental hospitals, or through the enrichment and broadening of senior citizen centre programs.

(6) Finally educational authorities and adult education groups should experiment more imaginatively with ways of encouraging retired people to participate in *educational and cultural programs.* We would expect many other organizations to join in this endeavour: business firms, labour unions, the churches, and agencies, such as the Y's, community centres and recreation departments that engage in programs of informal education. The potential of radio and television, particularly for shut-in older people, should not be overlooked.

Requirements for Meeting Objectives

We have sketched broadly those services which, in the Committee's opinion, form the basic components of a program of community services for the elderly. The development of such a program raises a number of important issues to which the following comments are addressed:

(1) The realization of some of the objectives indicated calls for the *strengthening of services to the total population;* for example, information and referral centres, homemaker and counselling services. The Committee would not want to suggest that where services generally are under-developed they should be provided for the elderly at the expense of other age groups. Rather the aim should be the development and strengthening of resources for all. In other instances, like day-care centres, the development of specialized services for the elderly will be required.

(2) In the area of community services, as elsewhere, the question arises as to the respective *roles of governmental and voluntary action.* The Committee can find no clear principle for distinguishing one from the other. On the one hand, we would wish to encourage voluntary interest and activity, which up to the present have made such a vital contribution. On the other hand, we are persuaded that the

existing spotty provision of services cannot be greatly altered without the participation of the public authority. As we see it, the pattern of public-private relations will vary from community to community and from time to time. In most communities at this time what is needed is closer co-operation between the two sectors and a flexible experimental attitude toward the need to be met. Among the immediate responsibilities of government are those of making greater financial resources available, setting standards, disseminating information, and providing a consultative service to voluntary groups.

(3) The development of adequate community services will require *substantial investment of funds*. In the voluntary sector, demands for service are outstripping available dollars; there is a sizable and growing gap between financial needs and financial resources. In some fields, as, for example, homemakers, the situation is well beyond the scope of voluntary financing alone.

Given a continuing favourable rate of economic growth, the funds required to provide essential services for older Canadians should not be beyond the nation's capacity. Though the Committee has conducted no analysis of costs it would suggest that the amounts involved are not substantial by comparison with what Canada is already investing in the economic security and health of its citizens. And it should not be forgotten that the cost of one hospital bed ($20,000) could provide some 10,000 hours of homemaker service.

It is clear from the evidence that community services for older people are most developed in the wealthiest provinces, and least in the poorest. Whatever the difficulties here, the fact must be faced that a balanced development of welfare services can only be achieved through a national policy aimed at the equitable distribution of the welfare dollar.

(4) Another problem to be faced in developing community services for the aged will be the *securing of sufficient numbers of adequately trained staff*. This again will be no easy matter. Large numbers of able and trained volunteers will also be required.

So far as employed staff is concerned the first necessity would seem to be a realistic analysis of the nature of the various positions for which paid workers are required, and an equally realistic analysis of the training required to fill them competently. Unfortunately, this is not an approach that has been used widely in the area of community services to date, with the result that professional workers, although in short supply, may spend much of their time performing non-professional tasks, and auxiliary workers, often tolerated rather than fully accepted, are used with almost no training except what they pick up on the job. For the extensive development of community services that we envisage, this sort of personnel policy, or lack of policy, will not do. We must know the kinds of people we need for the

posts to be filled, seek them out vigorously in sufficient numbers, and make sure that the facilities needed to train them are available in professional schools, universities, technical institutes, and special courses.

Careful plans will also need to be devised for the *recruiting of volunteers*. Here the potential of older people to help one another should not be overlooked. Training for the volunteer is also necessary in order to ensure not only proficiency in the particular service to be rendered but also considerable familiarity with the psychology of the aged. In many programs, like friendly visiting, the volunteer deals directly with the elderly and in doing so frequently receives requests for advice on personal problems. This renders the task satisfying but it also underlines the need there is for sensitive understanding and the ability to recognize situations where professional help is required.

Conclusion

In this Chapter we have presented a review of the Committee's findings in regard to community services for the elderly. The current picture, it must be agreed, is not one with which we can be satisfied. Many old people who desire to remain in their own homes are compelled, for lack of supportive help, to live in institutions. Others, who with the necessary programs and facilities could continue as active members of the community, are condemned to an existence they often find pointless and dull. We have attempted to suggest ways out of this situation, and in doing so have drawn on the experience of other countries. There is clear evidence that, in Canada too, improvements are taking place. The chief requirements for accelerated progress would appear to be local initiative, inventiveness in social planning and a large measure of government interest and financial support.

CHAPTER 14

Living in Retirement

In the previous chapter we have discussed Community Services for the elderly and recommendations have been made concerning the manner in which they might be extended and improved. In this chapter we concentrate more upon the problems of the elderly that can be solved by the normal mechanisms of our society. Community Services are again discussed, but the emphasis in this case is upon what these services can do to help those among the elderly who, for one reason or another, have lost their capacity to use the facilities offered by society to all its members.

For those working with the aged, planning for them, or endeavouring to understand them, two assumptions can be made, both of which dangerously over-simplify the situation. It is wrong to assume that the aged are in no way

different from the general population. Gradual changes through the life cycle, not only in health but also in attitude, have occurred. As well, sharp transitions, such as retirement or widowhood, have taken place which, among other consequences, have had the effect of reducing the resources the elderly can command to cope with their situation. One must modify in part the description of the "average Canadian" if it is to be applied to the elderly.

But it is equally, or even more, dangerous to assume that the elderly are wholly unlike other members of Canadian society, and that their special conditions have produced for them a wholly new set of problems and needs for which completely new remedies are required. Many, or even most, of the problems faced by the aged are faced by all members of our society. Others are simply the human condition.

It is not possible to deduce from common sense the ways in which the elderly are similar to or different from others in our society. Actual field work is required before one can know.

These considerations are of particular relevance to the problem of leisure, which is mentioned repeatedly in the Briefs. We must reconsider if it is in fact true that this is a problem of particular urgency for the aged. At first glance, the Briefs suggest that the elderly do experience particular needs in this area. Remedial programmes, such as Friendly Visiting, are discussed. There are reports of loneliness and lack of interest in life, such as in the Brief from the Second Mile Club of Toronto,[1] the Special Survey of the Government of New Brunswick,[2] and many others. Yet this is not conclusive evidence. We cannot assume because the elderly report a lack of meaningful activity in their lives that this is a full and accurate diagnosis of their problem.

The additional facts which would confirm the diagnosis would be evidence showing a demand for and acceptance of programmes providing leisure activity for the elderly. Study groups would be common and successful. Creative activity such as clay modelling or painting would be frequent and enthusiasm among the elderly for such activity would be commonly reported. Rather, the Briefs suggest the reverse. Such activities are found to attract only a minority. A certain pessimism about their success is suggested. As an example, the Social Planning Council of Toronto states it "has not come to grips" with adult education for the elderly.[3] Other Briefs suggest that particular difficulties are found in establishing leisure programmes. Those which appear most successful involve quite simple social activities, as in the Golden Age Clubs. The Canadian Medical Association Brief is highly

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[1] *Second Mile Club*, brief submitted to the Special Committee of the Senate on Aging, May 14, 1964, No. 7, p. 406.

[2] *Government of New Brunswick*, brief submitted to the Special Committee of the Senate on Aging, June 18, 1964, No. 12, p. 780.

[3] *Social Planning Council of Metropolitan Toronto*, brief submitted to the Special Committee of the Senate on Aging, July 9, 1964, No. 15, p. 1053.

optimistic about these clubs and recommends the establishing of more.[4] Enthusiasm is reported for the Victoria City Silver Threads Club.[5] Still it is noted by the Ontario Welfare Council that so far only 5 per cent of the elderly in Ontario are involved in these activities.[6]

In general, the Briefs show that the problem of leisure is not solved at present and repeatedly recommend further analysis, research and experimentation within this area. It is clear that those working with the aged have been forced to depend too much for the development of ideas about what the elderly need or want upon common sense and deductive reasoning. Their task would be simplified and their energies better utilized if a programme of basic research into the nature of the needs of the elderly were established. A programme of research based on detailed questioning of the elderly can proceed independently of other endeavours and should be of great use. Emphasis might be placed on attitudes to leisure time, present recreational programmes and community involvement, as suggested by the Brief of the Community Chest and Councils of the Greater Vancouver area[7] and others. The need is even greater for more basic studies which ask what the elderly are like and what they need without pre-assuming that their problem is one of leisure, however.

A programme of research such as we have outlined above would not be enough. Complete dependence upon the capacity of the elderly to articulate what they need or want cannot be made. This is not because they are old; no one in our society seems able to communicate easily what unmet needs and hopes they have. The second recommendation we make, therefore, is that present and future programmes designed for the elderly should be more fully envisaged as *experiments,* again as suggested by the Brief of the Community Chest and Council of the Greater Vancouver Area,[8] and also by the Notre Dame Day Centre (Winnipeg)[9], and others. As is always necessary in experiments not only should there be innovations in design but also careful, objective measurement of the eventual success or failure of the programme.

We anticipate that some successful programmes may be found to resemble programmes or "leisure" only in the sense that this title is useful in recruiting new and shy members. The actual end product would in many cases become one of

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[4] *Canadian Medical Association,* brief submitted to the Special Committee of the Senate on Aging, Nov. 5, 1964, No. 20, p. 1351.

[5] *Silver Threads Service of Victoria,* brief submitted to the Special Committee of the Senate on Aging, Nov. 19, 1964, No. 21, p. 1403.

[6] *Ontario Welfare Council,* brief submitted to the Special Committee of the Senate on Aging, May 21, 1964, No. 8, p. 451.

[7] *Community Chest and Council of the Greater Vancouver Area,* brief submitted to the Special Committee of the Senate on Aging, June 4, 1964, No. 10, p. 672.

[8] *Ibid.,* p. 672

[9] *Notre Dame Day Centre* (Winnipeg), brief submitted to the Special Committee of the Senate on Aging, June 11, p. 695.

providing informal guidance, aiding mental health or increasing feelings of security. As the Notre Dame Centre of Winnipeg states of its programme;

> The real development of the Day Centre is seen in its members as they become more alert, creative and active citizens whose needs from the community are balanced by the community's needs for them.[10]

We further recommend that, insofar as it is possible, funds and time be allocated consciously for experimental programmes and that workers be encouraged to be imaginative and inventive in designing them. In discussing the development of their Sheltered Workshop, the representatives of the Jewish Home for the Aged and Baycrest Hospital[11] noted specifically that it was a willingness of their Board to allocate funds for experimentation that made the programme possible.

We recommend, for the time being at least, that in the design of new programmes concern about the secondary goals for them, which frequently involve either the attempt to make some clear contribution to society as a whole or to educate and broaden the elderly, should be de-emphasized. Instead we favour experimenting with ways to improve the meeting of the primary goal, namely, the provision of help to a sizable number of the elderly who report a discontent which they phrase as boredom, isolation, or lack of meaningful activity. In many cases the success of a programme will be shown in the swift return of its members to reliance upon those facilities which our society provides for all its members.

Analysis of the Briefs and of certain research publications suggest what is so far known or strongly suspected about the type of needs or problems which occupy the "leisure time" of the elderly. In many cases these are needs which the elderly share with the young, and the data serve as a reminder that there is similarity. In other cases the elderly are found to face distinctive problems. The description that can be presented at this time is, of course, extremely fragmentary. We have grouped the data under following headings:

1. The Family
2. The Church
3. The Work World
4. Community, Friends and Neighours
5. Education and the arts
6. Mass Entertainment and Specialized Activities
7. Morale and Expectations
8. Attitudes of Others.

Each is discussed in turn, below.

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[10] *Proceedings*, Special Committee of the Senate on Aging, July 16, 1964, No. 16, p. 1072.

[11] *The Jewish Home for the aged and Baycrest Hospital*, brief submitted to the Special Committee of the Senate on Aging, March 12, 1964, No. 3, p. 122.

The Family

The family not only provides a variety of services for its members but also, for most Canadians, appears to be a good in its own right. Because of this, a major problem for the aged is the loss of the spouse. The problem of widowhood seems almost to overshadow that of old age, and it is among the widowed that reports of loneliness are most common, according to United States research.[12] Not only is there a loss of companionship, but labour which formerly was shared by two must suddenly be done by only one.

Figures provided by the Dominion Bureau of Statistics show that many who are widowed solve these problems by living with other relatives, generally their sons or daughters. Among the widowed women in Canada who are 65 years of age or older more than 3 in 10 were found to live "with relatives" in the 1961 Census.[13] This proportion is roughly equivalent to that reported for the United States by Ethel Shanas, as noted in the Saskatchewan Brief. Research should be done to determine if the relationships in such households are largely harmonious. Such research could suggest advice which would, as one of the elderly, Mr. W., suggested to the Committee, "help older people to understand how they can fit in their children's lives."[14]. Strategies might be suggested which would facilitate the formation of more of these households or prevent the breaking-up of those already formed.

For others who are widowed or old, a second solution is common. Although they live in separate households, the elderly are found frequently to live near married children or other relatives. While the full range of services that family life can provide will not be given under these conditions it appears to be an arrangement acceptable to many. Some authors, such as Peter Townsend, suggest that this arrangement is preferred to actually living with children. Townsend writes, based on his research in England:

> Old people were not against living alone. In fact most preferred it to living with married children, because they could maintain their own independence and avoid imposing on the privacy of the children's marriage. They made one big qualification. They did not mind living separately from their children, so long as they could live *near* them. Most parents mentioned this spontaneously.[15]

Care is reported to be taken by some agencies in Canada to achieve this desired proximity of residence, as mentioned by Dr. C. A. Roberts of the Canadian Mental Health Association.[16] This factor should also be considered in the relocation of the elderly owing to urban renewal.

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[12] Ernest W. Burgess (ed.), *Aging in Western Societies,* Chicago, Univ. of Chicago Press 1960, pp. 289-90.

[13] *Dominion Bureau of Statistics,* brief submitted to the Special Committee of the Senate on Aging, Oct. 22, 1964, No. 18, p. 1253.

[14] *Five Senior Categories,* Proceedings of the Special Committee of the Senate on Aging, Nov. 7, 1963, No. 4, p. 86.

[15] Peter Townsend, *The Family Life of Old People,* London, Routledge & Kegan Paul, 1957, p. 30.

[16] *Canadian Mental Health Association,* brief submitted to the Special Committee of the Senate on Aging, Feb. 27, 1964, No. 1, p. 30.

For others who are elderly, as the Brief from the Department of Public Welfare, Province of Nova Scotia notes, the ordinary bonds within the family are weak.[17] Research is required to determine why this is so. An analogous problem concerns the reactions of the wife to the greater amount of time at home that is spent by a retired man. Again long-standing but evaded conflict in the family may become overt and the man will not be welcomed in the home.

For those without relatives, or for whom family bonds are weak, other solutions must be found. In work published in the U.S., Ernest Burgess has written:

> Whatever measure of personal maladjustment is taken—isolation, loneliness, death rate or suicide—gives findings indicative of the social disadvantages of the single state.[18]

Friends and neighbours, as we note below, may substitute for relatives, and programmes may facilitate the formation of friendships. Where this fails, direct dependence upon social agencies seems inevitable.

The Church

The churches in Canada are involved directly in the provision of welfare services. Without forgetting this, we concentrate in this section on the unique function of the church, the provision of spiritual guidance.

Some increase of interest in religion might be anticipated among the aged as a product of their realization of the imminence of death. This is suggested by Mrs. Stevens in discussion of the Brief of the Catholic Women's League of Canada when she stated, "I feel that as people get older their spiritual needs enter more into their thoughts."[19] Yet data available from other sources (Britain and the U.S.) suggest that there is actually only a slight return to church among the elderly.[20] In part the problem may simply be one of transportation. The Brief of the United Church of Canada reported surveys showing that many elderly people would like to have a "church visitor."[21] Mrs. Stevens continued, "I know many . . . homes (for the aged) have no provision for the solace of religion being brought to them. I feel that it should be encouraged by the provision of chapels, or at least a room that could quickly be cleared where religious services could be conducted if a special place for them could not be afforded."[22]

The return to the church may not occur because the elderly are not concerned with the imminence of death. U.S. studies suggest that the old are not greatly more

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[17] *Government of Nova Scotia,* brief submitted to the Special Committee of the Senate on Aging, Oct. 15, 1964, No. 17, p. 1139.

[18] Burgess, *op. cit.,* p. 291.

[19] *Mrs. Herman Stevens,* Proceedings of the Special Committee of the Senate on Aging, May 14, 1964, No. 7, p. 384.

[20] Burgess, *op. cit.,* p. 346.

[21] *United Church of Canada,* brief submitted to the Special Committee of the Senate on Aging, Feb. 27, 1964, No. 1, p. 384.

[22] Mrs. Herman Stevens, *op. cit.,* p. 384.

preoccupied with death than are the young.[23] Because no opinion survey can probe very deeply, workers with the aged might do well to watch for subtle indications of concern with death and be prepared to find some cases requiring guidance and counselling.

The Work World

All Canadians are taught to take work seriously, and to respond to money as a reward for doing so. The Brief of the Canadian Association of Social Workers notes:

> The predominance of work as a central value in our society handicaps many people today in enjoying their retirement years.[24]

Any work, regardless of its real social utility, is seen as important activity and those who work have grounds for demanding concessions and deference from those who do not. Those people who do not work for monetary gain, such as those in school, many women, and many of the elderly, share certain characteristics. They report frustration and discontent. An obvious, simple and recurrent solution to this problem is entry into the work world; married women begin to work; children "drop-out" of school; those who have retired join the sheltered workshop programmes,[25] or take on part-time work.

Although it is the obvious solution, inclusion of all who wish it in the labour force appears to be increasingly difficult. Yet unpaid, but productive activity is only a second-best alternative since the practical and symbolic value of a money reward is of great importance to the old as well as the young. The definition of what is considered work could be broadened but little change in our traditional definitions of what is work seems to be occurring.

Withdrawal from the labour force has immediate secondary consequences. There are special side-effects of working, ranging from the companionship of co-workers or the "prestige" of the job (as suggested in the Department of Labour Brief)[26] to actual fringe benefits which come with the job. These are all lost and must be replaced. The loss of position in society because one has retired might be of less consequence if it were not accompanied by these secondary losses.

It must not be assumed without actual research that retirement from the labour force frees great amounts of time for "pure leisure." Any individual in our society has a great deal of necessary activity to perform outside his work role and

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[23] Elaine Cumming and William E. Henry, *Growing Old: The Process of Disengagement*, N. Y., Basic Books, 1961, p. 71.

[24] *Canadian Association of Social Workers*, brief submitted to the Special Committee of the Senate on Aging, May 21, 1964, No. 8, p. 487.

[25] *The Jewish Home for the Aged*, op. cit., pp. 141-2.

[26] *Department of Labour*, brief submitted to the Special Committee of the Senate on Aging, July 2, 1964, No. 14, p. 99.

this does not cease with retirement. In fact, with reduced income and sometimes reduced energy the elderly may find these activities occupy more time in the average day than they did formerly.

Two major types of activity fall into this category. The first is the problem of wise consumption. A considerable amount of time and information is required to purchase wisely; those on small and fixed incomes are particularly vulnerable to mistakes in purchasing. The second major activity is that of non-commercialized or only partially commercialized services. One typically must perform his own domestic service, small household repairs, house-hunting, etc. People in our society are dependent upon relatives, friends and neighbours for help and advice in both these kinds of activities—the elderly more than most. This is discussed in the following section. Giving an emphasis and legitimacy to these non-work activities might also help to reduce the problem of feeling less useful or less self-sufficient after withdrawal from the labour force.

Community, Neighbourhood and Friends

Evidence recurs in survey data that involvement in the community actually increases with age. Leadership in civic organizations draws heavily from among the elderly.[27] Voting increases throughout the life span until health factors intervene.[28] This may be an example of an area of interest which is common to members of our society but is frustrated in the early years owing to distractions of work and family. With more time, the elderly may spontaneously turn to these activities. Research is again required to determine how broad a spectrum of interests may be included in the category of "community involvement." If it is broad, many programmes could be developed which would be of immediate interest to the elderly.

Most individuals in our society appear to require some contact with friends and neighbours to ensure full contentment. For the elderly, there is an automatic loss of friends because of death. Many leisure programmes apparently provide an area in which, under the guise of pursuing some specified activity, new friends may be sought out. As friends are made, contact can become independent of the situation in which the first meeting occurred so that the leisure programme is no longer required. A shifting clientele may be an indication of a successful programme.

The elderly, such as U.S. writer Aldena C. Thomason, comments that:

> To become a burden upon others, sons or daughters, or other relatives, or friends, or neighbours, is so distasteful to us that we will to the last try to evade and resist it.[29]

[27] Robert J. Havighurst, *"Life Beyond Family and Work"* in Burgess, op. cit., p. 345.

[28] Herbert Tingsten, *Political Behavior,* Totowa, New Jersey, The Bedminster Press, 1963, Chapter II.

[29] Aldena C. Thomason, *"We who are Elderly"*, in Arnold M. Rose (ed.), Aging in Minnesota, Minneapolis, University of Minneapolis Press, 1963.

It must be recognized that two factors are involved here. On the one hand, physical ill-health, lack of funds, etc., can force the elderly into an unusual dependence upon other, younger people. But, on the other hand, it is also true that accepting help from friends, neighbours and relatives is normal in our society and occurs throughout the life span. The difference for the elderly lies in the fact that while the young can repay for this help in kind, the elderly face the problem that as their command of resources—income or health—becomes diminished they are less able to repay for these informal services. What among the young is a smoothly running and almost unnoticed exchange of advice, aid and services becomes conscious and a point of concern for the elderly. New friends, with whom new reciprocities can be established, are sought. Again the "leisure programmes" can be of importance.

The services which are typically provided informally could, in some cases at least, be replaced by commercial agencies. With many of the elderly on reduced and fixed incomes this is not a realistic alternative, however. Social agencies can deal with some of the problems directly. Forming social situations in which friendships develop may seem like an indirect and inefficient solution, but the multiplicity of services friends can provide for one another may in the long run make it the more efficient. Others among the elderly suffer such an accumulation of un-met needs that they are unlikely to be able, easily, to make friends. Direct help would be the first priority in these cases. But the final aim again should be the redevelopment of the informal social relationships. No society at this time could afford the cost of providing all these services formally.

Voluntary Associations, the Arts and Adult Education

Among both the young and elderly in our society, participation in most voluntary associations, interest in the Arts and in Adult Education is limited to those who are better educated. Some redesigning of these programmes may result in greater interest on the part of the less educated, as suggested by the Brief of the Canadian Association of Adult Education which recommended a "less formal approach" in education.[30] As well, an automatic growth can be expected as successive cohorts of the "elderly" will have had more basic education. Experimentation is clearly called for, but only slow growth in the immediate future should be expected.

The clear exception to the above statement is the Golden Age clubs. These are more attractive to the lower income and less well educated individuals. A recent U.S. study shows that while 41 per cent of the manual workers interviewed in a single plant would like to join a "Golden Age or Senior Citizens Club" only 25 per cent of the managerial group shared their interest.[31] For the majority of the elderly

[30] *Canadian Association of Adult Education,* brief submitted to the Special Committee of the Senate on Aging, Oct. 22, 1964, No. 18, p. 1211.

[31] Burgess, Corey, Pineo & Thornbury, "Occupational Differences in Attitudes toward Aging and Retirement", *Journal of Gerontology,* Vol. 13, No. 2, (April, 1958), pp. 203-206.

these appear to be the sorts of voluntary association that are desired. The U.S. White House Conference on Aging states clubs of this type are "the most extensive (planned) leisure-time activity for older people."[32]

In designing clubs for the elderly attention should be paid to the possibility that groups which include both sexes are not to everyone's taste. Women who are accustomed to female company may be ill-at-ease in groups including men. Men who are unsure of their masculinity now that they no longer work may resent involvement in "women's activities."

Mass Entertainment and Specialized Activities

The elderly in Canada, like all Canadians, depend principally upon television and radio for their entertainment. Data are given in the Government of New Brunswick special survey[33] and the V. S. Stevens survey, mentioned in the Brief of the Canadian Federation of Agriculture.[34]

To some extent the listening preferences of the elderly are undoubtedly specialized and much information about this will be known to audience research agencies. Greater adaptation to their preferences should be expected in the non-commercial broadcasting systems as the lower purchasing power of the elderly must reduce their importance to the commercial systems. This is borne out by the fact that the elderly show a greater preference for the CBC than do the younger age groups.[35]

As the development of television has resulted in the disappearance of certain alternative entertainments, such as the corner movie house, virtually all members of our society are now dependent upon it. The acquisition and upkeep of receiving sets may present a financial problem to some of the aged.

Reading is also reported to be an important leisure activity among the aged. Help in getting books from the library must be of great importance to those who cannot go out.

While visiting and watching television are most frequent activities, research shows that many of the elderly are interested in gardening. Gardening can supplement a small income by providing vegetables and fruits at low cost and this may be part of its appeal. But as well it is an intrinsically interesting activity which demands, on the whole, only minor physical exertion and financial outlay.

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[32] "Free Time Activities, *Report and Guidelines from the White House Conference on Aging*, Series No. 6, U.S. Dept. of Health, Education & Welfare, Washington, April, 1961, p. 38.

[33] *Government of New Brunswick*, brief submitted to the Special Committee of the Senate on Aging, June 18, 1964, No. 12, p. 814.

[34] *Canadian Federation of Agriculture*, brief submitted to the Special Committee of the Senate on Aging, June 25, 1964, No. 13, p. 874.

[35] *What the Canadian Public Thinks of the CBC*, Canadian Broadcasting Corporation, June, 1963.

Morale and Expectations

Studies of the morale of the elderly have been made in the United States.[36] Although the word morale is used, its meaning is not that of "group morale" but only general satisfaction with life. On the whole, the studies suggest that there is no sharp transition during the life cycle. Morale is found to reduce gradually through the life span, with the difference between youth and middle age being as marked as that between middle and old age. As physical and mental health problems increase gradually through the years people are found to reduce their level of expectations and ambitions so that the over-all effect upon their level of satisfaction is not marked. Again it appears that many of the problems of the elderly are extensions of the problems shared by those who are younger.

One consequence of this finding is that for those working with the aged the short-term result of a successful programme may be found to be an increase in expectations rather than satisfaction.

Attitudes of Others

The Briefs recurrently mention that the attitudes of the general population to the aged accentuate their difficulties. Dr. Roby Kidd reports that undesirable stereotypes of the elderly are found even among 10 year old children.[37] Many of the ideas about the elderly held by the general population are erroneous, as noted in the Brief from the Allan Memorial Institute of Psychiatry.[38] Commonly held ideas about the frequency of senility or its causes are false.

We have argued in this section that some of the problems of the elderly will disappear if they are able to retain normal informal relationships of aid, advice and companionship with other members of our society. These relationships are now made awkward through misunderstanding by younger people of what it is like to be elderly. Education of the general public is required. Care must also be taken to be sure that those working immediately with the aged are not influenced by the misinformation in the general population.

Summary

For lack of sociological research it is not possible to say exactly what life in retirement in Canada is like. One may extrapolate from U.S. and British data, with always a great risk of error. One may attempt to draw inferences from the statements of those who work with the aged or who have speculated about

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[36] R. H. Williams, "Changing Status, Roles and Relationships," in Clark Tibbits (ed.), *Handbook on Social Gerontology*, Chicago, University of Chicago Press, 1960, pp. 261-97.

[37] *Dr. Roby Kidd*, Proceedings, Nov. 21, 1963, No. 5, p. 113.

[38] *Allan Memorial Institute of Psychiatry of McGill University*, brief submitted to the Special Committee of the Senate on Aging, July 16, 1964, No. 16, p. 1076.

the problem. Using this procedure we have come to tentative conclusions. All would need confirmation through actual research before they could be accepted with confidence.

We have *not* concluded that there is no problem for the elderly in Canada. Rather the evidence is clear that there is a considerable amount of unhappiness and concern. But we have concluded that the ordinary definition of the problem that the elderly lack activities to fill their leisure time is false. Rather we feel that the boredom and lack of meaningful activity which the elderly report may be interpreted as a result of a lack of facilities to solve their problems and to make themselves more content or more comfortable. Like the young, the elderly have many jobs to do in taking care of themselves. Only some of these can be accomplished simply through the expenditure of money, although increased funds would help a great deal. At the present time any solution, involving the expenditure of money, is even less available to the elderly than to the young.

We conclude that through their lack of economic and health resources, as well as the loss of friends and neighbours who could help them, many of the elderly become apathetic and devoid of self-confidence. A vicious circle will develop as the strength of their needs makes them less attractive to those who could help. Someone in this position is unlikely to respond to a programme which, manifestly at least, offers only a chance to be "creative" or to "contribute to the community." In our judgment, programmes which offer a chance to be creative will only succeed after programmes which help in the solution of basic unmet needs are fully established At the present time, their appeal must be limited largely to those who, through fortunate circumstance, have not found themselves in the socially paralyzing situation of being unable to be sure of reasonable care for their basic needs.

CHAPTER 15

Research on Aging

Society cannot always wait for scientific knowledge when framing its social policies and programmes. The fact often is, or has been in the past, that situations present themselves which have to be dealt with at once on the basis of what facts and opinions are readily available. This, however, is no justification for continuing to neglect the tools and techniques that modern science has put at our disposal, and the disposition to do so, which is still too common in many areas of social endeavour, must be viewed with concern by thoughtful people.

So far as aging is concerned, the Senate Committee in the course of its inquiry was made painfully aware of the slow rate at which research is developing in Canada, and this in face of the mounting public interest there is in the problems of old people and the increasingly large government expenditures to which these problems have given rise. The evidence brought before the Committee, as well as the gaps encountered in preparing the Report, have revealed clearly many fields where research is either lacking altogether or is inadequate in scope, content or co-ordination. As Elkin has pointed out in his recent study of information on Canadian families: "Our basic awareness of the problems of the aged stems primarily from our general knowledge and from reports published in the United States where literature on all aspects of aging is voluminous".[1] However, before we proceed to flagellate ourselves unduly, perhaps another quotation should be added relating to the American situation. The Sub-committee on Problems of the Aged and Aging (U.S. Senate) 1961: "found that much so called research in the field (of aging) is second rate, carried on by poorly trained and unsupervised personnel or by individuals not trained in research techniques at all.....It uncovered problems relating to the financing of research in the field of aging that are directly responsible for many of these shortcomings and for the haphazard development that has characterized the entire field of gerontology".[2]

In evaluating the progress achieved to date, whether in Canada, the United States or elsewhere, it needs to be recognized that research on aging—gerontological research as it has come to be called—is a relatively new field.[3] Among its antecedents were the social surveys on the condition of the aged undertaken at the turn of the Century, as a precedent to social action, mainly in England and on the European Continent. In 1922 what is believed to be the first English book on the psychological aspects on aging was published; and in 1943 the Nuffield Foundation initiated its extensive support for gerontological research and research fellowships.

Systematic activity on this Continent started in this same year, 1943, when the American Social Science Research Council instituted a Committee on Social adjustment in Old Age which shortly afterwards issued a report calling for scientific investigation of such areas of concern as retirement, employment, income maintenance and institutional care. The American Gerontological Society was organized in 1944, and in 1946 the American Psychological Association established a division

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[1] Frederick Elkin, *The Family in Canada,* published by the Canadian Conference on the Family, pp. 129-30, 1964, Ottawa.

[2] *Developments in Aging 1959 to 1963,* a report of the Special Committee on Aging, The United States Senate, February 1963, p. 135.

[3] *Gerontology* is well defined in the report of the Saskatchewan Survey Committee as "the scientific study of aging in all its aspects—biological, psychological, social and economic". It is to be distinguished from *geriatrics* which is the study and treatment of the diseases of the old.

dealing with problems of aging. Biennially since the war, meetings have been held in various parts of the world of the International Congress of Gerontology which have had an important influence in stimulating research interest and facilitating the exchange of information. Up to the present Canada has no national body devoted to research in the field of aging but a number of interested Canadians hold memberships in American organizations. It is worthy of note that Dr. E. David Sherman, of Montreal, is currently the President of the American Geriatric Society.

Research on Aging in Canada

In an endeavour to gain a broad over-view of the nature, extent and sponsorship of gerontological research in Canada, the Senate Committee in 1963, at the outset of its investigation, conducted a questionnaire inquiry directed to government departments, universities and voluntary organizations, throughout the country. The following table summarizes in a general way the responses received to these questionnaires:

Table 22.—Analysis of Questionnaires Regarding Research on Aging in Canada
(Distributed by the Senate Committee on Aging in the Fall, 1963)

Name	Sponsors		Projects, directly or indirectly related to Aging, undertaken since 1950			
				Nature of Projects Reported		
	No. Requests Sent	No. Replies Received	No. Reporting Research	Bio-Medical & Psycho-logical	Social	Total
Federal Government Departments	5	3	2	2	4	6
Provincial Government Departments	49	35	5	8	6	14
Universities	31	23	9	32	39	71
Voluntary Organizations	33	17	8	23	15	38
	118	78	24	65	64	129

The above table, we believe, provides a fairly accurate picture of the Canadian situation, so far as the number of research centres or sponsors is concerned. It will

be observed that those not replying were, chiefly, certain voluntary organizations which a later check revealed are not a kind that regards research as among their customary functions. One of the striking findings is how few universities in Canada at the present are doing research in the aging field. A number of questionnaire returns, and the letters from department heads accompanying them in many instances, reported interest and hopes for the future, but up to the present no activity. It was also disappointing to discover the little research, directly or indirectly related to the problems of old people, which is proceeding under federal or provincial government auspices, and this in face of the very large public expenditures that are being made in this field.

With regard to the 129 research projects reported in the questionnaires several observations might be made:

1. The list does not include administrative reports made regularly by federal and provincial departments and agencies concerned with service to the aged, some of which contain relevant statistical and other information;

2. Research projects reported are divided about equally between the bio-medical-psychological and the social fields;

3 Research of bio-medical or psychological nature would appear, on the whole, to be on a more sophisticated level and to meet scientific standards more fully than those classified as social. Many of the latter were limited in scope to particular situations or to narrowly defined geographical areas and, therefore, yield few conclusions of general applicability. Broader investigations reported tended to be of a general survey variety, relating to the needs of older people in areas like housing, community services and institutional care, which tell more about the extent than about the nature and cause of the problems under investigation.

Government-sponsored Research

As pointed out above, various departments of the Federal Government, in the discharge of their administrative responsibilities, and also as a prerequisite to determining policy and long-range planning, conduct research into various aspects of aging.

Particular reference in this connection should be made to the *Dominion Bureau of Statistics* which, as a result of its data gathering procedures, has at its disposal a very considerable amount of relevant data drawn from the Census, the Sickness Survey, and many special surveys, where information on the aged is obtained, mostly as part of statistical studies of the general population.

The Senate Committee is indebted to the Bureau for the special statistical bulletin prepared for its use,[4] and as well for the two presentations made by members of its staff in the course of the Hearings. It would be our hope, however, that with the growing public interest there is in aging, the assembly, analysis, and dissemination of relevant information will be put on a continuing and regular basis. We feel, indeed, that the time has come for the Bureau to match its achievements in the field of economic statistics with a similarly well-integrated *system* of social statistics which, we would recall, is one of its specific obligations under the Statistics Act.[5] While a Health and Welfare Division already exists within the Bureau's structure, it has played a relatively minor role up to the present, and the statistics it produces relate to health only and not to welfare.

The brief submitted to the Senate Committee by both branches of the *Department of National Health and Welfare* is evidence of the serious research carried out by this Department on the various aspects of aging. Here, too, we recommend that organizational arrangements be made to co-ordinate on a continuing basis all projects related to this important field.

In the questionnaire return, the Department's Research and Statistics Division reported on intra-mural research studies "relating directly and indirectly to the aged and aging". Three studies were directly concerned with the aged: an information memo on "Services for the Aged in Canada, 1957", now out of date, a bulletin on "Legislative Measures Affecting Living Accommodation for Elderly Persons in Canada, 1961," and a bulletin covering "Legislative Changes in General Assistance, Mothers' Allowances and Living Accommodation for the Aged in Canada, 1958, 1959, 1960 and 1961". Five studies included in the response do not deal exclusively with the aged, but are reviews of Hospital and Medical Plans, Health Services for public assistance recipients, personal health care expenditures, and developments and trends in Hospital Care in Canada. Only one of these, an extensive memorandum on Rehabilitation Services in Canada (1960) includes special material on services for the aged. Two projected studies will deal with income and age.

In addition to intra-mural research, the Department supports research extramurally through the National Health grants, and more recently the National Welfare grants programmes, and the Committee has been interested to examine the record in this connection. The following table shows the distribution of health grants for research on aging by province, number of institutions supported, and total amount expended in each province:

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[4] *Selected Statistics on the Older Population in Canada,* 1961, DBS, 91-507.

[5] *The Statistics Act* specifies, among the functions of the Bureau, the following: "generally, to organize a scheme of co-ordinated social and economic statistics, pertaining to the whole of Canada and to each of the provinces thereof". (1952, c. 45, s. 3, sub-s. (d).

Table 23.—Federal Health Grants support for Research on Aging for Fiscal Years 1955–65

	No. of Institutions	Expended Amount Approved
		$
Newfoundland	Nil	
Prince Edward Island	Nil	
Nova Scotia	Nil	
New Brunswick	Nil	
Quebec	3[1]	578,872.98
Ontario	3[2]	41,571.30
Manitoba	Nil	
Saskatchewan	2[3]	105,715.92
Alberta	Nil	
British Columbia	1[4]	23,733.26
Northwest Territories	Nil	
Yukon Territory	Nil	
Total	9	$749,893.46

SOURCE: Information supplied by the Department of National Health and Welfare.

[1] McGill University, University of Montreal, Verdun Protestant Hospital.

[2] Queen's University, University of Toronto, City of Ottawa, Health Department.

[3] University of Saskatchewan, Saskatchewan Department of Public Health.

[4] University of British Columbia.

It will be seen from the above that support provided by federal health grants for research on aging was confined to four provinces. The support in Quebec went mostly to the Allan Memorial Institute of Psychiatry, McGill University[6] for clinical, physiological studies as part of geriatric and gerontological research. Proposals for further study include a comprehensive epidemiological study of mental disorders of the aged, and the influence of retirement on the mental health of the aged individual. Health grant support has also been given to the Institute of Gerontology, University of Montreal, to study "all aspects of the process and consequences of aging".

In Ontario, grants were awarded for a psychological study of learning and attention disturbances in the aged, conducted by Queen's University; a socio-medical investigation of health and living conditions of persons over 75 in Metropolitan Toronto; and a policy research project carried out by the City of Ottawa, Health Department, "to assess and devise a service program to cope with the problem of chronic illness and aging".

[6] For a fuller account of the activities of the Allan Memorial Institute and the Gerontological Unit see Proceedings of the Special Committee of the Senate on Aging, No. 16, July 16, 1964.

The Saskatchewan Aged and Long-Term Illness Survey[7] received financial support from the National Health Grants. Between the years 1959 to 1964 inclusive, over $79,000 was allotted to this project, which is to date the most extensive and comprehensive study of aging undertaken in Canada, and might well provide a model for other provinces willing to undertake similar studies, the incentive of a federal health grant being available. The Saskatchewan study covers such topics as basic population data, economics, housing, health and welfare, education and leisure-time activities, the role of the church, and research, and includes detailed recommendations for needed action.

The *National Welfare Grants* program was initiated in 1962 for the development and strengthening of welfare services and the prevention of dependency. The grants provided are of two kinds: for staff training and for research.

Fifteen Welfare Research Projects were assisted under this program in the year 1962-63, but only two of these could be identified as dealing directly with problems of the aged.[8]

The federal *Department of Labour* and *the National Employment Service* began to recognize the employment problems of the age group 40 and over after World War II "when the economy of the country was generally buoyant". An Inter-departmental Committee on Older Workers was formed in 1953 to give "continuing study to the problem and to devise remedial measures". The Committee sponsored several studies, one on Pension Plans and the Employment of Older Workers, another on Age and Performance in the Retail Trade. Other studies, carried out by the Department, include a statistical study: "The Aging Worker in the Canadian Economy" now in the process of being brought up to date, and a review of the literature and research findings by Professor S. D. Clark, entitled "The Employability of the Older Workers (1959)". Of the fifty-four references in the latter publication only two referred to Canadian studies.

In 1959 the Department established a Division on Older Workers, which has been producing pamphlets and other material for public education. Similarly, the Women's Bureau of the Department has exhibited a growing interest in problems of the older woman worker and her problems on re-entering the labour force in the "empty nest" years.

The Department of Veterans Affairs carries on an extensive intramural research program in the field of geriatrics; in 1963, the Research and Statistics

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[7] Province of Saskatchewan, Aged and Long-Term Illness Survey Committee:
1. *Report and Recommendations July 1963, Queen's Printer, Regina,* also
2. *Survey of Employers,*
3. *Information and Opinion Survey of Senior Citizens,*
4. *Survey of Patients aged 65 and over in Mental Hospitals, Tuberculative San., Geriatric Centres and Nursing Homes.*

[8] New Brunswick Department of Youth and Welfare: *An Evaluation of Nursing Homes for the Aged in New Brunswick* and Ontario Department of Public Welfare: *Assessment and Rehabilitation Project for Older Recipients of General Welfare Assistance.*

Division completed the first phase of a study of the social and economic characteristics of World War II veterans in receipt of Veterans Allowances.

The *Ontario Department of Public Welfare* has, since 1962, sponsored geriatric and gerontological studies under the direction of the Advisory Committee on Geriatric Studies to the Minister of Public Welfare. Many of these studies have been carried out at the Geriatrics Study Centre,[9] Toronto. The most far-reaching is the long term study on Aging, entitled "Longitudinal Study of Aging Male Workers, Ontario, 1959-1978".[10] This research project is directed to a study of the social, economic and health changes which accompany aging, the adjustment made to changing conditions, and the use and effectiveness of services. Close co-operation is maintained with the Ontario Geriatrics Research Society, which is a private non-profit organization supported by the Ontario Government, "to study and carry out research into the causes and prevention of diseases and problems associated with aging".

Research by Voluntary Organizations

Although numerous voluntary organizations are engaged in providing services to the aged, or planning for their welfare, only a few of them apparently feel they have the staff or resources to do very much in the way of systematic research. On the other hand, it is interesting to observe from the questionnaire returns that some thirty per cent of the projects reported were either sponsored or conducted by these groups. One of the significant current developments is the forthcoming Canadian Conference on Aging (to be held in 1966), sponsored by the Canadian Welfare Council in co-operation with a dozen or more other national bodies, which has commissioned background papers on the topics of (1) employment and economic status, (2) health, (3) living arrangements, (4) leisure, and (5) community planning.

The Senate Committee, itself, has generated a good deal of research activity among the various organizations, public and private, which prepared submissions for it. Indeed, the body of fact and opinion assembled in this way, and contained in the some two thousand pages of the Committee's printed proceedings, will undoubtedly serve for a long time as a valuable resource to the student of matters pertaining to aging.

The National Council of Jewish Women, since 1953, has provided gerontological fellowships, as a means of developing a nucleus of professional workers in the field of aging. From 1953 to 1955, five grants were awarded, all to social workers, and from 1955 to 1963, sixteen fellowships to physicians and others engaged in

[9] Established by the Ontario Department of Public Welfare, with the co-operation of Metropolitan Toronto, to which medical and surgical problems of the residents of Toronto Homes for the Aged are referred.

[10] Principal investigator is Lawrence Crawford, Consultant, Select Committee of the Legislative Assembly on Aging.

hospitals and the public health field. These specialists in gerontology and geriatrics, most of them with the benefit of observation visits to other countries, are already making important contributions in the six provinces in which they practise.

Foundations in Canada are a relatively recent development and, according to the best of our knowledge, few of them up to this point, with the exception of the Atkinson Charitable Foundation and the Laidlaw Foundation, have made allocations, specifically, to the field of gerontology. In the view of the Senate Committee, it is of vital importance to secure resources for research that are not subject to the limitations and restrictions that usually apply to research supported by Government grants.

There is a great need and opportunity for private foundations to follow the lead provided by the Nuffield Foundation in Great Britain and the Ford Foundation in the United States, and to furnish funds for research and imaginative experiments in relation to the problems of Aging. Such interest on the part of Foundations would not only support essential research but would act as a stimulus to service organizations throughout the country to give some priority to the needs of the aged.

Perhaps, the work of the Senate Committee will inspire some philanthropist, or group of philanthropists, to establish a new foundation to be devoted wholly or mainly to this object.

Research in other Countries

The following brief review of the research situation in other countries, although of necessity incomplete, demonstrates clearly the distance we in Canada have to go to equal what even countries with less resources have already accomplished. It may also help indicate the advantages that are to be derived from the exchange of ideas across borders. While the results of studies in other social settings may not necessarily be applicable to conditions in Canada, we have much to learn from the planning, design and methodology employed elsewhere.

Reference has already been made to the beginning of gerontological research in the *United Kingdom* and the impetus provided by the Nuffield Foundation. Note should also be taken of a body, known as the National Corporation for the Care of old People, that maintains a register and publishes a catalogue of research in progress or planned. In addition, the Corporation publishes a quarterly summary of current projects, prepared by the Advisory Group on Surveys and Research, a technical body set up by the National Old People's Welfare Council to advise on the work to be undertaken and the methods to be used.

In the *United States* at the present time there is a wide and growing interest in research related to all aspects of the subject of aging. As reported by P. Paillat, "the main work is done either by the Federal Government departments, or by the

universities, or by the two together"; but it is interesting to observe the support provided by the large foundations: "the Ford Foundation, for instance, has a specific program in this field: in 1962 it made grants of over $2,600,000 to universities, scientific associations, or welfare services", in order to improve the quality of community services for the aged.[11]

At the federal government level in the United States, through the Department of Health, Education and Welfare chiefly, but also through programs in the Department of Agriculture, Commerce (Bureau of the Census) and Labour, an extensive range of research projects is being worked on directly, or is receiving support. The most important government source of funds for extramural research is the National Institutes of Health in the Public Health Service, which have broadened their interest to include, besides the medical aspects of health, social and economic aspects as well.

Paillat lists thirty American universities featuring gerontological investigations and specialized training centres for workers in research. The number of these universities is increasing steadily through the stimulus provided by an Inter-University Council on Social Gerontology and by the Office on Aging of the Federal Department of Health, Education and Welfare. The University of Michigan and the University of Chicago have the two most important centres for research and training, but specialization at the Masters' and Doctoral levels is also available at Washington University (St. Louis) on the Psychology, and at Purdue on the Sociology of Aging.[12]

In response to the need for program planners, co-ordinators and consultants at all levels of Government and in voluntary organizations, the United States Department of Health, Education and Welfare has recently published a proposed two-year graduate curriculum in Social Gerontology for the use of universities and professional schools.

In *France,* the Centre de Gerontologie, established in 1957, is concerned with the development of biological medical research in Paris hospitals. The Centre is organized into four sections dealing with the biological, physiological, psychological and socioeconomic aspects of aging.

In *Germany*, the University of Hamburg has been engaged in a large research study on the relation between mental abilities and thinking processes of the aged in relation to their interests, activities, attitudes and adjustments. The Social Science Institutes are conducting a study of the characteristics of Old Age Security recipients.

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[11] P. Paillat, *The Organization of Research on Aging in Certain Countries,* International Social Science Journal, Vol. XV, No. 3, 1963.

[12] Tibbitts, Clark, Social Gerontology: *Origin, Scope and Trends,* International Social Science Journal, *op. cit.* p. 348.

In the *Scandinavian Countries,* where care of the aged has been developed to a very high level, scientific investigation into problems of aging is taking place, for example, at the Swedish Institute for Public Opinion Research and the Social Institute of Stockholm. Denmark, in 1958, established the Danish National Institute of Social Research which integrates and co-ordinates research projects by the government and universities. This has resulted in a more efficient use of scarce personnel. The field of social gerontology has a high priority in the research program of the Institute, which has an Advisory Council composed of representatives of municipalities, employers, labour, social welfare institutes and individual experts. Norway has a National Old People's Health Committee affiliated with the National Public Health Association. There is also a Gerontological Society.

Finland has an active Gerontological Society which publishes an annual journal.

In *The Netherlands* the body responsible for research in aging is the National Health Research Council of the Netherlands Foundation of Applied Scientific Research. The term "health" is broadly defined to include the social and psychological aspects of Welfare and Mental Health. On the basis of a stratified sample of all persons aged 65 and over, the Council can obtain a comprehensive picture of their characteristics and needs and establish priorities for studies in depth.

In *New Zealand* the School of Social Science at the University of Wellington in collaboration with the National Government undertook in 1962 a broad study of the needs of the aging for the purpose of improved planning in the field of aging.

As we have seen, Social Gerontology is a relatively new field of study. Until recently, systematic studies in the social aspects of aging were confined within national boundaries. Several years ago the Social Science Research Committee of the International Gerontological Association, mindful that comparative statistical data were becoming available from practically all countries in the world, promoted the undertaking of a Cross National Survey of Old Age, with participation open to all interested countries. Assisted by a substantial grant from the United States National Institutes of Health, Denmark, Great Britain and the United States are proceeding with the study. Field work in the United States is carried out by the National Opinion Research Centre, with data processing at the Operations Analysis Centre, both at the University of Chicago. Technical assistance in Great Britain is provided by the Government Social Survey, and in Denmark by the above mentioned National Institute of Social Research.

Conclusion

In conclusion, we would underline again the need there is for much more research in Canada in all aspects of the field of aging. Particular areas of investigation have been indicated in almost all the various specialized chapters of

this report, and we would urge that these proposals receive the detailed consideration they deserve. In any plans for the development of research interest and activity, care must be taken to use as efficiently as possible what, at best, will be our sparse resources of money and personnel. This gives point and emphasis to the Committee's recommendation, in Chapter 7, for the institution of a National Council on Social Research. Such an agency, in our judgment, would be the most effective way to provide the leadership and co-ordination that are so greatly needed, not only in studies of aging, but in research related to social policy generally. It would also greatly facilitate liaison between Canadian gerontological research and its counterparts in other countries.

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APPENDIX

List of printed proceedings and witnesses in order of appearance.

1963:

VOLUME 1 October 17:
Dr. David A. Morse, Director-General, International Labour Office, Geneva.

VOLUME 2 October 24:
Professor John S. Morgan, School of Social Work, University of Toronto.

VOLUME 3 October 31:
Mrs. Jean Good, Consultant on Aging, Toronto, Ontario.

VOLUME 4 November 7:
Five senior citizens.

VOLUME 5 November 21:
Dr. Roby Kidd, Chairman, UNESCO International Committee for Advancement of Adult Education.

VOLUME 6 December 5:
Dr. E. David Sherman, President, American Geriatric Society.

VOLUME 7 December 12:
Mr. Charles E. Odell, Director of The Older & Retired Members Department, United Automobile Workers of America.

1964:

VOLUME 1 February 27:
United Church of Canada: Mrs. J. L. Halpenny, Special Assistant in Senior Adult Work, Board of Christian Education; Reverend J. Ray Hord, Secretary, Board of Evangelism and Social Service; Dr. M. C. MacDonald, Secretary, Board of Home Missions.
Canadian Mental Health Association: Dr. J. D. Griffin, M.A., D.P.M., General Director of the Association; Dr. Charles A. Roberts, Chairman of the National Scientific Planning Council of the Association, Executive Director of Verdun Protestant Hospital.

VOLUME 2 March 5:
Canadian Labour Congress: Mr. A. Andras, Director of Legislation; Mr. Joseph Morris, Executive Vice-President; Mr. Russell Irvine, Assistant Director of Research; Mr. A. I. Hepworth, Assistant Director of Legislation.
National Council of Jewish Women of Canada: Mrs. Abe Levine, National Chairman of the Field Service Committe; Mrs. Julia Schultz, Executive Director.

VOLUME 3 March 12:
The Jewish Home for the Aged and Baycrest Hospital: Mr. Sam Ruth, Administrator; Mr. Walter Lyons, Administrative Assistant.
The Canadian Home Economics Association: Mrs. H. Beverley Reichert, Chairman of the Foods and Nutritition Committee; Miss N. Frances Hucks, Supervisor of the Foods and Nutrition Extension Branch, Ontario Department of Agriculture.

VOLUME 4 March 19:
Province of Saskatchewan: The Honourable Alexander Malcolm Nicholson, B.A., Minister of Social Welfare and Rehabilitation; Miss Lola Wilson, Director, Interim Project on the Aged and Long-Term Illness.

VOLUME 5 April 30:

The Canadian Chamber of Commerce: Mr. G. Egerton Brown, Chairman of the Executive Council; Dr. W. Harvey Cruickshang, Chairman of the Health and Welfare Committee; Mr. W. J. McNally, Manager of the Policy Department and Secretary of the Health and Welfare Committee.

United Jewish Welfare Fund of Toronto: Mr. Benjamin Schneider, Executive Director; Mr. Albert Abugov, Secretary of the Social Planning Committee.

VOLUME 6 May 7:

The Canadian Welfare Council: Mr. B. M. Alexandor, Q.C., President; Dr. R. F. Malo, Chairman of the Committee on Aging; Mr. Reuben C. Baetz, Executive Director; Mr. Brian J. Iverson, Executive Secretary, Public Welfare Division; Miss Patricia Godfrey, Executive Secretary, Research and Special Projects Branch.

The Committee on Visiting Homemaker Services: Mrs. C. Douglas Allen, Chairman; Miss Kathryn R. Taggart, Executive Director, Association of Toronto; Mrs. William J. Robertson, Executive Director, Association of Ottawa.

VOLUME 7 May 14:

City of Toronto: Alderman Thomas A. Wardle, Chairman of the Committee on Public Welfare, Fire and Legislation; Alderman May Birchard; Miss R. J. Morris, Commissioner of Public Welfare.

The Catholic Women's League of Canada: Mrs. Hermon Stevens, National President; Miss Catherine A. Toal, National 1st Vice-President and Laws Convener.

VOLUME 8 May 21:

Ontario Welfare Council: Mrs. John J. McHale Jr., Chairman of the Advisory Committee of the Section on Aging; Prof. W. S. Goulding, University of Toronto.

Canadian Association of Social Workers: Miss Evelyn McCorkell, Chairman of the Social Policy Committee; Dr. Nicolai Zay, President of the Corporation of Professional Social Workers of the Province of Quebec; Miss Dorothy Pleming, Supervisor of Elderly Persons Department, Family Welfare Association of Montreal; Mr. Henry Stubbins, Vice-President; Miss Joy A. Maines, Executive Director.

VOLUME 9 May 28:

Montreal Council of Social Agencies: Miss Hazeldine S. Bishop, Executive Assistant of Older Persons Section; Dr. Henry F. Hall, President; Dr. J. Ronald D. Bayne, Chairman of the Health Section.

Federation of Jewish Community Services: Dr. Harry Grauer, Chief, Geriatric Clinic, Jewish General Hospital.

VOLUME 10 June 4:

Government of the Province of Alberta: Honourable Leonard C. Halmrast, Minister of Public Welfare; Mr. William T. Sykes, Director of Homes and Institutions.

Community Chest and Councils of the Greater Vancouver Area: Mrs. Mae McKenzie, Executive Secretary of the Committee on Welfare of the Aged.

VOLUME 11 June 11:

Age and Opportunity Bureau of Winnipeg: Mr. Gordon B. Wiswell, President.

Notre Dame Day Centre of Winnipeg: Mr. Don Browne, Supervisor.

National Employment Service: Mr. William Thomson, Director; Mr. Kenneth E. Marsh, Assistant Director; Mr. Clement Pepin, Special Services Division.

VOLUME 12 June 18:

Government of New Brunswick: Mr. J. Ernest Anderson, Deputy Minister of Youth and Welfare; Mrs. Trevor N.B. Lennam, M.S.W., Child Welfare Branch, Department of Youth and Welfare.

Anglican Church of Canada: Miss Anne M. Davison, Assistant Secretary, Department of Christian Social Service, Dr. Cope W. Schwenger, Associate Professor of Public Health, School of Hygiene, University of Toronto; The Reverend Kenneth W. Trickey.

VOLUME 13 June 25:

The Canadian Federation of Agriculture: Mr. Ed Nelson, Second Vice-President; Mr. A. H. K. Musgrave, Pres.; Mr. R. A. Stewart, President, Co-operative Medical Services Federation of Ontario; Mr. Lorne W. J. Hurd, Assistant Executive Secretary.

The Canadian Life Insurance Officers Association: Mr. J. A. Tuck, Q.C., Managing Director and General Counsel; Mr. H. L. Sharpe, President; Mr. W. M. Anderson, Past President, Co-Chairman, Special Committee on Old-Age Security; Mr. E. J. Jackson, Member of the Association; Mr. A. R. Hicks, Member of the Association; Mr. Frank Dimock, Secretary.

VOLUME 14 July 2:

Ottawa Welfare Council: Mr. Robert Hart, Member of the Council; Mr. Samuel A. Gitterman; Miss Ruth Townshend, Planning Secretary; Mr. Reuben Palef.

Department of Labour: Dr. G. Schonning, Assistant Director, Economics and Research Branch; Mr. Ian Campbell, National Co-ordinator, Civilian Rehabilitation.

VOLUME 15 July 9:

Baptist Convention of Ontario and Quebec: Mrs. Winnifred M. Rosewarne, Member of the Committe on Aging.

Social Planning Council of Metropolitan Toronto: Mr. William N. MacQueen, Chairman, Section on Aging; Mr. Donald H. Gardner, Executive Secretary, Section on Aging.

VOLUME 16 July 16:

Allan Memorial Institute of Psychiatry of McGill University: V. A. Kral, M.D., Associate Professor of Psychiatry, Director, Gerontologic Unit; Mrs. Phyllis Poland, Director, Social Service Department.

Associated Nursing Homes Incorporated of Ontario: Mr. Burrell D. Morris, Past President, Liaison Officer of the Association; Mr. James E. Fisher, President; Mrs. Frances Watson, Editor of the Association's Bulletin-Newsletter.

VOLUME 17 October 15:

Government of Nova Scotia: The Hon. James Harding, Minister of Public Welfare; Mr. Fred R. MacKinnon, Deputy Minister of Public Welfare; Miss Mary Lou Courtney, Field Work Instructor, Maritime School of Social Work.

Victorian Order of Nurses: Mr. F. W. Troop, Chairman of the Administrative Committee; Miss Jean Leask, M.A., Director in Chief; Miss M. Christine MacArthur, Assistant Director in Chief.

VOLUME 18 October 22:

Canadian Association for Adult Education: Dr. Alan M. Thomas, Director; Mr. Alan M. Clarke, Director, Canadian Citizenship Council.

Dominion Bureau of Statistics: Miss J. R. Podoluk, Research Statistician, Centrai Research and Development Staff; Mrs. G. Oja, Research Statistician, Central Research and Development Staff.

VOLUME 19 October 28:
Province of Manitoba: Mr. K. O. Mackenzie, Deputy Minister of Welfare.

VOLUME 20 November 5:
The Canadian Medical Association: Dr. W. W. Wigle, Immediate Past President; Dr. David Sherman, Chairman, Committee on Aging; Dr. Fred Heal, Chairman, Saskatchewan Division of the Committee on Aging; Dr. Gustave Gingras, Chairman, Committee on Rehabilitation; Dr. Arthur F. W. Peart, Deputy General Secretary.
Dominion Bureau of Statistics: Mr. A. H. LeNeveu, Chief of Population Analysis.

VOLUME 21 November 19:
(5 briefs from non-appearing organizations put on record)

VOLUME 22 November 26:
Central Mortgage and Housing Corporation: Mr. H. W. Hignett, President, Mr. R. T. Adamson, Chief Economist.
Department of Veterans Affairs: Mr. Ernest John Rider, MBE, BA, Director; Dr. John Neilson Brown Crawford, Assistant Deputy Minister and Director General, Treatment Services.

VOLUME 23 December 3:
Province of Quebec: Mr. Roger Marier, Deputy Minister, Family and Social Welfare.
Department of National Health and Welfare: Dr. K. C. Charron, Director of Health Services.

VOLUME 24 December 10:
Department of National Health and Welfare: Dr. Joseph W. Willard, Deputy Minister of Welfare.

THE SENATE

Thursday, February 3, 1966

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

Prayers.

DOCUMENTS TABLED

Hon. Paul H. Bouffard tabled:

Reports of the Department of Veterans Affairs and of the Canadian Pension Commission for the fiscal year ended March 31, 1965, pursuant to section 9 of the Department of Veterans Affairs Act, chapter 80, and section 4(2) of the Pension Act, chapter 207, R.S.C., 1952, including the Report of the War Veterans Allowance Board for the same period. (English and French texts).

Financial Statement on the operations of the Veterans Insurance Act, for the fiscal year ended March 31, 1964, pursuant to section 20 of the said Act, chapter 279, R.S.C., 1952. (English and French texts).

Financial Statement on the operations of The Returned Soldiers' Insurance Act, for the fiscal year ended March 31, 1964, pursuant to section 17(2) of the said Act, chapter 54, Statutes of Canada, 1920 as amended 1951. (English and French texts).

Financial Statement on the operations of the Veterans Insurance Act, for the fiscal year ended March 31, 1965, pursuant to section 20 of the said Act, chapter 279, R.S.C., 1952. (English and French texts).

Financial Statement on the operations of The Returned Soldiers' Insurance Act, for the year ended March 31, 1965, pursuant to section 17(2) of the said Act, chapter 54, Statutes of Canada, 1920 as amended 1951. (English and French texts).

Statement of Expenditures and Financial Commitments made under the Veterans' Land Act, for the year ended March 31, 1964, pursuant to section 42 of the said Act, chapter 280, R.S.C., 1952. (English and French texts).

Statement of Expenditures and Financial Commitments made under the Veterans' Land Act, for the year ended March 31, 1965, pursuant to section 42 of the said Act, chapter 280, R.S.C., 1952. (English and French texts).

Report of the Fisheries Research Board of Canada for the year ended December 31, 1964. (English and French texts).

Copy of a statement by the Minister of Agriculture to the United Nations Food and Agricultural Organizations Pledging Conference of the World Food Program. (English and French texts).

Report on the Administration of the Emergency Gold Mining Assistance Act for the fiscal year ended March 31, 1965, pursuant to section 10 of the said Act, chapter 95, R.S.C., 1952. (English and French texts).

Report of the Commission appointed to demarcate the boundary between the Province of Manitoba and the Northwest Territories, dated August 2, 1965, together with a copy of an Atlas, pursuant to Order in Council P.C. 1963-684, dated May 2, 1963. (English text).

Copy of the Interim Report of the International Joint Commission on the Pollution of Lake Erie, Lake Ontario and the International Section of the St. Lawrence River. (English and French texts).

Statement concerning regulations respecting petroleum and pulpwood, pursuant to section 5(2) of the Export Act, chapter 103, R.S.C., 1952. (English text).

PRIVATE BILLS

INCOME LIFE INSURANCE COMPANY OF CANADA—FIRST READING

Hon. A. Hamilton McDonald presented Bill S-11, to incorporate Income Life Insurance Company of Canada.

Bill read first time.

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

Motion agreed to.

INCOME DISABILITY AND REINSURANCE COMPANY OF CANADA—FIRST READING

Hon. Mr. McDonald presented Bill S-12, to incorporate Income Disability and Reinsurance Company of Canada.

Bill read first time.

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

Motion agreed to.

INTERNAL ECONOMY

FIRST REPORT OF COMMITTEE ADOPTED

Hon. Donald Smith, Chairman of the Standing Committee on Internal Economy and Contingent Accounts, presented the committee's first report:

Your committee recommends that:

(a) direct long distance telephone service be available to all members of the Senate on a twenty-four-hour basis for outgoing calls originating in Ottawa to points in Canada which are served by the direct distance dialing system, when such calls are made through the special operator over the leased circuits; and

(b) with a view to treating all senators equitably, senators hereafter be reimbursed for charges in connection with their telephone calls originating in Ottawa to places in their own constituencies which are not available on the direct distance dialing system.

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

Hon. Mr. Smith (Queens-Shelburne): Honourable senators, with leave of the Senate, I move that this report be adopted now.

Report adopted.

DIVORCE

REPORT OF COMMITTEE

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

Your Committee recommend:

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

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

He said: Honourable senators, this report is in the form in which it has been presented for some sessions past.

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

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

Motion agreed to.

BUSINESS OF THE SENATE

On the Notice of Motion for adjournment:

Hon. Paul H. Bouffard: Honourable senators, it is very difficult to come to a decision as to the date to which we should adjourn. However, assuming that I shall receive no more bad news this afternoon, I move, with leave, that when the Senate adjourns today it do stand adjourned until Monday next, February 7, at 8 o'clock in the evening.

I do not expect that we shall receive the interim supply bill before next Monday, and perhaps not then. To enable honourable senators to make whatever travelling arrangements they wish, this may be the opportune time for me to say that the Senate will likely have to sit all of next week. After next week we may be able to adjourn for a week, if nothing urgent arises. At the moment, I feel that we must be here on Monday in order to deal with the interim supply bill.

Hon. Mr. Reid: Does the honourable Acting Leader of the Government mean that we will be able to adjourn for the week after next?

Hon. Mr. Bouffard: It may be that we shall not sit the week after next. This depends upon whether something urgent comes before us during next week.

Hon. A. J. Brooks: Honourable senators, I am not rising to object, because I know that the honourable Acting Leader of the Government has very little information. I do suggest that if the Senate were to obtain a crystal ball, then we might be able to determine what the other place is going to do.

Could the honourable Acting Leader inform us of the prospective business other than the interim supply bill? I understand that the main reason for our adjourning until Monday is to consider the supply bill. Interim supply for the month of February has not yet been placed before the House of Commons. Is it possible to give us some idea of the business we may expect in the near or immediate future? May we also be informed as to what bills will be initiated in the Senate? I understand that some Government bills are to be initiated here. It would be helpful to have this information before we go home for this prospective and hopeful short recess in the week following next week.

Hon. Mr. Bouffard: I will certainly give the Senate all the information that is available, which is not very much. The other place is dealing with the estimates, and has not yet completed those of the Department of External Affairs. After that they will be discussing the estimates of the Department of Transport and those of another department, before the interim supply bill is placed before them. That is why I say it is unlikely that we will receive the interim supply bill until Monday or perhaps as late as Wednesday next week.

We have also the bill amending the Interpretation Act to consider. That order will stand this afternoon. It is a very important bill in that it may affect other statutes. It is my hope also that the Bankruptcy bill will be initiated in the Senate, although I am not sure that it will be. Another very important bill that has to be passed soon is that extending the provisions of the Bank Act until later in the year, because there is no hope that the amendments to the Bank Act will be passed by both houses in time to renew the bank charters. This bill has to be passed within 60 days from the beginning of the session, which means before the middle of March. Therefore, I hope it will be coming to the Senate very soon.

We have also many private bills to go before committees, perhaps within a week or two. We have the report of the Special Committee on Aging to consider, and we have the continuation of the debate on the motion for an address in reply to the Speech from the Throne.

That is all I can tell honourable senators at the moment. As I said, I have not very much information. We shall do what we have to do, but if we have nothing before us we will not continue to sit. It may be that the recess will have to be extended for a couple of weeks. I just do not have enough information at the moment to advise the members of this house as to the length of the recess they will have.

Hon. A. J. Brooks: Honourable senators, may I ask if there is a time limit for the interim supply bill to receive the Royal Assent?

Hon. Mr. Bouffard: I understand that it will be necessary for the bill to be passed before February 15; otherwise funds would not be available. The information I have now is that the bill will come to the Senate either next Monday or Tuesday. In any event, we will re-assemble next week and wait until the bill arrives.

Motion agreed to.

23031—20½

ELECTORAL BOUNDARIES COMMISSIONS' REPORTS

INQUIRY

On the orders of the day:

Hon. Jean-François Pouliot: Honourable senators, I have two questions to ask, and I hope that the answers will be given next week. The first question concerns the reports of the Redistribution Commission which were tabled in the House of Commons on the second day of the session and which bear the number 1A of the sessional papers of that house. I wonder if it would be possible for the senators to have a copy of the ten reports.

APPOINTMENT OF JUDGES AS COMMISSIONERS

INQUIRY

Hon. Mr. Pouliot: Honourable senators, my second question concerns the appointment of judges as commissioners. I would like to know if the Department of Justice, before appointing a judge as a commissioner, gets in touch with the Department of the Attorney General of the province, the provincial Department of Justice, or the Chief Justice of the province, or the Acting Chief Justice. It would also be very interesting to know what was the procedure regarding the appointment of the honourable Acting Chief Justice Challies as commissioner to inquire into the airplane accident which occurred at St. Therese. Further, I would like to know if the Department of Justice had been in touch with him or the Attorney General before appointing a commissioner.

Hon. Mr. Bouffard: The honourable senator may rest assured that these questions will be referred to the competent authorities, and that he will be given the answers as soon as possible.

Hon. Mr. Pouliot: Thank you.

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY—
DEBATE CONTINUED

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

Hon. Malcolm Hollett: Honourable senators, after a somewhat lengthy period away from the Senate, it takes a little while to reacquaint oneself, and I do not think I have

yet met again all the honourable senators. Also, we are at times apt to forget the customs and regulations applying to procedure. In any event, it is good to be back again in this distinguished gathering.

I wish first to extend my hearty congratulations to Your Honour upon your promotion to the chair of Mr. Speaker, in which so many distinguished senators have sat in the past, including, of course, the honourable Senator Bourget whom you have succeeded. I am sure we all join in a friendly welcome to the new senators, Senator McDonald and Senator Benidickson. I think that Senator Benidickson is the first Privy Councillor who has come to the Senate while I have been here. We all welcome both of them and I am sure they will add notably to the deliberations of this august body.

There have been several changes in the personnel of the Senate since we recessed in July. Some have passed on to the Great Beyond, very distinguished members they were; and other honourable senators have seen fit to avail themselves of the act passed last year, relative to the retirement of senators, and have relinquished their seats. Each and every one of us sincerely regret the loss of those men.

Honourable senators, while I am dealing with this point, I must express what is probably a late opinion with regard to the bill which was passed last year dealing with senators. I think that almost blackmail was placed upon us here—You get out at 75 or within a year of that time, or your widow will die of starvation, or words to that effect. It meant that a senator would have had to retire within a year if he wanted his widow to survive after him.

At any rate, all those senators are gone. They were personal friends of most of us; some of them were personal friends of mine and I regret their departure.

We regret the recent illness of honourable Senator John Connolly, the Leader of the Government in the Senate. At this point, I should like to congratulate Senator Bouffard on his elevation to Deputy Leader on that side of the house. Senator Bouffard is better known to other senators than he is to me, but since I have known him I have come to like him very much—and since I like him, he must have something good about him.

I am proud to see our own Leader on this side of the house looking in the best of health and as grey-headed as ever. We are happy to see him. We hope he will be spared so that we can see how he looks on the other side of the house.

Hon. Mr. Roebuck: You will have to wait a bit for that.

Hon. Mr. Denis: One hundred years from now.

Hon. Mr. Hollett: Honourable senators, with regard to Senator Connolly (Ottawa West) and also to Senator Bourget, our Speaker until recently, we congratulate them on the manner in which they conducted the business here. I know of no other gentlemen who perform their duties in a better manner, with such skill and such courtesy to each and every one of us.

As to the mover of the motion for an address in reply to the Speech from the Throne, honourable Senator McDonald, and the seconder of that motion, honourable Senator Gouin, may I join with other senators in offering them my congratulations.

The Speech from the Throne was a lengthy document and contained practically everything necessary to bring about the perfect society in this world of ours, especially for the younger generation. However, you must have noted that, in addition to the few recommendations, it contained all the suggested legislation brought in last April and supposed to be passed but which for various reasons never reached this house. Let us refresh our memories on this matter.

I believe there are 20 or 30 pieces of legislation which were brought in last year and which appear again in the current Speech from the Throne. I jotted them all down and I am surprised, as no doubt you were, that there were so many things which should have been done and were left undone. For instance, there were proposals regarding the Canada-United States Agreement on Automotive Parts, *O Canada* and *God Save the Queen*, the amendment of the Constitution in Canada—which, incidentally, now appears to be unwelcome in at least one province; there was banking legislation and amendments to the Railway Act. The railway legislation was referred to last year as recapitalization. It is referred to now as legislation having to do with "capital structure". I do not know if there is any difference between capitalization and capital structure. The abolition of capital punishment is suggested, and I am sure there are many different opinions on this. I shall say nothing about it now.

Last year the Government was going to train some workers and retrain others; it planned to bring in legislation relative to rural development, and to assist all needy

peoples. There are also some suggestions in the current Speech from the Throne regarding assistance to needy people.

I should like to draw attention to the present Government's attitude towards certain needy people. I refer to the Newfoundland inshore fishermen, who last season had the most serious catch failure in many years. At the end of the season many fishermen found themselves with nothing to sustain them for the approaching winter months. I suspect you were aware of the great helping hand that the present Government—and I am not being sarcastic—extended to these people. The Government had no sooner heard of this tragic catch failure than it came across with assistance for the next three or four months to the amount of $200 for a married fisherman and his family, and $150 for a single fisherman. Can you imagine a fisherman with a wife and four or five children having to subsist on a total sum of $200 for a period of three or four months? This was the first offer of the Minister of Fisheries.

Needless to say, every Newfoundlander was disgusted, and nobody could understand how any government in this day and age, whose one declared idea is to assist needy people, could come up with such a meagre offer. Indignation was so deep that not only did the fishermen themselves, and their unions, protest, but so also did Premier Smallwood and his Liberal members of the Legislature on speech day when the provincial house opened several weeks ago. Their protest was so strong that the Minister of Fisheries has now raised his sights with regard to these fishermen and is offering them $350 for three or four months for a married man and his family, and $200 for a single man. Even at that, any of us would find it very difficult to feed our families for three or four months on that amount, much less clothe the children and send them to school during the winter.

Perhaps I should not say this, but I more or less see in this first ridiculous offer the story of the Government during the last session of Parliament. You remember the many changes of mind which had to be made by certain ministers of the Crown during that session, how legislation was introduced, altered and sometimes withdrawn. In other words, legislation was brought in by individuals who had not taken sufficient time to study the problems which they were trying to solve. In this instance, I am quite sure that if the advisers of the Minister of Fisheries had taken time to analyse the situation properly, the minister would not have made such a miserly offer to those unfortunate fishermen and he would not have brought ridicule upon the Government.

You will remember that there was supposed to be a national fisheries program brought in last year. This program is still in the Speech from the Throne, but nobody as yet seems to know when this fisheries program is to start or of what it will consist. Incidentally, I believe it was the honourable Deputy Leader of the Government (Hon. Mr. Bouffard) who last week referred to the 12-mile limit legislation passed last year as one of the great achievements of last year's session. I am afraid that that 12-mile limit program is now being as much derided by our people as was the catch failure assistance offered a month ago.

I sometimes wonder why the present Government seems to look at our fishermen in the Atlantic provinces with a blind eye while at the same time it keeps both eyes wide open when it looks at our farmers across Canada. I have a quotation here from the St. John's *Evening Telegram* which I would like to read to show that I am not the only one who thinks along these lines. This editorial says in part:

> Look at the Ottawa Throne Speech, at the "host of items" for farmers and fishermen. For the latter there is one announcement—income support for fishermen in bad catch seasons. This, presumably, refers to the assistance already announced, and legislation will be passed to establish it in the statute books.
>
> Now take a look at what the Speech sets forth for the farm population.
>
> 1) Proposals for the redevelopment of uneconomic farms; 2) revisions to make crop insurance available to all farmers; 3) establishment of a national dairy commission; 4) proposals to improve marketing of feed grain in Eastern Canada and British Columbia; 5) increased loan capital for the Farm Credit Corporation; 6) extension of unemploymeent insurance to fulltime farm workers.
>
> Does this not indicate the relative importance of farmers and fishermen in the present government's view?

I do not know whether it does or not. I do not think it does, but at any rate it is worthy of notice.

Last year legislation was suggested to safeguard farm incomes and to assist needy people, and these suggestions are now brought in

again in the Speech from the Throne; and, incidentally, the Prime Minister deems it to be so important that he will take direct responsibility for its implementation. That is for needy people, and I do wish the plight of our fishermen had come to the attention fo the Prime Minister instead of where it went. In fact, when I look at all the acts on the statute books relative to the farmer and compare them with the paltry efforts to assist our fishermen, who work under much more difficult and dangerous circumstances, I am amazed. I would appeal to the present Government on behalf of our fishermen to take a good hard look at the difficult circumstances, the risks and dangers relative to our east coast fisheries, and endeavour to give some assistance to these fishermen so that there will be some security in the occupation bequeathed to them by their fathers. Here I refer not only to Newfoundland but also to Nova Scotia, New Brunswick and Prince Edward Island.

You will note also in this year's Speech from the Throne, as indeed in last April's speech, references to the proposed Canada Development Corporation, the Canada Assistance Plan, the Company of Young Canadians, and medicare. With regard to the Canada Development Corporation, I believe we should all take a good look at this legislation before allowing it to go through, as I have seen considerable criticism of it in recent days by people who are much better able than I am to assess its impact upon our economy.

With regard to medicare, I am quite sure that the thought behind it is good but there has been much criticism from various provinces of the method of bringing it about, and I am sure the Government will be taking a second look at that, particularly since the recent conference of provincial health ministers.

Then we have the matter of education assistance and the Student Loans Act. These plans, if implemented, will redound to the benefit of many of our young people, but I am quite sure that our honourable Premier of Newfoundland would tell the Prime Minister here that he is not going far enough. Mr. Smallwood, you will remember, in addition to paying for the tuition of all university students, intends to pay them a salary when they attend university. Did any honourable senator here present ever receive a salary for going to university? This will apply to all university students who come from outside St. John's where the university is situated. In other words, every student in Newfoundland outside of St. John's, having passed his Grade 11 examinations, will be able to go into the university, have his tuition paid and receive a salary of, I believe, $200 per month. I am not sure if that is the exact figure but at any rate he will receive a salary. My guess is that the present Liberal Government of Newfoundland will soon have to build another university, and if they do they will have to borrow the money to build it.

The Fair Wages and Hours of Labour Act is again on the drawing board. I think it is one of those acts which might well be on the priority list. Term 29 of the Confederation Agreement with Newfoundland has to be renewed from year to year, as it is again this year, although I do not see the necessity since the Prime Minister, I believe, and certainly the Premier of Newfoundland, promised that the $8 million per year would be paid in perpetuity.

Then again we have the Canadian Citizenship Act which is to ensure equality of rights for all citizens of Canada. Why we should need this I do not know, for I was always under the impression that any citizen, at least in all Commonwealth countries, was entitled to equality of rights. We see again from the Speech from the Throne, this year as it was last year, that legislation will be brought in relative to collective bargaining for public servants. The Canada Pension Plan, the Atlantic Development Board Act and several other items have also been taken from last session's Speech from the Throne.

I come now to another matter which I take not to be too important, but being a Newfoundlander I thought it my duty to draw your attention to it.

Hon. Mr. Baird: What about being a Canadian?

Hon. Mr. Hollett: It applies to Canadians as well as Newfoundlanders. I am a Canadian and I thank God I am a Newfoundland Canadian. Canada is a great nation, but it is made up of many parts and many peculiar individuals. I am about to deal with that fact in this item. As I say, I was born in Newfoundland and I naturally watch very carefully how we as Newfoundlanders are looked upon by our fellow Canadians. But I must admit that I do feel somewhat perturbed over a news item which appeared in the Ottawa *Journal* of January 29. In order to let you understand fully why I should feel perturbed, allow me to quote from that news item,

which is headed "Labrador Takeover Urged". It is datelined Montreal and reads as follows:

> The executive council of the Montreal St. Jean Baptiste Society wants the Quebec government to "take possession in effect of the territory of Labrador by the exercise of its power and the implementation of its laws."
>
> The executive in a statement made public by its president Friday, said it does not accept the 1927 decision of the judicial committee of the British Privy Council awarding what now is Labrador to Newfoundland.

They just do not accept it forty years later. I continue:

> Yvon Groulx, who heads the French-language patriotic group in Montreal...

Patriotic to what?—I ask myself as I read on:

> ...said the society's council "judged it opportune and even urgent to make its attitude known immediately, having learned that there was a question of Quebec's signing in February an agreement on the development of Churchill (formerly Hamilton) Falls in the supposedly Newfoundland territory of Labrador."

The group thus called on the Quebec Government:

> "To sign no official agreement, with any government or company, involving any explicit or implicit recognition of the 1927 judgment.
>
> To take possession in effect of the territory of Labrador by the exercise of its power and the implementations of its laws, notably the cities and towns act, the municipal code, the education act, taxes, the universal pensions plan, social security, the mines act and other Quebec laws.
>
> And more precisely, that from the point of view of mining fees, Quebec should consider as Quebec minerals all those minerals extracted from the supposedly Newfoundland territory of Labrador, and that it act in consequence."

They are going to be rather late with regard to much of the minerals.

> The society executive also asked that a public inquiry should be held "for a definitive study of the question of Quebec's sovereignty over the territory of Labrador."

You will understand now, honourable senators, why I felt it my duty to bring this matter up and to try to clear the air a little for the St. Jean Baptiste Society. I am not thoroughly acquainted with the primary objectives of that society, but from its name I should have thought that they are of a religious order and that the last thing in the world such a society would consider would be to take away from any province any part of its territory. You will note they recommend to the Quebec Government—and I am quite sure the Quebec Government has more sense than to listen to them, or, at least, I hope so—that they take possession immediately of this territory belonging to my province, your province, a Canadian province.

I am sure most honourable senators are well aware of the decision made by the Privy Council in March of 1927 relative to the boundaries of Newfoundland. I refer you to Volume XII, page 1026, of the proceedings held in that connection during that month, bearing the heading:

> In the Matter of the Boundary Between the Dominion of Canada and the Colony of Newfoundland in the Labrador Peninsula.

It is not between Quebec or the St. Jean Baptiste Society and Newfoundland, but between Canada and Newfoundland. There you will find the judgment delivered by Their Lordships of the Privy Council. To bring us all up to date on the matter I will quote from their decision:

> ...their Lordships are of opinion that, according to the true construction of the Statutes, Orders in Council and Proclamations referred to in the Order of Reference, the boundary between Canada and Newfoundland in the Labrador Peninsula is a line drawn due north from the eastern boundary of the bay or harbour of Ance Sablon as far as the fifty-second degree of north latitude, and from thence westward along that parallel until it reaches the Romaine River, and then northward along the left or east bank of that river and its headwaters to their source and from thence due north to the crest of the watershed or height of land there, and from thence westward and northward along the crest of the watershed of the rivers flowing into the Atlantic Ocean until it reaches Cape

Chidley; and they will humbly advise His Majesty accordingly.

You will recall that it was on March 22, 1927 that His Majesty approved the necessary document. You will please note that the question to be decided by His Majesty's Privy Council is contained in these words:

> What is the location and definition of the boundary as between Canada and Newfoundland in the Labrador Peninsula under the statutes, Orders in Council and Proclamations?

That was the reference. Please note the words, "the boundary as between Canada and Newfoundland." At that time Quebec did not enter into the picture, except in so far as she was one of the nine provinces.

In view of this, we Newfoundlanders ought not to be too much perturbed when such statements are made, but unfortunately we are human, like, I gather, most of the people in the other provinces. But if the members of the St. Jean Baptiste Society have any doubts in their minds as to the true ownership of the territory in question, I should like to also refer them to the British North America Act of 1949 with reference to the Terms of Union of Newfoundland with Canada. You will remember that was passed during the St. Laurent regime, the Liberal St. Laurent regime, and I am quite sure that you all agree with me that Mr. St. Laurent is one of the finest gentlemen who have had the honour of being Prime Minister of Canada, one of the finest citizens of Canada, and one who has done much to unite the peoples of this nation. He was the man who signed the act on behalf of Canada. This was enacted as recently as 1949, and Article 2 of that act, as contained in the Revised Statutes of Canada, 1952, Volume VI, reads as follows:

> The Province of Newfoundland . . .

Now understand that this was an agreement between Newfoundland, a colony, and the great Dominion of Canada—not between Ontario and Newfoundland, not between Manitoba and Newfoundland, or any other province and Newfoundland, but the Dominion of Canada, which included all provinces.

> The Province of Newfoundland shall comprise the same territory as at the date of Union, that is to say, the island of Newfoundland and the islands adjacent thereto, the Coast of Labrador as delimited in the report delivered by the Judicial Committee of His Majesty's Privy Council on the first day of March, 1927, and approved by His Majesty in His Privy Council on the twenty-second day of March, 1927 and the islands adjacent to the said Coast of Labrador.

I do hope that I have made the position as between the Province of Newfoundland and the Dominion of Canada quite clear, particularly as to the boundaries thereof. I fail to see what other explanation is necessary to either Quebec or any province of the dominion. Of course, if any province can put together an army and invade us and try to take Labrador away from us, then that is another matter. Evidently that is what is required by the St. Jean Baptiste Society.

I point out that the Province of Newfoundland is a part of the Dominion of Canada, and to take any part of it from us, by either force or any other manner, is to take it from Canada as a whole. It would mean taking it from under the jurisdiction of the Dominion of Canada, and I cannot conceive of this great and growing nation allowing any society or any province, or any outside nation, to perpetrate such a foul act as that advocated by the St. Jean Baptiste Society in urging the Quebec Government "to take possession of the territory of Labrador by the exercise of its power". What power, may I ask? Where is the power of Quebec, or of any other province, to do such a thing? All Newfoundlanders would fight any such action to the last man, and they would not have to be conscripted to do so.

Hon. Mr. Baird: Hear, hear.

Hon. Mr. Hollett: I want to make it clear that we are, and have been since 1949, a loyal province of the dominion, but we hate to hear these insinuations from certain areas concerning our right to that which is ours by law, by order of the Privy Council signed by His Majesty, with the agreement of the Dominion of Canada. It hurts. It would hurt any honourable senator from Manitoba, British Columbia or elsewhere if somebody was foolish enough to say about your province what this society has about ours.

Oh, yes, we are Newfoundlanders all right, but we are also Canadians, and I hope and trust we shall try to be good Canadians. But I do not call it good Canadianism when one group of men advocates taking territory from Newfoundland or from any other province.

That is not the way to act if we are to make this nation one of the greatest in the world, as we hope it will be. We have everything, the minerals and other natural resources, and we have men and women from every part of the world. Every nation is represented in the Dominion of Canada. If we stick together like men, as we did in years before, then nobody in the world is going to hurt us.

Hon. Mr. Roebuck: May I ask the honourable Senator Hollett, if he takes seriously any statements to the effect that somebody is proposing to take by force any territory of his native province? Is there anything in such foolish suggestions as were made by this society? I ask that question because there may be somebody in his province who would take seriously the discussion that has gone on this afternoon. Surely, there is no such proposition before us, or before any other body of any consequence in the dominion.

Hon. A. B. Baird: That is what we are wanting to stop right now. In my opinion, Senator Hollett has made a clear, concise and proper statement of the position of the Province of Newfoundland.

Honourable senators, I wish, first of all, to congratulate my former deskmate, Senator Smith (Kamloops), on his appointment to the high office of Speaker of this chamber. I congratulate also the mover and seconder of the motion for an address in reply to the Speech from the Throne.

Our leader, Senator Connolly (Ottawa West) is not with us today, but I know I can say without fear of contradiction that we look forward to seeing him amongst us in the near future with his health fully restored.

Honourable senators, it was my privilege to be the Canadian representative on the military committee of NATO which met in New York. One of the principal subjects with which the military committee deals is the standardization of military equipment among the NATO countries. This is a very difficult subject, in many respects. It is generally acknowledged, on the one hand, that standardization is desirable not only in economic terms but in terms of military efficiency. Indeed, some progress has been made towards this objective in certain fields. On the other hand, however, member countries, and particularly the larger ones, have a tendency to endeavour to remain as self-sufficient as possible in the defence production field, and are reluctant to purchase abroad anything that they think they might be able to make themselves.

The reasons for this are economic as well as military. The fact is that some of the most sophisticated work in such fields as electronics and engineering is being done for military purposes, and a government which wishes to promote and advance in industrial technology often finds it can best do so through defence research development and production. The result has been a good deal of duplication of effort, and a degree of competition among the NATO countries in that field.

The NATO Parliamentarians have expressed their concern as to this situation on a number of occasions in the past, and at this conference a special committee was established to conduct a detailed examination of the problems, and to submit a report to the 1966 session.

Aside from the discussion of specific matters which take place in committees, one of the most valuable aspects of the NATO Parliamentarians' Conference is the opportunity it provides for informal discussions and the exchange of views.

Represented at this conference were parliamentarians from most major parties in the various NATO countries, and in the week which we spent together there was ample opportunity for us to obtain a clearer understanding of the approach made by our NATO partners to the problems we face in common.

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

The Senate adjourned until Monday, February 7, at 8 p.m.

THE SENATE

Monday, February 7, 1966

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

Prayers.

DOCUMENTS TABLED

Hon. Paul H. **Bouffard** tabled:

Report of the Department of External Affairs for the year ended December 31, 1965, pursuant to section 6 of the Department of External Affairs Act, chapter 68, R.S.C., 1952. (English and French texts).

Copy of a Communique, dated February 1, 1966, issued following the Federal-Provincial Conference of Ministers of Health. (English and French texts).

Copy of Report to the Conference of Ministers by the *Ad Hoc* Technical Committee on the Health Resources Fund, dated October 21 and 22, 1965. (English and French texts).

List of shareholders in the Chartered Banks of Canada, as at the end of the financial years ended in 1965, pursuant to section 119(1) of the Bank Act, chapter 48, Statutes of Canada, 1953-54. (English text).

List of shareholders in the Banks incorporated under the Quebec Savings Banks Act, as at the end of the financial years ended in 1965, pursuant to section 93(1) of the said Act, chapter 41, Statutes of Canada, 1953-54. (French text).

Report of the Superintendent of Insurance for Canada—Small Loans Companies and Money-Lenders licensed under the Small Loans Act, for the year ended December 31, 1964. (English and French texts).

Report of the Postmaster General for the fiscal year ended March 31, 1965, pursuant to section 77 of the Post Office Act, chapter 212, R.S.C., 1952. (English and French texts).

PRIVATE BILL

CANADA HEALTH AND ACCIDENT ASSURANCE CORPORATION—FIRST READING

Hon. Eric Cook, for Hon. Mr. Lang, presented Bill S-13 respecting Canada Health and Accident Assurance Corporation.

Bill read first time.

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

Motion agreed to.

HON. T. A. CRERAR

FELICITATIONS ON SIXTIETH WEDDING ANNIVERSARY

On the Orders of the Day:

Hon. Paul H. Bouffard: Honourable senators, before we proceed to the Orders of the Day, I should like to commemorate here this evening an event which was celebrated last week in Manitoba. I refer to the occasion of the sixtieth wedding anniversary of our colleague the honourable Senator Crerar and his wife.

Hon. Senators: Hear, hear.

Hon. Mr. Bouffard: On this very special occasion I know that all honourable senators will join with me in offering Senator Crerar and his wife our most sincere congratulations and very best wishes for a long and happy life.

Hon. A. J. Brooks: Honourable senators, I know this announcement does not need a seconder, but I would very much like to say, personally and on behalf of those who are associated with me on the Opposition side, how pleased we are to hear of the sixtieth wedding anniversary of our dear friend Senator Crerar. We all have a very high regard for him and his wife, and we take great pleasure in wishing them many more years together.

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY—DEBATE CONTINUED

The Senate resumed from Thursday, February 3, consideration of His Excellency the Governor General's speech at the opening of the session, and the motion of Hon. Mr. McDonald, seconded by Hon. Mr. Gouin, for an address in reply thereto.

Hon. F. Elsie Inman: Honourable senators, at this time I should like to congratulate the Honourable Sydney J. Smith on his appointment to the chair of the Senate. Senator Smith has been a member of this chamber for many years, and is highly regarded by all of us. We know that he will preside with graciousness and dignity, and we wish him and his charming wife a happy tenure of office.

To Senator Bouffard I extend my congratutations and best wishes on his appointment as Deputy Leader of the Government in this chamber. While we deeply regret the illness of our leader, Senator John J. Connolly, and wish him a speedy recovery, I feel we are fortunate in having Senator Bouffard taking his place at the present time.

All of us are pleased, I know, to see Senator Brooks, the Leader of the Opposition in the Senate and a popular member of this chamber, with us again.

To the mover and seconder of the motion for an address in reply to the Speech from the Throne, I offer my congratulations on their excellent speeches. To the new members of this chamber, I extend a hearty welcome and I hope they will enjoy the peaceful and quiet atmosphere of the Senate for many years.

On many occasions we work much harder and longer than some members of the other place, but we do not have to run for election, so we are spared the nerve-wracking thought: Will I or won't I make it this time? A large amount of the work of the Senate is done in committee, and at times *in camera,* so that we are spared some of the hurly-burly of public criticism, such as we read in our newspapers about the other place. And, at this point I would say that at times it is my opinion that the freedom of the press has been rather over done.

I am going to speak on tourism. You have heard me speak many times on this subject; however, this time I am not confining myself to Prince Edward Island. That Island, of course, is dearest to my heart, and you all know about the replicas at Woodleigh, the like of which you cannot see anywhere else in the world. You know about our beaches, our fishing, hunting and scenery, so I will not dwell on those famous attractions; but may I say that in 1964 Prince Edward Island realized $12 million from the tourist industry. I wish to speak tonight of tourism as an industry—the third biggest industry in Canada.

The Speech from the Throne contained many items of interest. There is a great amount of legislation forecast in it, and all of it for the welfare of Canada. But I was disappointed that nothing was mentioned about our tourist industry—at least, no legislation was mentioned that would further promote this third largest industry in our economy.

Since coming to the Senate almost eleven years ago, I have consistently called for a Department on Tourism. It is, as I said previously, our third greatest industry, and with intensive promotion could be the second or perhaps even first.

We must be factual—we have almost everything in Canada that the tourist wants. Other countries have their attractions, mostly specialized; we have it nearly all. Name it, we have it, with few exceptions. From Newfoundland to Vancouver Island, Canada can well be the vacationland of the world. I am sure that everyone who is concerned with increasing travel to Canada and within Canada, whether private or public, realizes by now that this country has an unparalleled opportunity to attract world travellers.

It has been estimated that Expo '67 will bring one billion in tourist dollars to Canada. One billion dollars is a lot of money, and it will be most welcome in the till of the Canadian tourist industry.

While Expo '67 has been heavily subsidized as the central theme of Canada's centennial year, it should not be forgotten that Canada is a very large country with many and varying attractions. Also, while Expo reflects many aspects of Canada, there should be a widely disseminated advertising campaign urging the visitor to Canada in 1967 to enjoy the many joys which our geography offers: the pastoral beauties of our country, the less settled areas offering opportunities for fish and game activities, our tranquil countryside and broad uncluttered beaches, all of which should be promoted to the same extent as Expo '67.

This is not asked in the spirit of denying the importance of Expo '67, but rather is an acceptance of the fact that Canada is a large, multifaceted, unspoiled and an ever-interesting country.

It is noted with gratification that the Province of Quebec has, by mid-February this year, called for statements of charges to be made to tourists regarding food, accommodation and services. This is very important to tourists. The other provinces should consult their governments regarding the fixing of reasonable fees for the information of tourists visiting them. I hope that all our provinces will co-operate to make this the biggest year in our tourist industry.

Honourable senators, I wish now to refer particularly to the beautiful Atlantic provinces, with all their charms and attractions.

Let us start with the Province of Newfoundland, Canada's newest province. Newfoundland is unique; it is a wonderful spot. I

travelled through some of it by train and by car. It is different from any place you could visit anywhere. It has grimness in its great bare rocks. It has beauty and majesty, too. It is wild; it is also peaceful. It leaves one with the feeling that nature is here supreme. The people extend to its visitors a warm hospitality, leaving one with the desire to come again. A visit to this province will linger in one's memory as a delightful experience. Newfoundland has much to offer tourists who spend a vacation there.

Crossing from Newfoundland by boat, one arrives at Sydney in Cape Breton which, until the Canso Causeway was built, was an island, although part of the Province of Nova Scotia. In this province, and especially in Cape Breton, they say to the visitor: *céad míle fáilte*—A hundred thousand welcomes! I wish I could say it better in Gaelic, as it is a beautiful expression.

Nova Scotia is full of history. I have seen the place where Champlain spent his first winter in Canada in a primitive fort in the Annapolis Valley. It has been rebuilt and is a perfect replica of the original one. Here, too, in Nova Scotia is the Land of Evangeline. Halifax is an old city, full of history. The hills and valleys, harbours and coves are the artist's paradise.

When you visit Nova Scotia you are following the trail of the Norsemen who landed there nearly one thousand years ago. There are still in this province massive forts, historical houses and museums to remind one of the old days. The Cabot Trail through Cape Breton National Park, although a modern highway, is nevertheless an adventurous drive through spectacular scenery.

In Port Royal was organized the first social club in America. If you spend seven days in the province you will be given a certification of membership in the Order of the Good Cheer. I have two of them, so I must have been there twice. It is difficult to say which part of this lovely province is the most beautiful, for nature endowed it with beauty spots at every turn.

And now we come to the "Picture Province", as the natives call New Brunswick. This province, while not surrounded by water as are the other provinces, has a number of lordly rivers; the mighty Saint John which rises in the State of Maine, flows through much of the province and empties into the Bay of Fundy. It is most certainly a lordly river. The Restigouche and Miramichi are noted for their salmon fishing. The Richibucto is also noted for salmon fishing; another picturesque river is the Petitcodiac, with its tidal bore sweeping up every tide from the Bay of Fundy, a spectacle well worth seeing.

New Brunswick has Fundy National Park, 80 square miles of scenic wonderland. Close by is Hopewell Cape, with its giant columns of soft red sandstone. Then, being built at the present time is the Mactaquac Dam, which is a tremendous undertaking, but when one looks at the beautiful farm lands and scenery to be inundated one cannot but feel nostalgic. But in the world in which we live today progress must not be impeded by sentiment.

With respect to the name of this dam I must tell you a local story about an Irishman and a Scotsman who each bought a duck. The Irishman called his duck Mike; the Scotsman named his Mac. They decided that each would train his duck to fight, and instead of having a cockfight they would have a duckfight. They would charge for admission and make themselves some money. After a certain time they got together to find out how the ducks were progressing with the training. The Irishman said that he was betting Mike to fight very well, but the Scotsman said, "I am sorry but I cannot even get Mac to quack."

A visit to these four provinces would be well worth while to those who plan to come to Canada or to people within Canada who propose visiting Expo next year. I am sure that everyone who is concerned with increasing tourist travel to Canada, and within this country, realizes that now is an opportune time to make every effort to attract tourists to Canada, the second-largest country in the world. I feel that our Government should take steps as soon as possible to set up a Department of Tourism.

It is my opinion that transcontinental tours for parliamentarians would do much for the tourist industry. I remember that such tours were promoted some years ago. They would give those people from the west an opportunity to know conditions in the east, and the easterners would learn about life in the west. Canada is a very big country and every member of Parliament and every senator should know as much as possible about it, the better to realize the great potential of our tourist industry.

This is more important perhaps for our generation than for the youth of today, who are being given opportunities under some of

the Centennial projects that provide for exchange visits between students who live in different parts of Canada.

Hon. Rhéal Bélisle: Honourable senators, knowing that the mind is never fully satisfied with what is seen through the eyes and what is heard through the ears, I would appreciate it if you would follow me when I make what I would like to describe as a tour d'horizon into the state of our country and the world. My remarks in this speech will attempt to interpret what has been seen and what has been heard in order to try to satisfy the mind.

Honourable senators, in rising to speak to this debate, might I first congratulate Your Honour on your elevation to the Chair of Mr. Speaker of this honourable assembly. I believe that I speak for all of us on this side of the house when I say that you will receive the most kind and courteous attention and respect, because we will remember that you were once one of us. It is only on rare occasions that the message of Christmas is so well understood by a Prime Minister that he picks on one who sits to the left of the Speaker to act as Speaker in this assembly. We know that your experience and knowledge of the function of this assembly will be a valuable asset and will assist you in your daily duties. Permit me to wish for you the kindness and patience of David and the wisdom of Solomon.

May I add a word or two to the compliments that have been paid to the honourable Senator Vaillancourt.

[*Translation*]

Honourable Senator Vaillancourt, allow me to tell you it is with regret that we have accepted your resignation as Deputy Government Leader in the Senate. Your competence and the sincerity with which you have always dealt with your colleagues were so great and appreciated that all join me in wishing you a well-earned rest. Could we but stop the hands of time, stop time itself, we would do it willingly as a token of gratitude for the esteem you have always shown us.

To your worthy and highly qualified successor, Senator Bouffard, we wish every success; we know his qualities and talents have made him one of the most prominent and sought-after lawyers of his province.

His great wisdom, we hope, will make him better realize that increasing successes obtained by any leader in a democracy are mainly recognized when he shows impartiality and a great deal of tolerance towards those who often have the unpleasant task of criticizing him, and this spirit is often more acceptable when the shoe is on the other foot.

First, a word of thanks to my superiors, I mean our distinguished and devoted leaders, Senator Brooks, who always performs his tasks with so much ability and kindness that it is a real pleasure to work with him, and the Right Honourable John Diefenbaker, who continues with so much skill, vigour and wisdom, to dominate the Canadian political scene.

When one looks without partisanship and with sincerity at the lack of decision and constant hesitation of the government we have had since June 1963, one can only ask where is our nation going to and what will become of the Canadian Confederation. But I would rather stress the urgent obligation of all Canadians to have a feeling of interdependence, friendliness and mutual understanding and respect for the common heritage distinguishing every Canadian regardless of his origin or his faith.

This feeling shows the strength and the beauty as it demonstrates the authenticity of the ideal of our Canadian Centennial through its realization in that spirit of understanding and love.

What should we say about those who, on the contrary, as their contribution to political life, bring nothing but bitter eroding and systematic criticism?

What about those who question or deny the validity of the make-up of our beautiful Canadian nation as well as a traditional teaching of unity but who, on the other hand, advocate new and untenable ideologies?

What about those who, to be modern, find it nice, worthy of imitation and of defense everything they see in the opposite side but unbearable and debatable everything they find here?

My intention is certainly not to criticize the process of purification, improvement and renewal which is at work to uplift the Canadian thought.

I simply want to invite all those who feel the dignity and the responsibility of the word "Canadian", who strongly and deeply love the feeling of internal unity, to love and respect it by their words and deeds, so that we may continue to enjoy our Canadian nation for what it is, a magnificently united nation, and in order to develop the splendour which stems from it for the enlightenment of the world.

May I remind you briefly of the last hour of the year 1965, which is barely over, to tell you of all the happiness that I felt while listening to this great Canadian, the worthy and dedicated representative of our gracious Queen, who told us in his last message of the year that we should be more proud of our nation and of our Canadian citizenship.

This renowned and dauntless soldier repeated in well-chosen words, with his well-known sincerity and dedication, the same thing that the late President John Kennedy said in his inaugural speech to the White House:

> Do not ask what your country can do for you, but what you can do for your country.

Honourable senators, let me tell you all the happiness that I felt as a member of this house when I represented the Canadian government on the occasion of the historical visit of His Holiness Pope Paul VI to the United Nations. Noticeably moved, he who is called the Servant of the Servants of God went into this gigantic glass Babel tower proudly erected by the 20th century to the glory of peace in the new world.

An extraordinary event took place on that afternoon of October 4. The reason for this trip was a very simple one: invited for 1966 by Secretary General U Thant, the Pope accepted the invitation, but the fighting going on in Asia caused him to advance the date of this *rendez-vous* with the nations of the world. Indeed, it is a simple explanation, too simple. He is the only leader of a great religion who could afford to take this risk because Catholicism is the only religion with a single leader.

In other days not so long past, some would have cried: "Priest-ridden." Those days are now past, since a prophetic Pope called John saw in a lightning flash, a vision of the Church and the world reconciled. Man of fire and vision, he wanted to go far forward. But he was aware of the limitations he could not overlook without jeopardizing everything. John XXIII was the prophet of a new Church. Paul VI is the pioneer. First he visited the Holy Land six months after his election. It was a pilgrimage to the sources. Then he went to Bombay and this time the Pope was a missionary. In non-Christian land, he had a *rendez-vous* with poverty. For the first time the Church emerged from the ghetto. Suddenly, it went to meet men, regardless of religion. It descended from its royal throne—many believed this and sometimes rightly so it seemed—to throw a challenge contrary to the spirit of the gospel.

Bearer of the gospel, Paul VI wants to get in and take position on the problems troubling the men of his time, whatever their religion, the system under which they live or their economic situation.

More than that, he appraises to what extent the personality of John XXIII has changed the idea which the people of the planet have about the Church. He is no longer a guilty one. He may say what he thinks. If he engages the Vatican's authority, it is because he is convinced that the Church has nothing to lose, and that the cause of peace has something to gain.

Haunted by the spectre of war, it was the main reason for his trip to the UN. Why this haste? Because Paul VI was afraid of war. The facts are there. In 1950, many people were afraid of war; in 1965 nobody believed in it. The average man thinks that Russians and Americans get along rather well; that the wisdom and strength of the two Great Powers limit conflicts to small local wars without great danger. That is not the opinion of Paul VI. According to him, the evolution of the world is dominated by the rebirth of violent nationalism, by the thirst for power, and by the proliferation and dissemination of nuclear weapons. By the year 2000 the whole earth will probably be at the mercy of the madness of a head of state or of the collective hysteria of some nation if nothing comes before it is too late to establish order in the relations between nations. No country, be it the most powerful in the world, is immune from violence. That is his great concern and, to my mind, the reason for his trip. He is running a political risk because he feels that nations are taking a much more terrifying one.

Now the great moment is at hand. In the UN, 117 nations out of 122 are represented. Only the divided nations are missing —Germany, Viet Nam, Korea; also Switzerland, ever neutral, and China. The whole world is there, but it is a disunited world. The United Nations is 20 years old. In the last twenty years there have been forty wars; forty poorly held briefs are piled in the records of the UN, forty lost causes. That is the moment Paul VI chose for his visit—the worst moment. I did say "chose", for, despite the diplomatic amenities of U Thant, there is every reason to believe that the initiative

came from the Vatican through its permanent representative at the UN, Monsignor Giovanetti. There is a double wager. The Assembly may be very cool towards the Pope's message. We shall see. It may subsequently not take it into consideration at all.

(Text)

With the dignity of the head of a great and ancient church and the fervor of a simple man seeking peace, Pope Paul VI asked the United Nations to do away with offensive weapons and to build a universal authority. The Pontiff, a slim figure in white, stood at the green marble rostrum of the General Assembly, and cried in French, "No more war, war never again!"

The Pope, pleading for peace before the representatives of 116 nations, cast himself in the role of the ancient prophet—the man above mere national, racial or political loyalties. It is a role utterly fitting for one whose chief title is the Vicar of Christ on earth. For the highest conception of the man called Jesus, even among those who do not accept the theological claims of Christianity, is that of one who stood for the noblest aspirations of the human spirit, aspirations that transcend everything that divides and ultimately dishonours humanity.

Before him in the green, gold and blue Assembly Hall were the representatives of 116 of the United Nations' 117 members. Only tiny Albania, communist China's spokesman in eastern Europe, boycotted the papal address.

Peace was the dominant theme of Pope Paul VI's message. But he also spoke of the United Nations working at its best on a basis of universality, and he asked the Assembly to "bring back among you" those that have left and to study methods of "uniting to your pact of brotherhood, in honour and loyalty, those who do not yet share in it."

To a packed audience of about 2,200, the Pontiff pledged the authority of the Catholic church to the United Nations, which he called "the last hope of concord and peace."

The Pontiff's address, with its emphasis on universality, disarmament and the development of a world authority, went far beyond the simple plea for peace expected by most delegates.

He was heard in silence. When he finished with an appeal for a restoration of spiritual values in furthering civilization, there was a second of silence and then a long burst of applause. Foreign Minister Andrei A. Gromyko of the Soviet Union was as responsive in his reaction at this point as was Foreign Minister Maurice Couve de Murville of France.

The Pope's reference to widening the membership of the United Nations went straight to one of the most bitterly debated issues of this General Assembly. "Those who do not yet share" in the "brotherhood" include communist China, whose admission is opposed by the United States and supported by the Soviet Union, France and a number of African and Asian states. Those "who have separated themselves"—in the Pope's words—include Indonesia, with a hundred million people.

The Pontiff's reference to the acute issue of communist China's admission, oblique though it was, provoked wide discussion among delegates. Two leading Catholic members of the world organization, France and Italy, have advocated Peiping's admission, and the Pope's apparent endorsement seemed to strengthen their position on this issue within the General Assembly.

The United States from the outset has opposed communist China's admission. American officials, while clinging to the belief that Peiping would be kept out, conceded after the speech that the Pope's support for universality in the world organization would have a significant effect upon many of the delegations.

One of the most pertinent comments during the United Nations debate on communist China's admission came from Chief S. O. Adebo of Nigeria:

> I am as distressed as anyone by China's present language; but while it is kept out its language will not improve.

This is the point many Americans are still unable or unwilling to accept. Many moderate governments voted for Peiping's admission not because they condone its behaviour but because they believe the long-run chances for improvement of that behaviour will be better with communist China inside the UN than outside it.

Most of the countries directly in the path of truculent China—Burma, Cambodia, India, Nepal, Pakistan—voted to admit Peiping. In Africa, which Premier Chou En-Lai calls "ripe for revolution," twice as many of the new nations voted for Peiping as against it.

Long before the Pope's entrance the delegations were in their places in the hall. The

majority of Africans and Asians were in dark business suits except for a few in brightly coloured robes.

Heads turned when Mrs. John F. Kennedy arrived escorted by Richard Cardinal Cushing and her brothers-in-law, Senators Robert Kennedy of New York and Edward M. Kennedy of Massachusetts.

Amintore Fanfani, Italy's foreign minister and the President of the twentieth session of the General Assembly, called the meeting to order and then departed with the Secretary-General, U Thant, to escort the Pope down the central aisle to the platform.

As the white-clad figure appeared, the applause began, lasting for nearly a minute until the Pope had reached the platform. He acknowledged the welcome with the already familiar gesture, arms half outstretched as if to grasp every hand in the auditorium. He sat in a large beige-leather chair, last used by President Kennedy, while first Mr. Fanfani and then Mr. Thant welcomed him to the session. The Pope sat motionless.

Seated to the left and right of the platform were the cardinals of the Pope's entourage and of the United States. Their scarlet birettas and sashes added a vivid splash of colour. These princes of the church, representing every continent, were a reminder of the global influence of Pope Paul's church. Yet early in his speech, he told the audience, "You have before you a humble man, your brother." He said it was a great occasion, "great for us, great for you" because he was following the ancient command to his church to "go and bring the good news to all peoples."

For a world organization considered by many to be suffering from a loss of prestige, the Pontiff brought powerful reinforcement. To him the United Nations represented the unmistakable road toward peace. "Retreat," he said, "must never be admitted."

He saw progress in the admission of "the younger peoples" and in the adoption of the principle of universality, that is, the creation of a United Nations that embraces all countries.

"Go forward always," the Pope advised in beginning what was considered to be the most controversial part of his speech, that which advised the world organization to expand and to admit those who have departed and those not yet in. He declared:

> Strive to bring back among you any who have separated themselves, and study the right method of uniting to your pact of brotherhood, in honour and loyalty, those who do not yet share in it. Act so that those still outside will desire and merit the confidence of all, and then be generous in granting such confidence.

From this the Pontiff passed to an insistence upon the principle of equality among members. All members might not be equal he said, but in a passage presumably directed to the large powers—the United States and the Soviet Union—he declared that it was an "act of high virtue" to assume equality because man's brotherhood was impossible without humility. This humility, the Pope indicated, is essential for peace. But peace, he insisted, must be built as much by ideas as with politics and the balance of forces and interests.

The first step, the Pope declared, is disarmament. "Let the arms fall from your hands," he advised the nations, for "one cannot love while holding offensive arms."

Man, unfortunately, must retain defensive arms, the Pope said, but the starting point is the abandonment of offensive nuclear weapons that poison men's minds, demand enormous expenditures and divert men's efforts from the works of peace.

Pope Paul's appeal for outlawing nuclear offensive weapons came at a time when the United States and the Soviet Union, the two great nuclear powers, are deadlocked on the issue. The Soviet Union demands a ban on the dissemination of nuclear weapons which, to Moscow, means forbidding nuclear arms to the West Germans. The United States advocates a halt in the production of nuclear weapons and the diversion of fissionable material to peaceable use. Neither government has shown any flexibility.

The Pontiff's broad appeal for the junking of all nuclear weapons appeared to be an attempt to bridge the gap between the two positions and to end the long Soviet-American wrangle over the takeoff point for nuclear disarmament.

The principle of working "one for another" was seen by the Pope as a beacon of hope for the world. He described brotherly co-operation among the peoples as the United Nations at its best.

Respect for human life, "even with regard to the great problem of the birth rate," must find in the United Nations its affirmation and its defence, the Pope declared in introducing his comment on birth control. "You must strive," he said, "to multiply bread so that

it suffices for the tables of mankind," and not rather favour an artificial control of births, which would be irrational, in order to diminish the number of guests at the banquet of life.

Man's dignity is as much a necessity as bread, he said, and in this field he praised the United Nations' efforts to hasten social and economic progress by harnessing the resources of science, technology and modern organization.

The Pontiff's final point, however, was that what the world organization did in the future must rest on more than material accomplishments. The hour has come, he emphasized, for inner transformation and renewal, for recollection, reflection and prayer. The dangers, he warned, come not from science, but from man, who now has the means of his own destruction.

The audience embraced every faith and every race. Directing it to a revival of spiritual principles, the Pontiff noted that faith in God could be founded upon "the unknown God" of whom St. Paul preached to the Athenians.

"Unknown to them, although without realizing it, they sought him and he was close to them, as happens also to many men of our times," the Pope said.

No one left the United Nations believing that the Pope of Rome had suddenly and unaccountably become an indifferentist in the battles being waged on the ideological level for the soul of man.

The present Pope remains as adamantly opposed to atheistic and relativistic systems of thought as any of his predecessors. What has happened is that the Pope has chosen to become a spokesman for man. It was the survival of mankind and the peace and well-being of man, that he emphasized in his speech.

Like his forerunner, the beloved Pope John XXIII, Pope Paul realizes that science and technology have annulled any purpose that warfare in the past might have served. In his encyclical *Pacem in Terris*—"Peace on Earth", Pope John pleaded again and again for reason and common sense to be put ahead of ideological claims, and he did so not in the name of Platonic abstractions but in the name of the survival of the creatures of flesh and blood who inhabit the earth.

Pope Paul has taken up where Pope John XXIII left off. The change from even the recent past is that the Pope no longer seems to look upon his church as a party in the world's quarrels or as a political partisan of any kind, but as a spiritual force upholding human dignity and the goodness of life.

Not too many years ago the Roman Catholic Church was looked upon by the Western powers as a quasi-political ally. There has been a tremendous change. Ecumenical Council Vatican II, for example, has carefully refrained from condemning Communism by name.

The present mood of Catholicism is to suspect its own power. Many of the present leaders are trying to break with the church's political past and to recapture its original purity. This is not easily achieved. Pope Paul, even as he spoke of his own lack of political power, must have realized that his words were still fraught with political significance. They will be read and analyzed as carefully as any ruler's.

In the main the Pope's speech will make life easier for those harassed statesmen who are trying to avoid violence and war. By removing the Church and, by extension, the force of religious zeal from the political energies of the cold war, the Pontiff may have cooled fires that frequently threaten to get out of hand.

By throwing his vast prestige and spiritual authority behind the United Nations, he strengthened the one means for peaceful settlement of burning political issues open to contemporary man.

Like his predecessor, Pope Paul VI seemed to be saying that before man can believe in God, he must first believe in himself. In this sense, his speech was a thundering credo—worthy of the great churchmen.

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

APPROPRIATION BILL NO. 1, 1966

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-116, for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1966.

Bill read first time.

SECOND READING—DEBATE ADJOURNED

Hon. T. D'Arcy Leonard, with leave of the Senate, moved the second reading of the bill.

He said: Honourable senators, perhaps I should explain my request for leave to move second reading now.

As honourable senators know, this bill has just been received from the other place, and I thought it might be helpful to the members if I explained it now. It is not a large bill—only the figures in it are large. After my explanation, the debate can be adjourned, and proceeded with tomorrow. If that is in order and meets with the approval of the Senate, I shall, with leave, proceed to explain second reading now.

Hon. Senators: Agreed.

Hon. Mr. Leonard: Honourable senators, I think some copies of the bill have been distributed. In any event, I may be able to explain it so that you can follow it without the necessity of having the bill in your hands. It is cited as Appropriation Act No. 1, 1966, and is in the usual form of an interim supply bill. In point of fact, it is the sixth supply bill dealing with the estimates and, expenditures of the Government, for the current fiscal year, which began April 1, 1965 and will end on March 31, 1966.

Of the five preceding supply bills, two of them dealt finally with the Estimates that were contained in them. One was a supplementary estimate of $2 million, the other a supplementary estimate of $15 million. Both of those estimates were finally disposed of by two of the five supply bills.

The other three were interim supply bills which granted the Government the moneys to carry on from month to month until in total they added up to seven-twelfths of the total of the items in the estimates, that is, sufficient to supply the Government with money to carry on from March 31, 1965 until October 31, 1965. As all honourable senators know, Parliament was dissolved before October 31, 1965; therefore, by that date the amount of money that had been granted by Parliament had been drawn upon, and for the months of November, December and January, the Government carried on under the provisions of the Financial Administration Act, which permits the issue of Governor General's warrants. These Governor General's warrants are, of course, not in addition to the expenditures in the estimates. They must be justified in the same way as other expenditures and they must come either under the main or supplementary estimates, and furthermore they must be included in the first vote of supply when Parliament meets.

I think that all honourable senators will be interested in the general over-all picture of the Government expenditures for the year.

The Main Estimates that were tabled on March 22, 1965, proposed a total expenditure of $7,601,722,232. Of this amount $3,219,091,388 represented statutory payments and therefore did not require the approval of this Parliament. The balance of the main Estimates, amounting to $4,382,630,844, is the amount requiring authority of this Parliament.

In addition, there have been four supplementary estimates filed: Supplementary Estimates A, in the amount of $2,000,000, which, as I said before, has been finally approved by Parliament; Supplementary Estimates B, in the amount of $278,389,959, which are included as part of this bill; Supplementary Estimates C, in the amount of $15,000,000, which were finally approved last June; and Supplementary Estimates D, which were tabled last week, and which amount to $277,326,349. This brings the total amount of the main and supplementary estimates to date to $8,174,438,440. This does not include the Old Age Security Fund which, as you know, is a fund to which certain special taxes are directed. The expenditure for the current fiscal year on old age pensions is expected to be about $905,000,000 and the revenue from the taxes will provide a surplus over and above the amount.

I should also mention for your benefit that the total over-all figure for expenditure, amounting to $8,174,438,440, includes loans, investments and advances which total some $348,535,107.

Coming to the bill itself, Parliament had so far authorized, up to October 31 the release of $2,811,609,901. This is to say, out of the total amount that requires the authority of Parliament, namely, $4,940,930,485, there had been released up to October 31, the sum of $2,811,609,901. In this bill it is proposed to release a further $1,720,674,987, which will then carry the Government expenditures through to March 1 and leave for the final vote a sum of $408,645,595.

What the bill does, therefore, in general is bring all votes that have not yet been dealt with—all but those two that I mentioned which were finally disposed of—up to eleven-twelfths of the items set out in the main and supplementary estimates.

Honourable senators, the bill is in the usual pattern of interim supply bills. Furthermore,

it carries with it an undertaking of the Minister of Finance in the other place and of the Leader of the Government, in this place, that the passing of this bill, representing as it does purely interim supply, is without prejudice to the right of any senator to consider and deal with the estimates on any future occasion as fully and as effectively as if this bill had not been passed. In other words, it is simply putting the Government in funds to carry on the necessary business of government until the estimates are finally passed.

The operating clause is section 2 of the bill, which releases this figure of $1,720,674,987 of the expenses, bringing them all up to eleven-twelfths of the items in the Main Estimates and the Supplementary Estimates A and B as set out in subsections (a), (b) and (c) of section 2. That is the whole purpose of section 2: it releases all payments up to an amount of eleven-twelfths of the items.

Then there is the proviso at the bottom of that section, on page 2 of the bill, which brings in the Governor General's warrants. It says that this release is deemed to include and is not to be in addition to the amounts authorized by the various Governor General's warrants, giving the dates and amounts of the warrants. Those warrants in all amounted to $920,591,467, which covered the expenses during November, December and January.

Section 3 of the bill is the usual clause dealing with the purpose and effect of each item. Sections 4 and 5 are also standard clauses in all these bills, dealing with commitments and with the rendering of accounts.

Honourable senators, in conclusion may I remind you that the estimates have again been referred to the Finance Committee and they have been and will continue to be under the scrutiny of that committee. As chairman of that committee, I would welcome the help and the assistance and the careful examination by members on both sides of this chamber in considering those estimates. We have here in this house men who are experienced in both business and government. On both sides of the house we have quite a number of men who have been federal cabinet ministers and who are familiar with the working of government and the efficient conduct of government business. If we can work together we can, by our combined experience and knowledge, make a constructive contribution to the efficient administration of the country's affairs.

Hon. A. J. Brooks: Honourable senators, we all appreciate the explanation of this bill given by the sponsor, Senator Leonard. I do not propose to go on with the debate tonight. As a matter of fact, this is one of those very few occasions when we can take a little time in considering a supply bill. We are usually pressed because of the urgency to get royal assent for most of these bills. As some members wish to speak on the bill, I would move the adjournment of the debate.

Hon. Mr. Aseltine: Could we have copies of the bill by tomorrow?

Hon. Mr. Bouffard: All honourable senators will have a copy of the bill by tomorrow.

Honourable senators, I ask that this be first on the Orders of the Day tomorrow, so that we may have time for a full discussion and perhaps passage of the bill tomorrow.

Hon. Senators: Agreed.

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

DIVORCE

REPORT OF COMMITTEE ADOPTED

The Senate proceeded to consideration of the first report of the Standing Committee on Divorce, which was presented on February 3.

On motion of Honourable Mr. Roebuck, Chairman of the Standing Committee on Divorce, report adopted.

INTERPRETATION ACT

BILL TO REVISE—SECOND READING—DEBATE ADJOURNED

Hon. W. Ross Macdonald moved the second reading of Bill S-9, to revise and consolidate the Interpretation Act and amendments thereto, and to effect certain consequential amendments to the Canada Evidence Act and the Bills of Exchange Act.

He said: Honourable senators, last year I had the honour of introducing a bill bearing the same title and in substantially the same form as the one now before us. That bill received second reading, but on account of the adjournment and subsequent dissolution of Parliament it did not receive consideration in the Standing Committee on Banking and Commerce to which it had been referred. In consequence, this present bill is now before us.

The bill, as the title implies, deals with definitions. Now to some honourable senators

that may not sound very interesting, but I can assure this house that this is a most important bill. Indeed, it is so important that a bill of the same title, the Interpretation Act, was the first to be passed in 1867. That act remains on the statute books to this day and, though there have been amendments from time to time, it is essentially the same now as it was then. This bill deals with a general revision of that act, which it repeals.

While this bill follows the previous bill almost word for word, there are seven important changes. I could read these changes, but I think it would be more helpful if I placed a list of them on the record so that honourable senators will have them before them when the bill is considered in committee. With the consent of the house, I propose to put them on *Hansard*.

Some Hon. Senators: Agreed.

The list of changes follows:

1. In clause 26 (5), the expression "slight deviations" has been changed by deleting the word "slight" which is felt to be unnecessary.

2. In clause 27 (1), the opening words have been changed to substitute the word "creates" in place of "establishes", to be more consistent with the terminology of the Criminal Code.

3. At page 12, the definitions of "land" and "real property" previously proposed have been deleted on the ground that it may be better to rely on the context in which these expressions appear in an enactment, in order to determine the precise sense in which they are used.

4. Also on page 12, the definition of "holiday" has been changed generally to accord more closely with the approach that is used in the "Bills of Exchange Act" (where non-juridical days are defined). The new definition is, I think, more accurate and also permits account to be taken of the fact that certain days are holidays in some parts of Canada, although not in others.

5. On page 14, the definition of "Standard Time" as it applies to different areas of Canada has been modified so as to make it possible to vary the definition by proclamation in order to take into account changes in time zone boundaries that may be made in the future (e.g., as a result of a change in a provincial law defining standard time for general purposes within a province).

6. The schedule to the bill, listing the countries that are now recognized as "Commonwealth countries" (see the definition of this expression in clause 28 (6)) has been updated by the addition of Singapore and Malawi, both of which have achieved independent Commonwealth status since June of last year.

7. The period of "thirty days" referred to in clause 22 (3) has been extended to sixty days—(30 days is probably too short a time to permit processing of some of these appointments).

Hon. Mr. Macdonald (Brantford): Honourable senators, this bill is what I might call a committee bill. Therefore to read over the clauses one by one would not be of much assistance. I feel it should go to a committee where it should receive the most careful and detailed consideration.

This bill is also important because the definitions set forth therein will be the definitions used in statutes, enactments, and regulations.

Last year when a similar bill was before the Senate one honourable senator—I believe it was Senator Roebuck—suggested that when the bill was considered in committee it might be advisable to set up a subcommittee to spend considerable time reading the bill word by word, and then to come back to the committee with a report. That, I realize, is a question for the committee itself to decide. But to me it would seem to be the most sensible way of dealing with the bill.

After the previous bill was introduced and received second reading in this house, I was contacted by several outside people who wished to make representations to the committee. I mention this so that honourable senators will see that while this bill may appear not to be very interesting, it has nevertheless received the attention and consideration of persons outside Parliament who are interested in legislation and the drafting of it.

Honourable senators, I do not think it is necessary for me to add anything further at this time. If the bill receives second reading I shall then move that it be referred to the Standing Committee on Banking and Commerce.

Hon. A. J. Brooks: Honourable senators, as the honourable sponsor has said, this bill is practically the same as the one which came before us last session. At that time it was known as Bill S-15. I have read both bills

carefully and I find there is very little difference between them. Last session the bill received second reading and, as the sponsor has mentioned, Parliament adjourned and later dissolved before the committee reported thereon.

It was also suggested last session that this was essentially a committee bill, and that it would require very few remarks in the house on second reading. Furthermore, the suggestion was then made that it might be a wise course to set up a subcommittee to deal with the bill in the manner outlined to us by Senator Macdonald (Brantford). As he indicated, the suggestion was made by Senator Roebuck. Personally, I think this is an excellent idea; it is the most expeditious way in which to deal with this legislation. Five or six people who are well versed in these matters can do much better work than 25 or 30, especially if they have the advice, as they would have, of very experienced civil servants from the appropriate department.

I read the remarks of the honourable Senator Macdonald (Brantford) last year, and noticed that at that time he also told us that this was the first bill passed after Confederation. That, of course, would be quite obvious since it would be rather difficult to pass subsequent legislation without an interpretation of the phraseology and terms which later legislation would contain.

Senator Macdonald (Brantford) has indicated that there are a few changes. I remember that Senator Roebuck dealt with the definition of "land" as it appeared in the old bill. Somebody must have taken his remarks seriously and, I would add, with very good judgment, because I notice that there is no definition of "land" in this bill. The changes are not numerous, but such as there are give a very good idea of the variety of matters that must be discussed. As I have said, "land" was one of the definitions in last year's bill, and of course land is as old as time itself.

Senator Grosart pointed to the word "broadcasting". That of course is something which is very recent, and demonstrates the passage of time and the changes which have occurred since 1867.

I said last year, and I repeat, that I consider this bill has been well drafted and that the explanatory notes are good. I congratulate the Department of Justice on their preparation of this bill and its explanatory notes. I am also pleased that it is again being introduced in the Senate, and I hope that we shall receive for consideration many other bills of a similar nature.

The purpose of the bill was explained to us last year by the sponsor, namely, to bring up to date the subject matter in accordance with modern drafting standards; and, as a result, it would be of great benefit to the courts and all persons interested in the understanding and interpretation of federal statutes and regulations. The sponsor also said last year that it was timely legislation in that it would assist the commission in revising and consolidating the public general Statutes of Canada.

I would like to ask the sponsor of this bill: Has the commission been set up, and is it operating now? Also, has its work been held up in any way by the delay in the passing of this bill? Last year he emphasized the fact that it was timely legislation in that it would allow this commission to proceed with its work. I might read what the honourable senator said at that time, because if there was any urgency in passing this legislation it has certainly been thwarted, for we have had to wait almost a year. He said:

> Finally, I remind honourable senators that this is a piece of legislation which will be of benefit not only to ourselves but also to the courts, and all persons interested in the understanding and interpretation of statutes and regulations made by the authority of the Parliament of Canada.
>
> The legislation is particularly timely, since Parliament has now passed the necessary legislation establishing a commission to revise and consolidate all the public general Statutes of Canada. It is important that this legislation be dealt with as soon as possible, in order that the important work of that commission may proceed on the basis of the new Act as proposed by this bill.

Perhaps the honourable sponsor can tell us later just how much the work of the commission has been held up by the delay in the passing of this bill.

My attention was drawn to an article in this morning's Montreal *Gazette* under the caption "Quebec wants some time on its hands." There is a definition of "time" in this bill, and there seems to be some doubt as to whether the federal Government or the provincial governments have the say as to the setting of standard time, and so on. At page 14 of the bill I read this:

> "Standard time", except as otherwise provided by any proclamation of the

Governor in Council which may be issued for the purposes of this paragraph in relation to any province or territory or any part thereof, means . . .

(b) in relation to the Provinces of Nova Scotia, New Brunswick and Prince Edward Island, those parts of the Province of Quebec and the Northwest Territories lying east of the sixty-eighth meridian of west longitude, and the County of Temiscouata—

Hon. Mr. Pouliot: Hear, hear.

Hon. Mr. Brooks:

—including the Town of Cabano in the Province of Quebec, Atlantic standard time, being four hours behind Greenwich time. . . .

We are anxious to see that remain as it is, because I do not think we could have any better association with any part of the country than that which we have with the County of Temiscouata.

Reverting to the article in this morning's *Gazette*, it states:

The federal Government is apparently planning to introduce legislation this year governing time zones and standard time in a move to bring an end to time abnormalities which exist in many prairie regions.

It goes on to say that the Province of Quebec feels it also should deal with this matter of time. I just mention this to show that the committee might have some difficulty in defining "standard time". However, I hope it will be left as is and that there will be no trouble over that matter.

Honourable senators, I have only to say that I know this bill will be efficiently dealt with in the Standing Committee on Banking and Commerce—an excellent committee, of course. I also know that from the membership of that committee a fine subcommittee can be selected and that it will do excellent work.

Hon. Arthur W. Roebuck: Honourable senators, I did not object so much to the definition of "time", but it does seem to me that an interpretation bill is a strange place in which to define "time". If it is to be defined, I would like to know what statutes are to be affected by the change in the definition, but as long as we have a good time I suppose it is all right. However, honourable senators must realize that when we are proposing to change the meaning of words that have been used in statutes according to certain meanings since 1867, we should make speed slowly.

Take the definition of "land". I have no particular objection to the defining of "land", but I had a grave objection to the kind of definition I saw in the bill last year, and I am glad to see it has now been dropped.

I would like to adjourn the debate in order that I might have an opportunity of examining the bill closely. I have not been able to do so today, nor will I be able to do so before we meet tomorrow. Nevertheless, because the matter is so important, and I think everyone agrees that we should take the necessary time, I now move the adjournment of the debate.

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

SPECIAL COMMITTEE ON AGING

CONSIDERATION OF FINAL REPORT— DEBATE ADJOURNED

The Senate proceeded to consideration of the final report of the Special Committee on Aging.

Hon. Allister Grosart: Honourable senators, I was one of the twenty rank-and-file members of this committee whose report is before us, and it has been suggested that I might say a word at this time about the management of that committee, more or less on behalf of the rankers.

As honourable senators are aware, the committee was under the chairmanship of Senator Croll and the vice-chairmanship of Senator Haig. The Steering Committee was composed of Senators Lefrançois, Fergusson and Quart. My first purpose in rising tonight is to pay tribute to the work done by them in ordering the affairs of this committee. Like many of you, I have been a member of many committees in my time. More often than not I have reached the conclusion that committees are a waste of time, usually because they are badly organized and badly chaired. On the other hand, it is my view that this committee was a model of the way a committee of this kind should be conducted. I say that because we received the agenda a week in advance of meetings, and we also received in advance all the briefs that were presented to us. The result was that the level of the discussions with the witnesses and, in some cases, the examination of the witnesses by the majority of the members of the committee, had a good

deal to do with what I regard as the success of this report.

I would like to pay special tribute to the two honourable senators on the distaff side, Senators Fergusson and Quart, who brought to the deliberations of the committee a great deal of experience, knowledge and, I would say, compassion in dealing with some of the major matters with which we were concerned.

I have been reading the press very carefully during the last week, and I am glad to say that for once an accomplishment of the Senate appears to have achieved a measure of public communication that bears some relationship to the importance of the achievement.

Senator Croll suggested that this report might break new ground, and he was obviously right because it so happens that the very next day a commission appointed by the President of the United States reported to the President, after exhaustive studies of this and other problems. In some respects this commission's report is so close in its thinking and its specifics to the report of Senator Croll's committee that I am almost sure its members must have been listening in on our proceedings.

This was no ordinary commission. Its membership comprised a cross section of some of the best minds in the United States, ranging from the point of view you might expect from Thomas Watson, the well-known chairman of International Business Machines, to that of Walter Reuther of the United Automobile Workers Union who is, if you like, at the other extreme.

The Senate committee's main recommendation is a guaranteed minimum income for every Canadian at the age of 65. The United States commission recommends a guaranteed minimum annual income for every family, regardless of age, of $3,000 per annum. This, having in mind the comparative average level of personal incomes in the two countries, is almost exactly our recommendation. Some would say it is a little more and some would say it is a little less, but it is very close to the recommendation we have made in terms of dollars, yet it covers everybody. The recommendation of the Special Committee on Aging covers, of course, only those who have reached the age of 65.

I have heard comments—some from my colleagues, some from businessmen, some from the press and some from social workers—and they break down, as is usual in a matter that deals with welfare or social justice, into two divisions. There are those who say it is too much, and those who say it is too little.

Those who actually say it is too much suggest an attitude embodied in the phrase, "What's a $100 million?"—because $100 million is the committee's estimate of the annual cost of this recommendation. I give only my personal view. I believe that the $100 million, for whatever number of years it may be necessary to expend it—and it will not be for many years, I think, for the reasons indicated by Senator Croll in introducing the report—will be one of the best bargains Canada has ever made. Perhaps I should not call it a bargain but should say, rather, that it will prove to be one of Canada's best investments.

We do not have to look far from this place to realize the pressures that are going to be brought to bear on any federal government, regardless of its complexion, tomorrow or the day after, for a minimum level of income for the aged approximating $100 per month.

The evidence heard by the committee made it abundantly clear that something in the neighbourhood of $100 a month is the minimum subsistence level for any Canadian at age 65, 70 or over. Some would say that this figure is low, but my view would be, having in mind the different viewpoints of many witnesses who discussed this matter, that that was a fair consensus of their opinion.

I would remind honourable senators that I am referring only to the minimum subsistence level. The evidence the committee heard was that there is a substantial number of Canadians now, and there will be more unless something like this is done, who are living below that minimum standard, who are undernourished and who are, therefore, aging prematurely. They are being rushed into hospitals at public expense because they are undernourished, because they have no money with which to buy food. That is only one aspect of the problem.

One of the most interesting items of evidence we heard came from the head of a large mental hospital in Verdun, I think it was, who said, speaking of a certain number of cases, that their experience was that they could discharge 30 per cent of all admissions of early senility cases in one month by feeding them properly for that length of time. Thirty per cent of the people who were brought into that hospital as mental cases

could be discharged if they received the proper amount of vitamin B.

It is because of that one aspect of the problem that I am supporting this recommendation. It does not do everything. It does not answer all the questions that may be asked about this problem. But, I congratulate the steering committee and the consultant on the fact that they have tackled the essential problem, which is the plight of those now reaching the age of 65. They are the forgotten people. They get nothing now, unless they wish to beg for assistance—and it is a form of begging that is required.

One criticism that has been persistently made is that it is unfortunate the recommendation includes what some call a means test. I am not going to pretend there is not a test required in this recommendation, but I say that it is a very different kind of test from the traditional means test which over the years has, quite rightly, been opposed by the very best of our aging citizens—that is, those who are too proud to plead poor, but who are poor nevertheless.

Where the test in this recommendation differs from the traditional means test is in the fact, first of all, that it is not a test of assets. No old person, under the administration envisioned by the committee, will be required to go through the gruelling examination of his effects, his chattels, real and personal, which was one of the great disadvantages of the old system. He will be required only to file an income tax return, and I, personally, see no hardship whatsoever in this. Indeed, I would go so far as to recommend consideration being given to having everyone over 65 required to file an income tax return.

What will be the effect of this? It will, in effect, do no more than what is going to have to be done anyway. All those who at the age of 65 do not have the guaranteed minimum income—single persons under $1,260, and married couples under $2,220—these people at the bottom level would be filing an income tax return under the committee's recommendation, or should be if they are not too proud. Most of those above these levels would file income tax returns in the ordinary way. There would be only a very small segment of those in between who, in the normal course of events, would have no reason to file an income tax return. I suggest that if the filing of an income tax return were made compulsory for everybody over the age of 65, then the payment of the additional income to these people, particularly at age 65, would be automatic. Perhaps it would not be quite automatic; there would probably have to be some form of application but nobody would be put in the position of having to file an income tax return merely to get the addtional benefit.

I emphasize this problem of the over 65 age group, because the recommendation of the committee really only raises the total amount now available to an aged person of 70 years of age by $360 a year. Its great benefits will be felt by those in the 65 to 70 age group who do not came under the universal Old Age Pension.

Honourable senators, I believe this recommendation has many merits, and I am speaking now only of the main recommendation. It is politically practical, financially feasible, and I think sociologically sound. For those reasons, I recommend it to your consideration.

Hon. Arthur W. Roebuck: Honourable senators, it is not often that all of us in this chamber find ourselves in agreement, but I think on this occasion the Senate can be practically, if not entirely, unanimous. I can say now that I adopt *in toto* the speech made by my predecessor, Senator Grosart, and ask that you make his speech mine.

We in the committee studied this question for a long time. We held many meetings; we gave the matter considerable thought, and the report that has been tabled here was unanimously adopted by the committee.

Like Senator Grosart, I also was just one of the rank of file, one of the soldiers. I was not on the steering committee and had no other position than that of a member of the committee. Therefore, I think I am free to express approval of what was done by the committee, by its chairman and by the steering committee.

Let me recall that this is not the first time that a special committee of the Senate of Canada has examined some question of great national importance and reported its findings to the general membership of the Senate. The employment situation of only a few years ago was drastic. It is still a problem of great importance today. That subject impelled the Senate at that time to set up a committee which we called the Committee on Manpower, with special reference to unemployment. Our report was widely read, and very widely publicized. It brings together a mass of material, supported by many tables of statistics and research data. However, that report was a disappointment to me, because if

you read it from cover to cover you cannot find one single suggestion that even attempts a cure of the disease, or of its control, or the amelioration of the woes and troubles, the disaster of vast unemployment.

No person can bring that criticism against this report. It is overflowing with suggestions. It contains a mass of material upon which the most generous type of advice is given by us to the dominion Government and such departments as Labour and Public Works, the municipal and provincial governments, the churches and other interested organizations. This report has had the courage to lay down in cold print very nearly 100 recommendations, covering a wide field, always within the pertinent lines, on a number of subjects such as housing, at very great length, health, loneliness of poor people, the place of the aged in the home and in society.

It was a frequent complaint made by the witnesses who appeared before us—and they nearly all represented some organization whose work was associated with the aged—that there was a lack of organization among those attempting to assist the aged, a lack of co-ordination, and a lack of knowledge of statistics with respect to the lives and the needs of older people. Well, this report seeks to ameliorate, if not actually correct, these conditions.

May I point out here that we should be careful, in view of the important financial features of this report, not to overlook the numerous suggestions, well thought out and well expressed, which are not financial in their character.

One suggestion which greatly interested me was that there be appointed local councils in the various provinces or municipalities, whose duty it would be to co-ordinate the efforts of the various organizations within the territory so that their work might perhaps be more effective, and to suggest, gather knowledge and statistics, and so on.

In addition to these local councils, you will find it suggested that we appoint a National Commission on Aging, a commission to give leadership in the field of aging, to broaden the lives and to reduce the more drastic wants and needs of older people. It would be a clearing house of information, of plans, of enterprises and of the need for them, and it would seek the support of the public by periodic bulletins and that sort of publication.

It is suggested that the membership on that commission include representatives of municipal, provincial and dominion governments, of interested organizations, of private individuals, because of their experience and knowledge over the years in this field.

Honourable senators, it occurs to me what an opportunity this would be for individuals so inclined, or for companies, or any institution of that nature, to take a lead in this matter to supply the drive, and perhaps the funds, that would be required to make such a commission a continuing and lasting success and benefit to the older people of Canada.

Now, I know that I do not need to plead for any particular interest in this chamber for this report. Why should we not be interested? I have taken a short excerpt from one of the paragraphs in the foreword to the report—and you can all guess who wrote it. It reads as follows:

> Senior citizens are not some indefinable group, separate and apart. They are our mothers and our fathers. They are ourselves in a few years.
>
> For some of us, not for very many.
>
> They are those who have made contributions to society and to our country. They are those who have given their energies, their skills and their children for the good of society.

Surely I do not need to tell you who wrote that—Senator Croll.

The members of the committee have shown an unusual interest in this broad subject, in the many hours that they have spent listening to the plight of the aged. We have heard the evils and the misery that have followed compulsory retirement—which I think is an outrageous thing in a modern civilization, an antiquated barbarity we should get rid of as soon as possible. We have heard of the lack of occupation of the older people, of the loneliness that some endure, and the lack of the necessary care on many occasions for these older people.

I know that growing old may be tragic, but it is the common lot of all, and I suppose there is little to be gained by talking too much about it. But I can tell you, my fellow members, that what haunted this committee as we studied this problem was the question of the indigent poor. That was the riddle of the sphinx, the riddle which not to answer was to be destroyed. The crucial question was how to find the basic necessities of life for the elderly citizens who were in actual physical need. That was the thing which stared us in the face.

A lavish expenditure on old people over 65 years of age? Well, that lacked common sense; that was so excessively expensive that it would arouse the opposition of the Canadian taxpayer. Personally, I am not interested—I am an old age pensioner. They pay me $900 a year, and I am not the slightest bit interested, I can assure you, in increasing it by another $25 a month. Oh, I could use the money, but the point is that I do not need money. There are thousands of others like me who are drawing $900 a year, $75 a month, as an old age pensioner, who have no need whatever of that money—none at all.

On the other hand, there are so many in such dire want or at least in such uncomfortable and perhaps unnecessary want, that a little common sense and thought to this whole problem has been an essential which we in the Senate are now giving to it. I am not interested in the old age pension for people who do not need it, but I am concerned, my fellow citizens, that the older men and women shall have enough food in their stomachs, enough warm clothing in this cold climate, and warm accommodation in which to enjoy what I hope is the sunshine of their declining years. That I am interested in, and I think this report solves that question.

In committee I expressed the opinion that it was pretty close to a flash of genius. We recommend the guarantee of a minimum standard of living so that we give help to those who need help and to no others, that we see to it that those whose income is now below what I have heard described as the bread line, shall be brought up to a certain modest standard.

We suggest that if the income of any single person is less than $1,260 a year, that it be raised to that amount; and to any married couple with less than $2,220 a year, that their income be raised to that amount. We will do that, as Senator Grosart has now so well said, not by a means test as we have known it in the past but by the person, the recipient, simply stating his income in an income tax report. I grant you, when anybody talks of an income tax report it raises the hair on the back of my neck, because I have been making a return for a good many years now and always with a certain amount of objection. However, if I thought that money was coming to me instead of my paying it out, I do not know that I would have much objection to making that kind of income tax return. At all events, if there were objection, it would be in private and not in public, as our past methods of means testing have been.

I think it is about the easiest way we could get to information publicly collected, in such form that it could be used for financial purposes. So the report solves the worst problem as regards the aged and the indigent, those beneath the breadline.

I submit to you that it is humanitarian to the last degree; it is moderate; it is not extravagant. The payment of $25 additional per year to all people over 65 years of age in the Dominion of Canada would cost the taxpayers some $800 million. That is why that suggestion has not yet been carried in the Commons and possibly would not be carried here. It is too extravagant.

Senator Grosart has told you the best estimate we have of the cost of raising the incomes already possessed to a modest standard of living would be only $100 million, which is not so much if you say it fast. It is only one-eighth of what has been proposed publicly and by a large number of people in Canada at this time.

I repeat, the proposal we have made is humanitarian, it is not extravagant, it is capable of implementation. And I tell you, my friends, my opinion is that it stands a very good chance of adoption. If it becomes law, as I think it will, it will take the tragedy out of penurious old age.

I am proud of this report. I did not have any more to do with the actual drafting of it than my friend Senator Grosart has said about himself. But I have been pretty close to it and I have been very interested in it.

Honourable senators, you will find it possesses a very great deal of common sense. You will find a mass of material in it. You will find that material expressed in excellent English and in a fine clear style. You will find that its excellence of appeal is remarkable.

Honourable senators, I would like to pay credit to those to whom credit is due. It is due to many of us and it is due to all of you who are within the range of my voice. Of those to whom particular credit is due in having produced this massive document, the first one I mention of course is Dr. Richard Davis, our consultant, who was a tower of strength throughout our hearings, who helped in their organization and helped very materially in the production of the document itself. With Dr. Davis I include the small professional staff which he had, and a very small clerical staff. I should add to that the

members of the Committees Branch who attended our meetings and took care of many of the details.

Above all, I would like to give credit to all those witnesses who appeared before us, at their own expense, sometimes advising us orally and frequently by most careful and copious briefs. I would like to thank the organizations they represented. I do not know how we could have conducted the examination we made had it not been for the general help given to us by organizations and by individuals in very large numbers.

The over-all credit, the outstanding credit for this report, goes to the chairman of the committeee. He initiated the enterprise in the first instance. He presided over our deliberations most acceptably and carefully, and with a dedication that was remarkable. He has given a wealth of labour to this work, with a singleness of purpose, and he has finally produced what I consider to be a masterpiece of thought and service.

In conclusion let me say, as I said in committee when I moved the adoption of this report, that if it finds favour in the sight of the people of Canada, as I think it will—the press reports give me reason for that optimism—and if it becomes law, it will be the greatest achievement in public relations by the Senate of Canada since its inception in 1867.

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

The Senate adjourned until tomorrow at 3 p.m.

23031—21½

THE SENATE

Tuesday, February 8, 1966

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

Prayers.

DOCUMENT TABLED

Hon. Paul H. Bouffard tabled:

Report on the Old Age Security Fund and of temporary loans made to the fund during the fiscal year ended March 31, 1965, pursuant to section 11(4) of the Old Age Security Act, chapter 200, R.S.C., 1952. (English and French texts).

APPROPRIATION BILL NO. 1, 1966

SECOND READING

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Leonard for the second reading of Bill C-116, for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1966.

Hon. A. J. Brooks: Honourable senators, after the introduction of Bill C-116 yesterday by Senator Leonard, I congratulated him upon his splendid explanation of its provisions. The bill is in the usual form of an interim supply bill, and in this respect it corresponds with five other bills that Parliament has passed in connection with the 1965-66 Estimates.

Senator Leonard mentioned, however, that it differs in one particular, namely, in the very large amount of money to be voted. I do not know for certain, but I think the bill provides for the largest amount of money ever included in an interim supply bill, $1,720,674,987. By passing this bill we shall be voting four months' supply, which accounts for this huge sum. If I understood the honourable Senator Leonard correctly yesterday, the other previous five interim supply bills provide for supply up to October 31, is that correct?

Hon. Mr. Leonard: In general, that is correct. In some cases a larger amount of supply had been given.

Hon. Mr. Brooks: Then this interim supply bill, which would provide for November, December, January and February, is the final interim supply bill?

Hon. Mr. Leonard: This is the final interim supply bill.

Hon. Mr. Brooks: So there may be other bills covering supplementary items?

Hon. Mr. Leonard: Yes, the honourable senator is correct.

Hon. Mr. Brooks: Have you any idea whether or not there will be other bills?

Hon. Mr. Leonard: We asked that question of Dr. Davidson in the Finance Committee the other day, and he said that generally there was a final supply bill to clear up any items that came up around the end of the fiscal year.

Hon. Mr. Brooks: Then I assume we are safe in saying that the amount of $8,174,438,440, which is the total amount of the Main Estimates and Supplementary Estimates, is the aggregate of all that we have, including the Governor General's warrants.

Unfortunately, honourable senators, there was not time either for us to review in a general way or for our committee to review in detail the last Supplementary Estimates. May I say that I noticed that the House of Commons, in dealing with this bill, spent very little time on interim supply yesterday. They seemed to throw up their hands and say, "What is the use, the money is all spent anyway and there is not much sense in talking about it." We in the Senate of course have not had the opportunity to discuss supply as have the members of the other place. They have been discussing supply for the last three or four weeks, since the Minister of Finance moved his motion. Here we have but a short time for discussion of this subject. We are told that these matters are discussed in the Senate Committeee on Finance. I know that that committee, under the chairmanship of Senator Leonard, does an excellent job, considering the opportunity the committee has. It is, however, a perfunctory review of the Estimates that we get here in the Senate.

Honourable senators, from reading the press, the *Hansard* of the other place and certain Government publications, we know that there has been a very good review of the Estimates. Parliament could not do this, as we have been out of session for seven months—it is like seven months wasted. However, a review has been made by the Auditor General's Department.

We are fortunate in having such an independent department and such well

qualified men to look into and inquire about expenditures. Over the years that department has given noteworthy assistance to all governments, and its services have been much appreciated.

I should like to comment briefly on some items which were brought out by Mr. Henderson, the Auditor General, and quote some of his statements.

The Auditor General and his department have become known as the watchdog of government spending. This financial expert, with his competent staff, digs deep into all corners of government business, looking for financial sins of omission and commission and for bureaucratic mistakes and oversights. I am very sorry to say that he has been finding a great many such unfortunate oversights and mistakes. A recent report following the Auditor General's examination has revealed some strange items.

One major conclusion by the Auditor General indicates that there is much to be done in the streamlining of government procedures in order to eliminate wasteful expenditure. He refers particularly to the Glassco Commission Report and points out that, of the 275 main recommendations by that commission, the Government has seen fit to implement only 100. That is a small proportion. In addition, only 24 per cent of the 450 specific situations involving outdated and uneconomic procedures pointed out by the Glassco Commission have been remedied. In 39 per cent of the cases no action whatever was taken. This scarcely seems good enough, and I am sure this is the general reaction throughout the country.

The Ottawa *Citizen* of February 3 pointed out:

> Perhaps the Pearson Government has good reasons to reject the bulk of the proposals—

We would expect the Ottawa *Citizen* to be very kind to the Government.

> —but it should at least make known just how much of the Glassco Report is to be adopted.

It should accept what is obviously useful and helpful.

The report finds "no lack of awareness" at the various departmental levels of a need to deal with these problems. Their attitude will not change until they receive the appropriate leadership from the Government, which first must inject into the Civil Service the need to become aware. This sounds reasonable: leadership should come from the Government.

The Auditor General also reported that last year administrative and financial mistakes in the Government and federal agencies totalled a loss of $22,737,000 to the Canadian taxpayer. Our attention has also been drawn to the fact that of the 50 recommendations of the House of Commons Public Accounts Committee the Government carried out only 10 and partially inplemented four others. This certainly sounds inadequate and emphasizes a laxness on the part of the Government. As we all know, this important committee works very long hours; it is a most selective committee, with the ablest men from all parties in the House of Commons as its members. It does an excellent job and makes worthwhile recommendations. Of course the majority of its members are from the Government benches.

I believe, as the Auditor General has also pointed out, that if more attention was paid to recommendations of the Glassco Commission and of the Public Accounts Committee of the House of Commons, the Government could eliminate to a greater extent waste in financing. However, as I have pointed out, the Government has chosen to ignore the implementation of the majority of these recommendations from both these excellent sources. I would hope, therefore, that during the detailed consideration of future estimates in the other place the minister responsible for each of the departments of Government will give a complete statement of the accounts for his department and also indicate what action is proposed in order to prevent a recurrence of such waste. A loss of $22,700,000 deserves some sort of explanation.

I would like now just to mention the much-discussed new United States investment guidelines for subsidiaries of United States companies operating in Canada. This would be very difficult to explain in full and I would not attempt to do so. What is meant by "guidelines" and what effect will they have on our economy?

There are four matters which do stand out in their recommendations. First, the importation by United States parent companies from their Canadian subsidiaries had to be reduced. This is a direction from the United States Government. Secondly, that new direct investments from the United States would have to be moderated. Third, exports of raw materials and component parts from the

United States to the subsidiaries had to be accelerated. Finally, that dividends and idle balances in Canada had to be repatriated to the United States.

We have heard much of the activities of Mr. Kierans, Minister of Health for Quebec and formerly a member of the Montreal Stock Exchange. He is a man who seems to be and in fact is very well versed in financial matters. In a well documented speech in Toronto a few days ago he expressed the opinion that these guidelines would cause considerable harm to the Canadian economy and to the financial structure of Canada. His views have been fairly generally accepted by financial men across Canada, and I wish to comment briefly on some of the significant effects.

It is clear that under these guidelines subsidiaries would have to look to the Canadian money market for financing. The bulk of our manufacturing, mining and petroleum industries are American-owned. These are vast complexes, requiring huge capitalization. We have been told, and I believe it to be correct, that the Canadian economy would be greatly upset. The subsidiary company would, however, obtain the financing because the money would be guaranteed by the parent company in the United States, and the banks in Canada would, in the interests of their shareholders, accept these guarantees as sound. Further, it has been estimated that the effect of the guidelines will be to worsen the Canadian deficit on current account with the United States by more than $300 million.

It is fortunate that this entire affair has been brought out into the open. We have the distinct impression that the Government did not take a stand to protect our interests and did not attempt to fight it. Statements made by the Minister of Finance have not disclosed how the Government proposes to attend to this. In answering questions in the House of Commons on the matter, the minister gave us no assurance that we have any position from which to retaliate. If it is necessary, as I believe it will be, he has indicated that we can have guidelines of our own, and that we will retaliate if we are hurt. After being questioned by the Opposition in the House of Commons he did not say what these Canadian guidelines were, but he did intimate that he was sending the Minister of Trade and Commerce to Washington to investigate as well as inform the United States of the effect on the Canadian economy. I also believe that he is investigating in Washington the effect on Canadian finance.

Canadian stock purchases abroad have been affected. Something else which I might point out in connection with these guidelines is the degree to which European and American investors are selling Canadian stock. As can be understood, this will have a most harmful effect on our own balance of payments position.

The latest Dominion Bureau of Statistics figures indicate that the effect is a staggering outflow of capital from Canada. These statistics indicate that for the first ten months of the 1964 calendar year the capital outflow of Canadian funds was $89 million. Compared to the same period last year, the Dominion Bureau of Statistics reports that the total capital outflow of Canadian funds was $266 million; that is, $89 million as compared to $266 million, an estimated increase of just under 300 per cent in one year.

Two reasons have been advanced to explain this situation: first, Canada does not have a large enough defence industry showing attractive growth for investment; second, the imposition on most Canadian stocks by the United States of the interest equalization tax. Honourable senators will remember the furor that was raised over this tax a short time ago.

While there are certainly economic reasons for this alarming outflow of Canadian dollars, one cannot help but wonder whether foreign investors do not hold the policies of our finance ministers suspect as a result of their financial experiments of the past three years.

Turning to another subject, we have received some significant warnings in this country recently regarding the danger of inflation arising from our economic and financial policies. Dr. Deutsch, the often-quoted Chairman of the Economic Council of Canada, speaking before the Canadian Manufacturers' Association in Toronto just a short time ago, called for a surplus in government budgeting and a cutback in spending to ease inflationary pressures in the economy. He also urged that businessmen and labour unions should resist any desire to seek excessive gains in profits or wages. He told his audience that the economy was operating at high speed, that business and labour could exploit the opportunity to make excessive gains in prices, profits and wages, and that immoderate demands could lead to general inflation. He pressed strongly for a budgetary surplus.

We read also in a Toronto paper a few days ago a headline which said, "Graham Towers Sounds Warning." We all remember Graham Towers, a former Governor of the Bank of Canada who is now chairman of the Canada Life Assurance Company, a man whose views are generally listened to and accepted by many Canadians. He warned the Government that they will have to pay more attention to the balance of payments problem than they have in the past, and he told the annual meeting of his insurance company that Canada's current deficit will probably be about $1 billion for 1965 and, as far as he can see, there will be no great improvement this year. He also said that the recent pace of credit expansion which has helped boost the Gross National Product by 40 per cent in the last five years cannot be maintained without causing trouble.

It is also interesting to note the remarks of J. M. Keith, who headed a delegation of the Canadian Chamber of Commerce to present the views of that body to the Minister of Finance with reference to the coming federal budget. The Chamber of Commerce brief said that the Government should hold spending plans and welfare programs in check as much as possible to ward off current inflationary pressures. The brief also said—and this has something to do with the guidelines I mentioned earlier—that unless Canada frees itself from a commitment to the United States to hold its foreign exchange reserves steady, it will either have to devalue the Canadian dollar further or set its exchange rates free.

The Chamber of Commerce, in advising on the preparation of the 1966 budget, pointed out some of what they considered to be the principal objectives. They are: First, to encourage domestic output of goods and services; second, to control government expenditures to the maximum extent possible; third, to restrain inflationary forces already evident in the economy; fourth, to remove impediments to the free use of monetary and fiscal policies; and fifth, to increase freedom, flexibility and competition in the financial system.

These men, who are thoroughly acquainted with the economic situation in Canada, voice the opinions and views of a great many people and much of the press of today. There have been some excellent articles and editorials in recent issues of the *Financial Post*, which I am certain all honourable senators have seen and read.

As I said at the outset, it is impossible to review the Estimates in the short time we have at our disposal. In speaking of these matters, one can only mention some general topics, which nevertheless are of great importance. I would like to suggest that these matters I have spoken of—namely, the effect on subsidiaries of parent companies in the United States, the comments by Mr. Henderson in the Auditor General's report, as well as some of the views expressed by the leading economists of the country on the danger of inflation—could very well be made the subject of the study by our Standing Committee on Finance. There is no doubt that this committee could have made available to it some of the outstanding experts in the Department of Finance and other departments of government.

Hon. Walter M. Aseltine: Honourable senators, I do not intend to take much time today, or even to say anything that will delay the passage of this bill. In the first instance, I congratulate my good friend Senator Leonard on the very efficient manner in which he introduced this difficult bill. I had the honour and responsibility for four or five years of performing this function, and I am pleased to say that on each occasion I received every co-operation from the senators on the other side. I am sure that we on this side of the house wish to extend the same co-operation to Senator Leonard.

What I have to say next is in no way to be construed as a criticism of the present Government, but I should like to mention the use made of Governor General's warrants. For as long as I can remember every government in power has issued warrants, and in this respect there is no criticism I can level particularly at the present government.

Governor General's warrants were issued to provide money for the carrying on of the business of the country during the months of November, December and January when Parliament was not in session. As all honourable senators know, supply had been granted for July, August, September and October. At the end of October the Government ran out of money and, Parliament not being in session, found it necessary to obtain the funds required by the issuance of Governor General's warrants. I refer honourable senators to the bottom of page 2 of the bill where we are informed that on November 1, 1965, a Governor General's warrant was issued for a large sum of money; another warrant was issued on November 29, 1965, and three more were issued on December 29, 1965, January 7,

1966 and January 17, 1966. The total provided by these warrants was something in excess of $900 million.

Yesterday Senator Leonard, in speaking about these warrants, stated that the Financial Administration Act provides for the issuance of Governor General's warrants. I agree with that fact, although I do not agree with the statement that the act provides for the issuance of Governor General's warrants in respect of the matters about which I have been speaking. My reason for disagreeing with Senator Leonard is that section 28(1) of the Financial Administration Act seems to me to be quite clearly to the contrary. It reads:

> Where an accident happens to any public work or building when Parliament is not in session and an expenditure for the repair or renewal thereof is urgently required, or where any other matter arises when Parliament is not in session in respect of which an expenditure not foreseen or provided for by Parliament is urgently required for the public good, the Governor in Council, upon the report of the Minister that there is no appropriation for the expenditure, and the report of the appropriate Minister that the expenditure is urgently required, may order a special warrant to be prepared to be signed by the Governor General authorizing the payment of the amount estimated to be required for such expenditure.

My contention is that the issuance of a Governor General's warrant for the purpose I have mentioned—that is, to provide money for the carrying on of the business of the country—is not covered by that section at all. It has to be stretched quite a bit in order to make it wide enough—

Hon. Mr. Leonard: May I ask the honourable senator a question? Is that the wording of the section as it appears in the Revised Statutes of Canada, 1952?

Hon. Mr. Aseltine: Yes, it is.

Hon. Mr. Leonard: I think there has been an amendment since that time. Perhaps I may be allowed to deal with it when I make my reply.

Hon. Mr. Aseltine: I looked very carefully through all the amendments, but I could not see one that amended this section. I have asked people who are familiar with this subject about it, and I was informed that there has been no amendment to cover the matter. When this point was brought up in the other place no answer was given.

Section 28 goes on to say in subsection 2:

> A special warrant issued pursuant to this section shall for the purposes of this Act be deemed to be an appropriation for the fiscal year in which the warrant is issued.

I shall not read subsection 3. Subsection 4 reads as follows:

> For the purposes of this section Parliament shall be deemed to be not in session when it is under adjournment *sine die* or to a day more than two weeks after the day the accident happened or the other matter arose.

Honourable senators, as I said before, I do not intend my remarks to be at all critical of the present Government, because all governments have been following the same practice for as long as I can remember. What I am pointing out is that there is no direct authority in the Financial Administration Act for the continuation of this practice.

I say further that the legality of this was questioned by the Auditor General of Canada in his report of March 1963. I do not intend to go into that report fully—the reason I shall give later—but when it was referred to the Public Accounts Committee of the House of Commons the issuance of Governor General's warrants for these purposes was discussed further, and, as I said a moment ago, it was mentioned yesterday in the other place.

My sole purpose in making these remarks is to bring this matter forcefully to the attention of the Senate. It is a common practice that has grown up over the years, but in my opinion it is a wrong practice and should be corrected by an amendment to the act. It is my suggestion that the matter of the issuance of Governor General's warrants for the purposes mentioned in this bill should be referred to the Standing Committee of the Senate on Finance. I am sure that committee could do a worthwhile job in dealing with it, and, if necessary, prepare a suitable amendment.

At this point I should like to say something else about the Standing Committee on Finance. That committee had a fine, well attended meeting on Thursday last. Dr. Davidson was present, and the committee had before it Supplementary Estimates (D) which were discussed at some length.

The Standing Committee on Finance is a very important committee and is doing valuable work. It seems to me that some honourable senators who are not members of the

committee forget that they are entitled to attend the meetings of this committee when these matters are discussed. They have a perfect right to take part in the discussions and to ask questions. The only thing they are not allowed to do is vote on a matter when it comes up for decision, since only members of the committee may vote. I for one hope that senators who are not members of the committee will take advantage of their right to be present and to take part in the deliberations of the committee.

One matter which arose in committee, and which I thought was explained very well, was an item which frequently appears in supplementary estimates, known as a "$1 item." I had always thought that when a dollar item appeared it meant the spending of more money than was already in the Estimates. However, it was clearly stated at the meeting of the committee that such was not the case, but that it was rather merely a provision so that money which had already been provided for in the Estimates could be used for some other small purpose which was not exactly included in the item. It appeared to me to be a method of amending the act in some cases, without bringing in an amendment. As I am not sure that I appreciated fully the significance of the explanation, I would be pleased if Senator Leonard would deal with the matter when he replies.

Hon. Mr. Roebuck: It should be put in the Interpretation Act.

Hon. Mr. Aseltine: Honourable senators, that is all I have to say on this occasion. I intend to support the bill. I hope it will be given second and third readings today, and that it will receive the Royal Assent in due course.

Hon. T. D'Arcy Leonard: Honourable senators—

The Hon. the Speaker: May I remind honourable senators that if the honourable Senator Leonard speaks now, it will have the effect of closing the debate.

Hon. Mr. Leonard: Honourable senators, first of all I wish to thank the honourable Leader of the Opposition (Hon. Mr. Brooks) and the honourable Senator Aseltine for their constructive addresses and helpful suggestions. I must admit that I find myself in agreement with many things they said.

First of all, with regard to the Auditor General, Senator Brooks spoke very highly of him and dealt with some matters in his report. I concur in his praise of the Auditor General. Mr. Henderson and his predecessor have done invaluable work for this country by the conscientious, careful, independent way in which they have reviewed the federal accounts, and without hesitation and with a great deal of courage pointed out where mistakes have been made, regardless of what government might be in power and no matter on whose toes they might be treading.

Mr. Henderson has appeared before us in the Finance Committee on past occasions. I am sure he will appear before us again, because his knowledge, experience and advice are most helpful. While a good many of his recommendations have not been followed up or implemented, I think that in the process of the work of the Public Accounts Committee in the House of Commons, under the chairmanship of Mr. Baldwin, and with the contribution our Finance Committee can make, we can bring pressure to bear, certainly by reiterating the points Mr. Henderson makes, and perhaps the constant dripping will wear away some of the stone.

The Finance Committee dealt with the Glassco Report in its sittings and in the report we made last year. We shall continue to keep ourselves informed on the progress that is being made.

May I recall for the benefit of honourable senators that one of the things that resulted from the Glassco Report was that outside firms were engaged to go into four departments of Government to ascertain how the Glassco recommendations could be actually worked out in practice, but at the time of our last sittings, up until June 30, 1965, not one of these reports by the outside firms was yet available.

Hon. Mr. Brooks: May I ask the honourable senator if an investigation is still going on by any of these firms?

Hon. Mr. Leonard: I am not fully informed on that to date. That is one of the things I should like to follow up. As soon as one of the reports is available, I think we should get some information on it.

Senator Brooks then dealt with the matter of United States guidelines. I suppose there are others in this chamber who are better able to speak to that than I am, and while I concur in the fact that we are all concerned as to what will be the effect of these guidelines on Canada, I should mention that the

United States has a very serious balance of payments problem. These guidelines have been put in force by them for the purpose of rectifying that situation, and from what I have read in the press I gather they expect that by the end of this year the drain on their gold reserve will cease. In that event, one would expect that their controls, their restrictions, on their international balance of payments would ease. I think we should hope for that.

I noticed in the press today that the Minister of Trade and Commerce, Honourable Mr. Winters, met with a substantial number of heads of subsidiaries in Canada of large United States companies such as Dupont, Union Carbide, Imperial Oil—pretty well covering the whole field—and discussed this situation with them. If I read the item correctly, my understanding is that in so far as these companies are concerned, these guidelines have not involved any change in the way the subsidiaries carry on their business in Canada.

I think we should remember also that Canada has a very strong exchange reserve. Therefore, notwithstanding the very large deficit on our balance of payments on current account with the United States, notwithstanding the sale of securities balance to which the honourable Senator Brooks referred, our exchange reserve still maintains its level and strength, even to a point where we ourselves have deliberately kept it down so as to conform to our part of the arrangement with the United States. If the outward flow of dollars, either on current account or on capital account, should become serious it will be reflected in that exchange reserve and we will then have warning and an opportunity, I should think, to take such action as the Minister of Finance says he will take to protect Canada's position.

Hon. Mr. Brooks: May I ask in that connection if the United States has not asked Canada to reduce her exchange reserve?

Hon. Mr. Leonard: I understand the arrangement is to maintain it and not to increase it. I would not be absolutely sure on that. The honourable Senator Beaubien (Bedford) nods his head and seems to suggest we were to reduce it, but I doubt if we gave any commitment other than not to increase it.

Senator Brooks referred to the threat of inflation. Inflation actually is taking place in some degree at the present time. I share his views on that score. When an economy reaches a condition of full employment, there is a grave danger that the pressure will force prices up, and create a difficult situation. We should heed the warnings of Dr. Deutsch. I hope that some measures will be taken to ease some of the pressures which are sending prices upwards.

I notice that the federal Government has announced its intention to space out public works over a longer period of time, so as not to put any greater pressure on the construction industry. This is one step which can be taken, and there are others.

Senator Aseltine raised the question of Governor General's warrants. This is an important question and I am grateful to him for raising it. It is one which troubled me. I consulted the Revised Statutes of Canada, 1952, and saw the section he quoted. It seemed to be doubtful that such a wording would go so far as to cover the situation with which we are dealing.

According to *Hansard* of the other place, the chairman of the Public Accounts Committee, Mr. Baldwin, quoted the same section as did Senator Aseltine. According to the research that I have been able to make, the situation seems to be this: Section 28, as it appears in the Statutes of 1952, is in practically the same wording as it has been since Confederation. In 1957—I may bring back some nostalgic memories—there was an election in June of that year, which many senators will remember. There was a hiatus in the sittings of Parliament for six months and two days. The new Parliament came in, but within another six or seven months there was a second election. That meant two elections inside one year, which also brings back some memories. Because of these two elections and of the hiatus between Parliaments, there was a substantial use of Governor General's warrants in the two years—the 1957-58 fiscal year and the 1958-59 fiscal year.

In the 1958 session, at the first session of the new Parliament, the then Minister of Finance, Mr. Donald Fleming, introduced an amendment to the Financial Administration Act, taking out those first words which were in the old act, which said that when an accident happens to any public work or building, or when any other matter arises, etcetera—which suggested that it would be only in case of an emergency that Governor General's warrants would be used. It was amended by chapter 31 of the statutes of 1958, and assented to on September 6, 1958—and I have found no amendments since.

Hon. Mr. Aseltine: I have read that amendment, and I did not think it applicable.

Hon. Mr. Leonard: It repeals the former section, which you read. The amendment provides:

> Subsection 1 of section 28 is repealed and the following substituted therefor:
> 28(1) Where a payment is urgently required for the public good when Parliament is not in session and there is no other appropriation pursuant to which the payment may be made . . .

Then it continues, and follows the same wording as the earlier section. Obviously, the appropriations had been exhausted as of October 31, 1965, and therefore this method was not available. Salaries had to be paid, and also all the other expenses of government. I take it that Mr. Fleming felt that by this amendment he would cure the situation; and I must admit—showing I have no political partisanship—that I agree with him. I think this was the right thing to do and that he did it properly. I think that Senator Benidickson, who was then financial critic in the Opposition, would also be inclined to agree with it. I think this is the way it should read: The proper time for the use of the Governor General's warrants is in a period when, due to an election, Parliament is not sitting and appropriations have run out.

The other good point that Senator Aseltine brought up was the matter of these $1 votes. Again, he is quite right. These $1 votes are something we should scrutinize with care whenever we see them. Let me give one example. Although it is true that we legislate when we pass these supply bills, this is a form of indirect legislation. The better way would be to pass a substantive act of its own. In regard to the Supplementary Estimates D, to which Senator Aseltine was referring, this particular matter came up at our meeting and Senator McCutcheon also spoke to it. In the Loans, Investments and Advances, Vote L15d, at the top of page 17, it says:

> To provide that the total amount of outstanding advances at any one time with respect to loans to Indians under section 69 of the Indian Act, notwithstanding subsection 5 thereof, shall not exceed $1,500,000.

Then that is carried out at the end of the line as $1.

If you go back to the Indian Act you find that the original section 69 of that act authorized loans of this character to an amount of, I think, $350,000. Subsequently, in later years, by an amendment to that act, the authorization was brought up to $1 million. Now, by a supplementary estimate, we bring it up to $1,500,000. It may be that the authorities contemplate amending the Indian Act to take out the $1 million and substitute $1,500,000, and that in the meantime the fund or the loans or demands for loans may have run beyond $1 million. It may be that the Government is doing it this way until the act can be amended. In any event, I would suggest that the proper way is to do it by a substantive statute. For the time being I would hope that we would continue to watch these $1 items and note exactly what is behind them.

Honourable senators, that is all I have to say. I thank Senator Brooks and Senator Aseltine for their contributions.

Motion agreed to and bill read second time.

THIRD READING

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

Hon. T. D'Arcy Leonard: Honourable senators, with leave of the Senate, I move that the bill be read the third time now.

Motion agreed to and bill read third time and passed.

ROYAL ASSENT

NOTICE

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

GOVERNMENT HOUSE

Ottawa,
February 8, 1966

Sir,

I have the honour to inform you that the Honourable Robert Taschereau, P.C., Chief Justice of Canada, acting as Deputy to His Excellency the Governor General, will proceed to the Senate Chamber today, the 8th February, at 5.30 p.m., for the purpose of giving royal assent to certain bills.

I have the honour to be,
Sir,
Your obedient servant,
A. G. Cherrier,
Assistant Secretary
to the Governor General

The Honourable
The Speaker of the Senate.

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY—
DEBATE CONTINUED

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

Hon. Arthur W. Roebuck: Honourable senators, this being the Throne Speech debate, it is my pleasant privilege to express congratulations to the mover (Hon. Mr. McDonald) and seconder (Hon. Mr. Gouin) of the address in reply. It is a pleasant custom which we follow here, although it did not originate here. Sometimes it may sound a little stultified, but I can assure honourable senators that I gladly congratulate my friend Senator Gouin although he needs no such congratulation. He has been in this chamber for many years and we have listened to many erudite addresses by him and have learned much from his wisdom and knowledge.

May I say with regard to Senator McDonald, and I hope no offence will be taken at my remarks, that some of us were surprised to learn, not knowing much of his history in the past, that our new member was a thoroughly experienced and competent parliamentarian. I think most of our members will join with me in saying that we look to him for great things in the future.

It also accords us very great pleasure, Mr. Speaker, to congratulate you, sir, on your elevation to that high office which you now occupy and hope that you will have much pleasure in carrying out the duties of your office.

I would be remiss if I did not at this stage say a word of welcome to our new members. We have added greatly to our strength. I see on the front benches a former member of the cabinet (Hon. Mr. Benidickson), and others equally notable who have joined forces with us. I hope they will enjoy their privileges and responsibilities in this chamber as I have done for the last 20 or 21 years.

Before this debate closes, honourable senators, I would like to exercise a further privilege; I would like to address you on that much discussed and very important topic, the Constitution of Canada and the proposed so-called repatriation of that Constitution, as we find it embodied in the British North America Act.

As a practising lawyer with very nearly 50 years at the Bar, I am concerned about these various proposals for the repatriation and reform of the Constitution, lest our ship of state be scuttled on its way home across the seas.

For as long as I can remember there has been somebody offering, wishing and pushing to tinker with our Constitution. Of late, this took on a rather serious aspect when proposals for the return of our Constitution emanated from official sources, sponsored—if I may use that word—by two former Ministers of Justice in the last two administrations. However, I was somewhat relieved of late—indeed, greatly relieved of late—when, speaking at a meeting in Montreal not long since, the Honourable Guy Favreau announced that the Fulton-Favreau Formula for the so-called repatriation of Canada's Constitution was dead. There was a chorus of "hear, hear" all across Canada. I found it in the press; it was expressed in the other place, and I certainly met it on the street; and now, honourable senators, if you will permit me I will repeat that "hear, hear" in the Senate of Canada.

We are now told that that formula was dead as long ago as last July. Just who killed Cock Robin is not important in my judgment. It is not important so long as the bird is thoroughly dead and not likely to be revived. As long as it is as dead as the proverbial dodo, I am satisfied. It may be that I could serve some useful purpose, and I hope I am not overestimating myself in that regard, if I lay before the house some facts and attitudes and, having done so, ask the question, "Where do we go from here?"

The Fulton-Favreau Formula has been crystallized and expressed in a draft bill prepared for passage by the Imperial Parliament, which you will find set out in full in a book entitled *The Amendment of the Canadian Constitution*, by the Honourable Guy Favreau, Q.C. It is dated February 1965, while he was still Minister of Justice. The book contains much useful information, and I hope that nobody will interpret my remarks as a criticism of Mr. Favreau when I refer to his book, because as a matter of fact I hold him in very high regard. He is a very pleasant, approachable individual, a very fine lawyer and a man whose integrity has never been questioned. My references will be to his book rather than to himself.

The act to which I referred is set out in full at page 34 of Mr. Favreau's book. The

amendment in the proposed bill of the Imperial Parliament is also set out in full in all its naked detail. Of course Mr. Favreau, as the writer of the book, was in favour of the formula; however, my own impression is it was very largely the Fulton formula rather than the Favreau formula, and of course he must have been in favour of his own bill.

My own guess is that it was this book and the information it conveyed that was the arrow that killed Cock Robin. I think so, because prior to the publication of that book we had little means at our disposal of discovering just what the formula was; and now, when it is set out before us with a certain amount of annotation, one can see it in full, in all its serious implications.

Hon. Mr. Farris: Would you mind stating the title of that book?

Hon. Mr. Roebuck: It is entitled *The Amendment of the Canadian Constitution*, by the Honourable Guy Favreau. I believe it can be obtained by any of us from the Queen's Printer. It came to me in the ordinary course of events, and I thank whoever sent it to me for the information I obtained from it.

Perhaps you will all remember the comment by Job, that grand old man of the Scriptures, when he lamented: Would that my adversary had written a book.

May I remind honourable senators that the British North America Act does not and never has contained any provision for its own amendment, as does, in fact, the Constitution of Australia. In accordance with the terms set out in the Constitution of Australia, it has been amended many times over the years without the intervention of the Imperial Parliament. Since the Canadian Constitution is a Statute of the Imperial Parliament it could, of course, be amended by the Imperial Parliament and that, I think was thought to be sufficient by those who drafted the act. However, the actual result has been that the adoption of some method for bringing about the amendment by the Imperial Parliament has been a matter of great difficulty. It was first a matter of considerable uncertainty as to what we did about it, and then, after satisfying to a large extent our uncertainty, it has been a matter of some embarrassment to us for not quite 100 years, but at least for more than three-quarters of 100 years.

The British North America Act gives to the provinces the power to amend their own constitution, with the exception only of the office of the Lieutenant-Governor. No such authority appears in the act with regard to the Dominion Parliament, with the exception of some more or less minor details such as the defining of electoral districts as they are set forth in the act, the number of members of the House of Commons of Canada, the salary of the Governor General, and perhaps some other things of that nature that I have not listed. Accordingly, it became necessary for us to settle upon a means of bringing about an amendment in the Imperial Parliament, and to settle upon some procedure that should be recognized by the Imperial Parliament as well as by the provinces and ourselves, particularly ourselves.

The first amendment was made in 1871, and was in respect of establishing the right of the Parliament of Canada to constitute new provinces and also defining to some extent the administration of the territories. That amendment was requested of the Imperial Parliament by the Government of Canada of the day without a prior reference to the Parliament of Canada, and so, following that, the Opposition raised very strong objections to what they argued at that time was a high-handed procedure, with which I agree. So, shortly after, when the House of Commons re-assembled, it adopted unanimously a resolution to the effect that no further changes should be made in the British North America Act or sought from the Imperial Parliament without the prior consent of the Parliament of Canada. That was prior to the election of 1873, that being the election in which the Mackenzie Government took office.

Notwithstanding this resolution with respect to seeking amendments from the Imperial Parliament, without reference to the Parliament of Canada the Government of that day requested of the Government in the United Kingdom an amendment to the British North America Act with respect to the powers, privileges and immunities of the Parliament of Canada and its members. That was obtained by the Government of that day, as I say, without reference to Parliament. Of course, similar objection was immediately taken by the Opposition, and properly so, and it was agreed unanimously that henceforth the only procedure which should be adopted or permitted by us was a request to the Crown and, through the Crown to the Imperial Parliament, by means of an Address duly passed by both houses of the Canadian Parliament, the Senate and the Commons.

This was the procedure which was followed immediately in 1886, and this has been the procedure which has been followed ever

since, without variation—with the exception of one unimportant matter that I need not go into. It has been followed ever since, until it has become the settled law not only of Canada and Canada's Parliament but also of the Imperial Parliament. It is the common law of the Constitution of Canada that the only way to bring about changes in the Constitution is by Addresses duly passed by both houses of the Canadian Parliament.

I have traced briefly the history of our Constitution in that regard because I would like you to note that for more than three-quarters of a century the Parliament of Canada has been in complete control of the Canadian Constitution, excluding any possibility of changes except by these joint Addresses of both houses.

Further, I would like you to note that in the matter of the control of our Constitution the provinces are not necessarily parties, and they have played no part in these procedures. It is true that on, I think, four occasions provinces have raised objections or expressed opinions for the benefit of the Imperial Parliament, and on all these occasions these suggestions or petitions, or whatever they were, were totally disregarded. So that is the situation at the present moment. We have complete control, and we have been in complete control because during all that period of time the Imperial Parliament has honoured every request to the letter that we have ever made by means of this joint address system.

Up to the present this power of the Canadian Parliament, achieved by common consent and long-established usage, has not been abused. When amendment was sought with reference to increasing the provincial subsidies we obtained in advance, for the first time, the consent of the provinces. I fancy we did not have very much trouble in that, because the amendment increased, not decreased, the subsidies. We have continually and conscientiously followed this policy of consultation whenever the provincial interests, constitutions and rights, were affected. No matter what government was in power we have conscientiously and carefully followed this policy of consultation.

We have been careful even in matters within our own jurisdiction. In 1949, for instance, we obtained express authority to manage our own affairs in matters not within provincial jurisdiction, with the exception only of such subjects as the French and English languages, the annual sessions of Parliament, and the five-year term.

I have dwelt on the power of Parliament and its history at length because, I submit to this house, history proves that the jurisdiction of the provinces is perfectly safe in the hands of the Parliament of Canada, irrespective of what power Parliament may actually enjoy. The jurisdiction of the provinces is perfectly safe from encroachment by the dominion Parliament in every matter of local concern within the provinces, and in respect of the rights granted to the provinces by the Constitution as it now stands.

Secondly, I should like to point out that it is most important that we in the senior chamber, at least, realize the liberties and powers that we now enjoy, lest like the dog crossing the bridge in Aesop's fable, we drop the substance while grasping at the shadow.

I say, as a self-respecting citizen of Canada, that we should have the power to amend our own Constitution, as indeed we have, and without even the formality of consent by an outside authority. That is a simple proposition with which all honourable senators, I am sure, will agree; but, on the other hand and associated with this thought, I deprecate an appeal to national pride as a means of destroying the Constitution as we know it.

The repatriation of the Canadian Constitution is an exceedingly simple matter. If we wish to do this, all we need to do is pass the British North America Act as a statute of Canada, and then by a joint address of both houses of Parliament ask the Imperial Parliament to repeal its British North America Act. We would then have repatriated the Constitution in the exact terms in which it now exists. After we have accomplished what we think is necessary to our national sensibilities and pride, we can then turn to the amendment of the Constitution in detail, step by step, as it has been amended in the past, but not in association with some other extraneous idea that has an appeal to national pride.

I should like to close my remarks with a few thoughts on the future. If we are to repatriate the Constitution and exercise what authority we have now for its amendment, then I submit to this house that amendments should not be made in conferences behind closed doors by representatives of competing governments, each striving for addition to their powers at the expense of those of other jurisdictions. This must be done openly and in public; it must be such that appeals to the people of Canada as a whole, and not just to

politicians considering for the most part their own political interests. I do not charge anyone with lack of patriotism, but I do say that the Constitution should not be amended with the idea of promoting the welfare and future of the politicians engaged.

I would lay down as a cardinal principle of the Constitution of Canada to be observed at all times, that, if we are to remain a nation as powerful as we are, and hope to be in the future—if, indeed, we are to remain a nation at all—we must insist on a strong central government possessing the authorities and resources necessary, first, for the carrying out of our own internal services, and, secondly, for the maintenance of our strength so that we may keep our influence abroad.

Canada will achieve her maximum happiness and power when her citizens learn to think of themselves as citizens of Canada, not as citizens of Ontario, Quebec, the Maritime provinces or the West—as citizens of Canada in its entirety.

Honourable senators, the federal Constitution, notwithstanding its complications and difficulties, nevertheless makes it possible for us to guard jealously the constitutions of the provinces in all matters of local concern, while at the same time we think and act strongly for Canada as a whole.

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

SPECIAL COMMITTEE ON AGING

CONSIDERATION OF FINAL REPORT—DEBATE CONTINUED

The Senate resumed from yesterday consideration of the final report of the Special Committee on Aging.

Hon. Muriel McQ. Fergusson: Honourable senators, so much has already been said in this debate about the work of the Special Committee on Aging, its members and its recommendations, that there seems to be little new left for me to say. However, I should like to support what Senator Grosart has said about the excellent organization of the work of the committee. I agree that great credit is due the chairman, Senator Croll, and the consultant, Dr. R. E. G. Davis, for their leadership and planning which resulted in such interesting and informative material being placed at the disposal of the committee.

Senator Croll's industry and ability are well known to the members of this house, and I need say only that he gave freely of both qualities to the work of the committee over the two years that it heard witnesses and studied to evolve the report, including the recommendations, now before this chamber.

The committee was most fortunate to secure as consultant Dr. R. E. G. Davis who, at the time the committee was set up, had recently retired after 17 years as Executive Director of the Canadian Welfare Council, where he had accumulated a vast knowledge regarding social problems throughout Canada. Dr. Davis is a widely known and highly respected social scientist who received his B.A. from the University of Toronto and his M.A. in Economic Sociology from McGill University. He attended Columbia University, the London School of Economics, and received from Laval University the degree of Doctor of Social Sciences, and from the University of British Columbia the degree of Doctor of Laws.

Dr. Davis has held many important positions in the welfare field, as I learned on looking him up in *Who's Who*, for he is too modest to speak of them himself. In 1946 he became Executive Director of the Canadian Welfare Council, and he directed the work of the council for 17 years until he retired in 1963.

This widely experienced and practical gentleman who, with reason, is held in the highest regard by Canadians and others in the field of social welfare, both professionals and volunteers, gave the committee invaluable assistance by way of suggesting names and arranging for the attendance of knowledgeable and helpful witnesses, and through sifting, correlating and helping the committee to draw conclusions from the vast amount of evidence presented to it. The other members of Dr. Davis' small staff, and the members of the Committees Branch, also deserve high praise for their patience and devoted work.

Honourable senators who were present in this chamber on February 2, 1955, may remember that on that date I made a plea for consideration by the Government of the problems of the aging in Canada, and I suggested some ways the Government might provide leadership in helping to solve the growing problems of the ever-increasing number and proportion of older people in our population. In 1955 many voluntary groups throughout the country recognized, as they still do, the necessity of dealing with this problem, but it has seemed impossible for those voluntary groups to secure sufficient money or staff to enable them to give the necessary leadership on a country-wide basis.

Recommendation No. 92 of the report recommends that the Government give this leadership through establishing a National Commission on Aging. I am sure honourable senators have read this long recommendation, so I will not take time to draw it to your attention in detail, but I am heartily in favour of establishing such a commission.

On presenting the report, Senator Croll said that it was well timed. This is certainly true, for the committee found that throughout the world there is widespread interest in, and much activity toward improving, the lot of older citizens.

That this interest is shared by the people of Canada was demonstrated during the last week of January of this year when 550 Canadians—including Senator Haig, Deputy Chairman of the Committee, and me—spent four days in Toronto attending the First Canadian Conference on Aging. This was planned as a small working conference of professionals and volunteers, all of whom are interested and engaged one way or another in programs and planning for the aging. It was a truly representative gathering, for delegates came from all geographic regions of Canada. Besides the Canadians present, there were a number of recognized experts in the field of aging from Britain and France, and many from the United States of America.

In the United States there are several national voluntary organizations including the National Council on Aging, and in addition there has recently been set up within the federal administration an agency known as the Administration on Aging. Many, indeed most, of the states of the Union have set up Governor's commissions or committees to deal with these matters on the state level.

It may be of interest to know that today I received a letter from one of the American experts who attended the conference. He said that while attending the conference he had heard of the study on aging being done by our Senate committee, and he asked me to supply him with a copy of the report when available. Referring to the Toronto conference he wrote:

> I am still aglow with the recollection of what I think was a most significant conference which undoubtedly will have far-reaching effects both in your country and mine.

Miss Hope Holmested of Toronto was the very efficient chairman of the conference, and the executive secretary was Miss Marion Murphy of the Canadian Welfare Council staff, both of whom deserve great commendation for the many months of work they devoted to planning and organizing the conference. Although originally sponsored by the Canadian Welfare Council, the large number of co-sponsors show the wide interest in the subject being taken by many people throughout Canada.

Some honourable senators may not know the names of the co-sponsors of the conference, so I would like to enumerate them. They include the Canadian Medical Association, Canadian Hospital Association, Canadian Public Health Association, Canadian Chamber of Commerce, Canadian Federation of Mayors and Municipalities, National Council of Women of Canada, the Canadian Broadcasting Corporation, the Canadian Labour Congress, Canadian Catholic Conference, Canadian Jewish Congress, Canadian Council of Churches, and Canadian Association for Adult Education. Surely this diversified list of sponsors proves that many Canadians are aware that the needs of our older citizens are not fully met at present, and that they are interested in doing what they can to better the situation.

Most attention given by the speakers in this debate, and most press comment on the report, has been focused on the first recommendation, which provides for a guaranteed income for all persons 65 years of age and over. I believe this would be practical and would solve many problems regarding older people. Such a guaranteed income could well prevent many illnesses which are the result of malnutrition due to inadequate funds. It is not necessary to list the very many benefits that would accrue through every person knowing that he or she will have a guaranteed income at 65. I am sure these benefits are obvious to all without my drawing attention to them.

One which appeals greatly to me is that provision will be made for those nearing retirement who do not have enough working years left to enable them to benefit under the Canada Pension Plan, but who are still too young to receive Old Age Security.

I hope and trust that this first recommendation may be implemented soon. But I also point out to honourable senators that there are 91 other recommendations, all of which should be considered and, if found practical, followed if we are going to give adequate attention and care to Canada's older citizens.

Honourable senators may be interested to know that last summer when I attended the Commonwealth Bar Association Conference

in Australia, I visited housing and other arrangements for older people and discussed with welfare officials in Australia, New Zealand and in Tokyo various legislative provisions made in those countries for their older citizens. I heard of some excellent legislation aimed at improving this situation. However, it is my opinion that if the recommendations of this committee are adopted and implemented by the Government, as I hope they will be, we in Canada will find we are among the most enlightened countries in relation to the treatment of older citizens.

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

The Senate adjourned during pleasure.

ROYAL ASSENT

The Honourable Robert Taschereau, P.C., Chief Justice of Canada, Deputy of His Excellency the Governor General, having come and being seated at the foot of the Throne, and the House of Commons having been summoned, and being come with their Speaker:

The Honourable Lucien Lamoureux, Speaker of the House of Commons, then addressed the Honourable the Deputy of His Excellency the Governor General as follows:

May it please Your Honour:

The Commons of Canada have voted certain supplies required to enable the Government to defray the expenses of the public service.

In the name of the Commons, I present to Your Honour the following bill:

An Act for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1966.

To which bill I humbly request Your Honour's assent.

The Honourable the Deputy of the Governor General was pleased to give the Royal Assent to the said bill.

The House of Commons withdrew.

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

The sitting of the Senate was resumed.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, February 9, 1966

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

Prayers.

LIBRARY OF PARLIAMENT

JOINT COMMITTEE—COMMONS MEMBERS

The Hon. the Speaker informed the Senate that the following message had been received from the House of Commons:

> Ordered—That a message be sent to the Senate to acquaint Their Honours that this house has appointed Messrs. Allard, Dubé, Enns, Fairweather, Godin, Gordon, Honey, Klein, Lamontagne, Macquarrie, Nesbitt, Nixon, Pelletier, Prittie, Schreyer, Smith, Stewart, Wadds (Mrs.), Wahn, Woolliams and Yanakis a committee to assist His Honour the Speaker in the direction of the Library of Parliament so far as the interests of the Commons are concerned, and to act, on behalf of this house, as members of a Joint Committee of both Houses on the Library.

Ordered, that the message do lie on the Table.

PRINTING OF PARLIAMENT

JOINT COMMITTEE—COMMONS MEMBERS

The Hon. the Speaker informed the Senate that the following message had been received from the House of Commons:

> Ordered—That a message be sent to the Senate to acquaint Their Honours that this house will unite with them in the formation of a Joint Committee of both Houses on the subject of the Printing of Parliament and that the following members: Messrs. Boulanger, Caron, Choquette, Clancy, Code, Cowan, Éthier, Grills, Harley, Irvine, Johnston, Jorgenson, Klein, Laverdière, Leblanc (Laurier), Loiselle, MacDonald (Prince), McKinley, Nixon, Rapp, Rochon, Saltsman and Simard will act as members on the part of this house on the said Joint Committee on the Printing of Parliament.

Ordered, that the message do lie on the Table.

PROPERTY QUALIFICATION OF SENATORS

RETURN PRESENTED

The Hon. the Speaker presented a return, submitted by the Clerk of the Senate in accordance with Rule 105, listing the names of members of the Senate who have renewed their declaration of property qualification.

MOTION FOR SUPPLEMENTARY RETURN

Hon. Paul H. Bouffard: Honourable senators, with leave of the Senate, I move:

> That the Clerk of the Senate be authorized to receive the renewed declarations of property qualification from those members of the Senate who have not had the opportunity to make and file the same in accordance with Rule 105, and to make a supplementary return accordingly.

Motion agreed to.

BILLS OF EXCHANGE ACT

BILL TO AMEND—FIRST READING

Hon. Paul H. Bouffard presented Bill S-14, to amend the Bills of Exchange Act.

Bill read first time.

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

Hon. Mr. Brooks: Have copies of the bill been distributed yet?

Hon. Mr. Bouffard: No; but copies will be distributed before the bill receives second reading.

Motion agreed to.

MILLTOWN BRIDGE BILL

FIRST READING

Hon. Paul H. Bouffard presented Bill S-15, to authorize the construction of a bridge across the St. Croix River between the Province of New Brunswick and the State of Maine.

Bill read first time.

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

Hon. Mr. Brooks: May I ask when copies of this and the other public bill will be distributed?

Hon. Mr. Bouffard: I understand that copies of these bills will be distributed in a short time, certainly by the time the Senate reconvenes. This one is very simple.

Hon. Mr. Brooks: We would like to have it before.

Hon. Mr. Bouffard: As I have said, the bill will be distributed very shortly. There is plenty of time, if you wish to suggest that second reading be postponed for a day or two. These two public bills are not very important, and there is no urgency about them.

Hon. Mr. Brooks: The one to authorize the construction of a bridge in New Brunswick is very important and I would like to see it.

Hon. Mr. Bouffard: We will act accordingly.

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

Motion agreed to.

PRIVATE BILLS

BANK OF BRITISH COLUMBIA— FIRST READING

Hon. J. W. de B. Farris presented Bill S-16, to incorporate Bank of British Columbia.

Bill read first time.

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

Hon. Mr. Farris: Honourable senators, I would like to have this bill pass second reading at this time so that it can go to committee where controversy, if there is any, should take place. The committee is the place for it.

Honourable senators will recall that I spoke previously on this bill. I have here a copy of the two speeches I made on this measure in 1964, and I have the page references. They were the longest speeches I ever made, so they are pretty formidable. I do not want to repeat them. I am not as well keyed up on this now as I was then. I would like to have the bill read a second time now.

The present bill contains some slight amendments of the previous bill, and they answer some of the objections which were made. I think honourable senators will find this measure in more strict conformity with the practice in regard to the introduction of bills.

Therefore, with leave of the Senate, I would move second reading now.

Hon. Mr. Bouffard: I have no objection to the bill receiving second reading today, but if that is to take place, I think the order should go to the end of the Orders of the Day. There are a number of bills on the Orders of the Day for second reading, many of which have been postponed until today. For that reason—and I have spoken to Senator Farris and I understand he has no objection—I think this bill should go to the end of the Orders of the Day.

Hon. Mr. Brooks: We on this side of the house have no objection to giving second reading to this bill today, and we think the suggestion that it should go to the end of the Orders of the Day is a logical one.

Hon. Mr. Leonard: When can we expect to have copies of the bill available? I do not have a copy in my folder.

Hon. Mr. Aseltine: I do not see how we can give it second reading without copies of the bill.

The Hon. the Speaker: I understand that the printing of a bill does not take place until after first reading. Since this bill has only now received first reading I do not think copies will be available today.

Hon. Mr. Farris: If there is any question about it I am quite agreeable to have second reading go to the end of the Orders of the Day, as the honourable leader of the house suggested. By that time I hope to have copies of the bill available.

Honourable senators, with leave, I move that this bill be placed on the Orders of the Day for second reading later this day.

Motion agreed to.

INTERPROVINCIAL PIPE LINE COMPANY— REPORT OF COMMITTEE ADOPTED

Hon. A. K. Hugessen, Chairman of the Standing Committee on Transport and Communications, presented the following report:

> The Standing Committee on Transport and Communications to which was referred the Bill S-10, intituled: "An Act respecting Interprovincial Pipe Line Company", has in obedience to the order of reference of 2nd February, 1966, examined the said bill and now reports the same without any amendment.
>
> Your committee also recommends that the Parliamentary fee paid upon the bill at the session of 1964-65 be applied to the bill at the present session. The petitioners again have paid the printing costs.

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

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

Report adopted.

THIRD READING

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

Hon. Mr. Molson: Honourable senators, with leave of the Senate, I move that the bill be read the third time now.

Hon. Mr. Hugessen: If the Senate so decides, I have no objection to this course. We have already examined this bill three times.

Motion agreed to and bill read third time and passed.

EVANGELISTIC TABERNACLE INCORPORATED —REPORT OF COMMITTEE ADOPTED

Hon. Paul H. Bouffard, Chairman of the Standing Committee on Miscellaneous Private Bills, presented the following report:

> The Standing Committee on Miscellaneous Private Bills to which was referred the Bill S-7, intituled: "An Act to incorporate Evangelistic Tabernacle Incorporated", has in obedience to the order of reference of 1st February, 1966, examined the said bill and now reports the same without any amendment.
>
> Your committee also recommends that the Parliamentary fee paid upon the bill at the last session be applied to the bill at the present session. The petitioners again have paid the printing costs.

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

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

Report adopted.

THIRD READING

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

Hon. Mr. Thorvaldson: I would ask leave to have this bill read a third time now, for the same reason as was given in regard to the preceding bill. This bill was also considered by the Senate last year.

Motion agreed to and bill read third time and passed.

DIVORCE

REPORTS OF COMMITTEE ADOPTED

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the committee's reports Nos. 2 to 113, inclusive.

The Hon. the Speaker: When shall these reports be taken into consideration?

Hon. Mr. Roebuck: Honourable senators, we have had a long adjournment, one of some 6½ months, and during that period divorce cases have been heard with great industry by the Commissioner.

We met in committee on Wednesday of last week and passed no less than 404 cases. The details are as follows:

Petitions recommended	392
Petitions withdrawn	9
Petitions rejected	3

We have been short staffed in the commissioner's office, although I am pleased to note that that situation has now been rectified through the co-operation of Mr. Dean's office and that of the Leader of the Government. We have sufficient staff at the present time.

I am producing now only 113 reports, and asking the Senate to adopt them. I have no doubt that the balance will be ready when we return the week after next. In view of the fact that we are to rise for a week, or so I understand, I ask that these 113 reports be adopted now.

However, if any honourable senator has an objection to them, or to any one of them, then, of course, their adoption can be put off for a week. But, honourable senators, some of the parties in this group have been waiting a very long time. I noticed one where the petition was filed four years ago and the report is only now coming before you, for various reasons which I need not go into, after having been approved by the Commissioner and the Divorce Committee. It is in the public interest that these reports be adopted now so that the 30 days may commence to run.

I move the adoption of these reports.

Hon. Lionel Choquette: Honourable senators, last Thursday, February 3, I had before me the *Minutes of the Proceedings of the Senate of Canada,* and intended at that time to ask certain questions with respect to the work of the Standing Committee on Divorce. The first report of that committee is at page

63 of the minutes of this house, and it reads as follows:

> Your committee recommends:
>
> 1. That it be granted leave to sit during sittings and adjournments of the Senate.
>
> 2. That it be granted authority to appoint as many Subcommittees as may be deemed necessary for the purpose of considering such divorce matters as may be referred to them by the Committee and authority to set the quorum thereof, and that the Subcommittee in each case shall report its findings to the committee.

I would like to know how many such subcommittees have been appointed since the enactment of the Dissolution and Annulment of Marriages Act in 1963, and what have been their functions.

I do not know whether I am correct in my impression, but it is that at every divorce hearing there is a reporter in attendance who takes down in shorthand the whole of the evidence. Am I correct in assuming that that evidence is not transcribed in every case, but only in cases that are contested or where it is requested by the Commissioner so that he may review certain complicated aspects of the evidence? I want to be corrected if I am not right in my assumption.

My impression also is that the bulk of the work has been done by the Commissioner and his staff, and that the committee, to use a favourite expression of Senator Pouliot, is merely a rubber stamp. I may be in error here; I do not know.

I wonder if the chairman of the committee is able to give us some assurance that the Standing Committee on Divorce is really performing a useful task. If this committee has become obsolete—and I think it has—I would suggest that the many members of the subcommittees could join other important committees of the Senate, and thus perform much more useful work. I am not saying that the Chairman of the Committee is not doing his duty; on the contrary, he has always been one of the most devoted chairmen that this committee has ever had.

Another important question I ask is: Are the members of the committee reading the evidence before signing the reports? If they are convened only in respect of disputed cases, then I should like to know that. The list of the members of the Standing Committee on Divorce contains some impressive names. They are honourable Senators Baird, Blois, Bradley, Burchill, Cameron, Croll, Farris, Fergusson, Gershaw, Gladstone, Haig, Hnatyshyn, Hollett, Inman, Irvine, Isnor, Kinley, Macdonald (Brantford), the esteemed chairman, Senator Roebuck, and Senator Smith (Queens-Shelburne). These are without doubt all industrious men who are active in the Senate, and who could perform more important duties on other committees. The question I pose today to the honourable chairman of the committee is as to whether these men—

Hon. Mrs. Inman: And women.

Hon. Mr. Choquette: I apologize—and women, who are equally talented, are performing an absolutely necessary and important task. If they are not, then they might be asked to do some work on other and more important committees. Perhaps the number of subcommittees could be cut down.

Hon. Mr. Roebuck: My honourable friend has asked me a number of questions, but I think I should address myself to his last question first. He asked whether this committee is now obsolete, or has become a rubber stamp. My answer is that so long as this house is responsible, as it is now, for the passing of these divorces, the committee has to watch what is going on and take such steps as may be necessary and as required.

It may be that with two Commissioners now hearing the evidence—a judge of the Exchequer Court, and a retired judge of the Exchequer Court—we might well amend the act to give them full authority. That involves a question not only of practicality but also of principle. I think my honourable friend would find some objection to the change from parliamentary divorce, such as we have given since 1867, and a purely court divorce, such as would be the case if we threw all responsibility on the judges.

Personally, I would favour placing all of the responsibility on the judges, but so long as the situation stands as it is today, and the Senate is responsible for the divorces that are issued, although they have always been so far, without exception, based upon the recommendations of the judges, then the Senate must take its responsibility and watch every case.

With respect to the functioning of the committee itself—

Hon. Mr. Choquette: How can the committee watch over each divorce, as the honourable senator says, if I am correct in my assumption that there is no transcription of the evidence?

Hon. Mr. Roebuck: I would not say there is no transcription. There is a transcription whenever the Commissioner, the committee, or the chairman of the committee, deems it necessary. When I drew, with the assistance of our Law Clerk, the rules under which we now operate I did not change the old rule that the evidence in every case shall be transcribed, but the committee which considered those rules did make that change. I secured the concession that the chairman, who was myself at that time, or the committee, or the Commissioner, should have the right to ask for a transcription whenever it was felt necessary. A number of cases have been transcribed, but for the most part these divorce cases are purely routine. That is, there are certain things that have to be covered including, of course, a satisfactory proof of adultery. So long as they are purely routine then it is not necessary to transcribe the evidence.

If my honourable friend will read any one of these 113 reports he will observe the form of the report made by the Commissioner to the committee. It is very full. It may be concise, but every point is covered.

As to the work of the committee, honourable senators will realize that Parliament has been in recess for six and a half months. In the old days when Parliament rose, the committee's work ended and everything stopped. But that is not so now. The judges go on hearing these cases, whether or not Parliament is sitting. It seemed to me when we rose last June that it was out of the question to allow all of these reports to accumulate until we next sat. So through all these months the reports have come to me personally, and I have read every one of them and perused them with care.

The correspondence between the Commissioner and me has been quite voluminous, and I satisfied myself that every one of these 404 cases that I have mentioned had been properly proved and that every point required was covered in the report. When the committee assembles, all the reports of course are not read again by each member. I approved these reports, and I am proud to say that the committee relied upon my examination of them and passed them. Therefore, the reports have the approval of the committee in its wisdom. I think you will find that my O.K.—my considered O.K., if I may say so—appears on every report, and now all of the reports are before us for passage.

I quite agree, however, that perhaps it would be better and timely if we were to amend the act in order to rid this chamber of this duty. It would be a great relief to me as well as the other members of the committee. My friend Senator Choquette asked me something about the number of cases. They are growing.

With regard to the functions of the committee, Senator Baird, for instance, has read some 20 cases for me since we returned from the adjournment. We have a schedule of points to be watched, and he has checked off every point required. A copy of that schedule is attached to every report and is available while the report is being read by one of the members of the committee, and each point is ticked off.

As I have said, Senator Baird read 20 cases. There are 25 or more cases now awaiting attention in my office. It can be seen, therefore, that the committee is functioning. I think that covers the questions asked. If anyone moves a bill to take this out of our hands and to leave it in the hands of the judges, I will vote for it.

Hon. Mr. Belisle: Will the honourable chairman of the committee permit a question? Is adultery still the only ground for divorce?

Hon. Mr. Roebuck: Unfortunately—and I am speaking for myself only in this reply—that is so. Perhaps I may divulge a little secret. It is my intention, not as chairman of the committee but as a senator who is thoroughly informed on the subject, to introduce a bill to change that situation. I can assure the house that it will be done before this session comes to an end.

Hon. Mr. Fournier (De Lanaudière): I would like to know how many children are involved in those 113 divorce cases that were tabled today. The question arises, who is going to take care of these young Canadian citizens and what does the law provide for them?

Hon. Mr. Roebuck: I have not counted the number of children involved in these cases. I could only give a rough guess. It is likely that there are children involved in about half the cases. If you will look at the reports made by the Commissioner you will see that in every instance without fail the question of the children has been raised. When I or any other member of the committee check off the items in a report, we take notice of the item as to children, and the next item as to their welfare. It must be understood that we have no authority in property and civil rights with the custody and care of the children. I do

think that under the British North America Act that sort of thing is ancillary to divorce. In any event, we have never exercised those rights, for the good reason that the courts of the provinces are doing so, and properly so. When a divorce has actually gone through, application may then be made by either of the parties to the courts for the custody of the children and for maintenance by the father for their care. Let me assure my fellow senators, however, that in every case which comes before us we inquire as to the children, and we will not grant a divorce if we think the interests of the children have not been properly taken care of.

Hon. Sarto Fournier: I do not want to enter into a discussion with my honourable friend Senator Roebuck, who is a senior member of this chamber. I know that he has devoted a great deal of time to the problems of divorce. However, in these times we are witnessing a serious rise in juvenile delinquency. In many cases it happens that the parents of the young delinquent were divorced.

Honourable senators, instead of trying to correct the consequences of a bad situation, I think we should begin by correcting the cause. I am reminded that Bonaparte once said, the education of our children starts 20 years before they are born. Therefore, I think we should plan a campaign to tell young people not to get married before they are in a position to accept the full responsibilities of marriage.

Marriage means love; it also means children. Love is pleasure, but children are a responsibility. I do not know why we should allow people, merely because they are in love, to procreate children and afterwards to separate and become divorced, with the consequences that their children from an early age onwards are completely lost. Hundreds and thousands of Canadian citizens in Canada from a tender age onward have no parents, and have only the law and charity to protect them.

My most distinguished friend, Senator Roebuck, had the benefit of a mother and father to care for him, whereas hundreds of thousands of children start out with only the protection of the law. The same may be said for any one of us. Young people who marry must be prepared to assume responsibility for the proper care of their children; they must give them the love of a father and a mother. If they cannot provide this care and attention for their children, it is up to society to find other means.

Many thousands of children born in Canada in recent years have become completely lost because their parents have avoided their responsibility through divorce.

Honourable senators, we must think first of the child, whether he was born in or out of wedlock. Children born in Canada are Canadian citizens by birth, but I do not think that the law is sufficient to assure them a proper start in life toward becoming good Canadian citizens.

We must have adequate laws for the proper care of children. I would like every child born in my country to have the regular care and attention of a mother and a father. The child has a natural father and mother, of course, but if they desert the child, then in effect he has no father or mother.

It may be necessary to enlarge the divorce law. If a marriage is not successful, let us look for some solution. But if the children, the citizens of tomorrow, grow up without proper care, we will have to enlarge our prisons. These unloved children of today are the potential prisoners of tomorrow. If they are abandoned and do not know where to go, they will seek revenge and then commit crimes, even murder. Juvenile delinquency starts not only from divorce but because our society is not prepared to face the effects of divorce.

Honourable senators, those are the few remarks I wished to make. Perhaps I did not put them as well in English as I would have put them in French, but my friends have understood me.

Honourable senators, let us not forget the care of our children. If the mother and father wish to separate, let them do so. But let us take care of the young Canadian citizens, their children. The law is inadequate for this purpose for the heart and the brain must also be there.

Unless adequate provision is made for the care of the children, it is my opinion that the father and the mother should not be free to go their separate ways. The child of tender years needs a mother; he needs love. If his natural mother prefers to desert him, let us make other arrangements for his care. One cannot make a good citizen without love.

In Canada today the amount of crime is increasing rapidly—in Quebec, in Ontario, and everywhere, especially in the great cities. If

we look behind each and every case we will see that frequently the criminal was denied the love of father or mother at an early age. Therefore, when the parents separate, society must provide adequate care of the children.

Hon. Mr. Roebuck: Honourable senators, Senator Paterson has a question. May we hear from him now?

Hon. Norman McL. Paterson: Senator Roebuck will recall an interesting statement he made here comparing the number of divorces which came before the committee to the number which arise in the other provinces. I would like to ask the senator if he has any recent figures comparing the number of divorces in, say, Ontario and British Columbia with the number from Quebec.

Hon. Mr. Roebuck: I have not the precise figures before me at the moment. The divorce cases in the Province of Ontario for the year 1965 will, I think, number between 1,500 and 2,000; while for the same year the number of divorces that came before us, from the two provinces of Quebec and Newfoundland were 437. Some credit is due to Quebec and Newfoundland for the moderation in which they call upon us for our assistance in this matter of divorce. The number from the two provinces had run about 400 per annum, as compared with three or four times that number from the Province of Ontario. The number per capita of total population is even greater in the Province of British Columbia than it is in Ontario.

Hon. Mr. Hollett: I would like to point out that at the moment there are other causes for divorce in Ontario, compared with Newfoundland and Quebec. That may account for some of the difference.

Hon. Mr. Choquette: No, there are none.

Hon. Mr. Croll: Not in Ontario—only in Nova Scotia.

Hon. Mr. Hollett: Then I have been misinformed.

Hon. Mr. Roebuck: Due to the fact that the pre-Confederation law there was carried over and is still in existence in Nova Scotia, cruelty is a cause for divorce in that province but it is almost never used.

On motion of Hon. Mr. Roebuck, Chairman of the Standing Committee on Divorce, reports adopted, on division.

ADJOURNMENT

Hon. Paul H. Bouffard: Honourable senators, sometimes we have a steady flow of work, but we have not much on the agenda at the present time. Therefore, I move, with leave of the Senate, that when the Senate adjourns today it do stand adjourned until Tuesday, February 22 at 8 o'clock in the evening.

Honourable senators, I should add to this motion the condition that senators may be recalled earlier if urgent business should arise which makes it necessary for the Senate to reconvene.

Motion agreed to.

HON. JOHN J. CONNOLLY

GOVERNMENT LEADER—IMPROVED HEALTH

Hon. Paul H. Bouffard: Honourable senators, at this stage I would like to tell the Senate that I was able to spend a few minutes with Senator Connolly this morning. I am pleased to tell the house that his health is much improved.

Hon. Senators: Hear, hear.

Hon. Mr. Bouffard: However, he is extremely lonesome, and misses you all very much. He asked me to tell the members of the Senate of the great esteem he has for every one of you and to thank you for your co-operation in dealing with the business of the Senate. He also wishes to express his gratitude for all the letters and good wishes he has received since he became ill.

I believe I was speaking for all of you when I told him to take his time and not to return to the Senate until he feels completely well.

Hon. Senators: Hear, hear.

Hon. Mr. Bouffard: I do not know how convincing I was in trying to persuade him to stay away from work until he has completely recovered. He is extremely anxious to come back to his friends, and I am afraid if he does so too soon there will be great danger of his overdoing himself. I understand he is shortly to leave for a few weeks' visit in the south. We hope that the warm climate will assist in his early and complete recovery. As I say, he asked me to express his gratitude to you for all you have done for him since he has been ill.

Hon. Mr. Fournier (De Lanaudière): I suppose you did not tell him that he had a capable representative?

Hon. Mr. Bouffard: I did not talk about that at all. He was too ill to put this matter before him.

SPECIAL COMMITTEE ON AGING

CONSIDERATION OF FINAL REPORT—DEBATE CONTINUED

The Senate resumed from yesterday consideration of the final report of the Special Committee on Aging.

Hon. J. Campbell Haig: Honourable senators, as this is the first occasion I have had to speak since the opening of this new Parliament, I would be extremely remiss if I did not congratulate you, Mr. Speaker, on your elevation to your present high office. I know that you and your chatelaine will uphold the dignity and honour of that position. There are some slight differences between you and the former occupant of that office; there is a difference in size, a difference in the colour of hair and there is certainly a difference in your interpretation and pronunciation of the French prayers.

I wish also to congratulate Senator McDonald of Saskatchewan. I met him for the first time last week, and I am sure he is going to be a worthy addition to this house and also to the east wing of the fifth floor. In case honourable senators do not know, that is supposed to be the senior section of the Senate because we now have Senator Croll who has graduated from the third floor.

The honourable Senator Benidickson I have known for 33 years. I knew him first when he was President of the University of Manitoba Students' Union. That, I would add, has nothing to do with labour; it was the name of the representative council of the various faculties and colleges of the university. At that time I was majoring in law. He was know to his friends and colleagues in Kenora as "Billy Ben". I followed with considerable interest his career in the Commons as member for Kenora-Rainy River. I welcome him to this place.

I was very pleased to hear the good news about Senator Connolly (Ottawa West); I hope his recovery will be rapid and complete. I regret very much Senator Vaillancourt's resignation as Deputy Leader. I have always respected his humour, honour and dignity and I have enjoyed the nice maple sugar candies he gave us each year. However, I have pleasure in extending my congratulations and best wishes to Senator Paul Bouffard on becoming Deputy Leader of the Government. I knew Senator Bouffard for many years prior to my appointment to this place. I am also glad to see that Senator Brooks is back with us again, leading our side of the house, and also his cheery and dynamic Deputy Leader, Senator Choquette.

Honourable senators, I now propose to deal with the report of the Senate Committee on Aging. There has been much discussion about this report in this place, in the newspapers, on radio and on television. At the outset, let me congratulate Senator Croll who did tremendous work in setting up, organizing and managing the committee.

Yesterday Senator Fergusson paid a tribute to Dick Davis, our special consultant. Her remarks appear at page 129 of Senate *Hansard*, and I might say that she did not expand these matters any further than was absolutely necessary. He was indeed a leader, a helper and a director in all aspects of this subject.

There were other members of the committee who spent much time and effort on its work, as was explained the other day. The briefs and presentations of all individuals, governments and bodies were also given to the members of the committee a week in advance so that we could do some homework and prepare questions about the subjects which interested us. Various members of the committee paid particular attention to certain aspects: Senator McGrand and Senator Gershaw dealt with matters of health, while Senator Grosart dealt with matters of financing and counselling. I would add that the figure he came up with in committee was somewhat less than what we discussed here. Senator Quart was interested in housing and nursing homes, and Senator Fergusson was interested in matters relating to welfare.

Before leaving this subject I wish to draw the attention of honourable senators to the fact that Senator Fergusson is honorary chairman of the Canadian Conference on Aging, and she was the chairman at a luncheon given in Toronto by that conference on Tuesday, January 27, when Miss Lola Wilson, the Consultant on Aging, Research and Statistics Division, of the Department of National Health and Welfare, gave us a very fine talk on "Unusual and Imaginative Services."

I would like now to deal with the second part of the resulting report. A talk was given to us by Charles Odell of the United Automobile Workers, as appears at page 175 of the evidence of Thursday, December 12,

1963. He spoke about the attitude of and the discussions the United Automobile Workers have had with industry in what they call preparing for retirement. Now, at the Conference on Aging held in Toronto one of the questions discussed was that of preparing for retirement. Mr. Odell, together with officials of the union and officers of the company, prepared the plan and its operation. Both the union and the company felt it would help those individuals who by reason of compulsory retirement were not in a position to help themselves; they did not know what to do in certain matters; they had been used to a certain daily routine and when they no longer had that routine they were somewhat at sea. As a result, these members of the union decided to attend a course for eight weeks, with meetings being held five days a week for two hours a day. The company paid for one hour of the time and the employee paid for the other hour, so there was an even division of the cost for the time spent on this subject.

This course has been in operation for the past three years, and the only dropout in that time was an individual who could not find a parking place in the parking lot. It has proven to be a very successful experience for the people involved. They have received counselling in investment, housing, nutrition, new living arrangements, managing their money, legal affairs, and how to make good use of their leisure time. There was also retraining for men or women who had the opportunity to avail themselves of it.

In my opinion that is something that management and unions will have to face very shortly. Some of the unions are doing it now for employees at age 50 and some at age 55. This is an effort by a large union and a large company to face up to the fact that when people are forced to retire during their normal working life they should have something to look forward to and to do.

Honourable senators, the other matter I would like to deal with is mentioned on page 438 of the evidence given on May 21, 1964 by the Chairman of the Social Policy Committee of the Canadian Association of Social Workers. The question under discussion was: What effect do social workers have on these problems of the aging? And I asked this question:

> . . . On page 1 of your brief, in the second paragraph you say: "As a matter of fact few of its members are engaged solely in work with old people, which, in itself, suggests the community neglect of this group."

I was quoting an excerpt from their brief.

> My question is, why don't more of the members of your group work with older people? Is it the fault of the faculties of social work or is it the fact that older people are being neglected there?

The point I wanted to make was whether these faculties in universities are contributing to this problem of the older people. The answer was:

> I would think that primarily it is the fact that the community generally has not—

I emphasize "has not".

> —recognized the need for individual services and social services for the older group of people, and therefore since the services are not set up the opportunity for work within the service is not present.

I believe there is another aspect to which the committee might devote its attention, and that is the question of the employment of these individuals after they have retired, related to the role of the social worker.

Major publicity or comment has been based on the income feature of the report, but there are so many other aspects which have not been fully dealt with—such as health, housing, legal counselling, nursing homes, hospitals—that I am suggesting that, after a comprehensive study of this report by honourable senators, this committee might be reactivated to consider some of these problems in greater depth. If the Government takes action in certain areas, that is all well and good; but I think that after further study has been given the report by individuals, communities or organizations who will have received a copy, we might examine the question further. I say that because, for instance, this report is going out to Winnipeg to a group called the Age and Opportunity Bureau. They held their annual meeting last month, and I gave them one copy of the report. They are holding a provincial conference in May, at which I am sure this report will be discussed. It is because of such further study by organizations, associations and Government too, that I suggest we should reactivate the committee and study certain aspects of the report in greater depth.

Hon. G. Percival Burchill: Honourable senators, on this the first occasion of my rising to speak in this chamber this session, I wish

to join with the previous speakers in extending to you, sir, my congratulations on your elevation to the high office of Speaker of this house. I wish also to join in the welcome to our new members, for I believe they will prove to be a valuable acquisition. I am also pleased to hear that our Leader, Senator Connolly (Ottawa West), is making a good recovery, and I hope that he will soon be restored to good health and take his place among us again.

I need add little to what has already been said concerning our regret that Senator Vaillancourt has resigned from his position of Deputy Leader. Because of the high esteem in which we hold him, we are sorry that he is now unable to fulfil that function. Senator Bouffard, of course, is performing in fine style as his successor.

As one who cannot claim any credit for the Report on Aging—I was not a member of the committee—I want to extend my warm congratulations to Senator Croll and the other members of his committee on their magnificent work in the production of a splendid and comprehensive report.

I remind the chamber that the matter of aging was first drawn to our attention in 1955 by Senator Fergusson, as she said last evening. I clearly remember the excellent speech she made on that occasion. So, we must give her full credit for being a pioneer in bringing this question to our attention.

Hon. Senators: Hear, hear.

Hon. Mr. Burchill: My main reason in rising at this time is to refer to one of the recommendations of the committee regarding nursing homes, of which, they point out, there are 1,500 in Canada. They also indicate that without these homes the only place for the bedridden is in municipal homes. The report goes on to say:

> . . . nursing homes, with a few exceptions, are not included under the hospital insurance program, so that unless patients are admitted as indigents and paid for as such out of public funds, they or their relatives must meet the full cost which we were told runs on the average of $8 to $10 a day, and is often much higher.

We have several of these nursing homes and homes for elderly people in New Brunswick. Various religious denominations have established homes. The United Church has established one at Sackville, and the Pentecostal Church one at Bethel. The Anglicans have established two types of home. They have built courts of apartments for both elderly couples and individuals at Sussex, and recently they have received a generous gift from Dr. Lockhart, who with his son operated a private hospital at Bath for many years. On the completion of a new public hospital there, Dr. Lockhart presented his hospital to the Anglican church, and that church is now converting it into a home for elderly citizens. I believe it will have accommodation for 80 persons.

In addition to those homes we have the Ganong Home at St. Stephen, established by the late George W. Ganong, a member of the House of Commons for many years. We have the Farraline and the Clark Homes in Fredericton, established by the King's Daughters and the I.O.D.E.; the Turnbull Home and the Courtney House in Saint John. These have all been established as a result of generous gifts and voluntary work. The Rotary Club of Saint John has built quarters for the aged, and the Women's Institute operates a home at Woodstock. These are just some that come to my mind.

I do want to emphasize, honourable senators, that there are elderly people knocking at the doors of every one of these homes. The waiting lists are long. There are many other nursing homes in the Province of New Brunswick with which Senator Fergusson and Senator Brooks are familiar, but I am particularly interested in the institution of Mount St. Joseph at Chatham, which is operated by the Sisters of Hôtel Dieu hospital in that town. This institution serves the whole of northern New Brunswick and, indeed, it is a haven for patients who seek its shelter from all over the province. It was built as a convalescent home, and as such received help from the government of the day. The provincial government made it a grant of $1 a day per patient; but it is outside the provisions of the Hospitals Act, and since that act came into effect it has received nothing. As the committee's report points out, such institutions as this are not included in the hospital program.

In the public mind today, as all honourable senators know, hospitals are a government responsibility, but the institutions that I have described—I am thinking particularly of Mount St. Joseph at Chatham, because it is one about which I know something—are forgotten.

Educational costs have mounted so much that municipalities are at their wits' end to find sufficient funds to meet them. These

costs have to be met in addition to the routine expenses of the municipalities, and they are, therefore, unable to assume any responsibility for the operation of such institutions as I have described. The result is that these institutions operate at very serious financial loss. If the provincial government of New Brunswick had not made a grant to Mount St. Joseph last year, it might have been obliged to close its doors. Had that happened it would have been a serious matter for my section of the province and indeed for the whole of the province.

There are at present 87 patients at Mount St. Joseph. If honourable senators could visit that institution, as I do often, they would appreciate the wonderful work done by the sisters in the devotion and nursing care they give to the patients. The authorities at the hospital have discovered, and as is pointed out in this report, that as the patients get older they require nursing and hospital care. The result has been that the staff at Mount St. Joseph has to include several registered nurses and nurses' helpers which, in these days, cost money. This institution, as I have said, operates at a very serious loss at the present time. The situation is so grave that the County Council of Northumberland, at a session last week, was induced to make a grant which will help Mount St. Joseph to carry on.

What I have said about patients requiring hospital care as they grow older is borne out by the experience at the home of the United Church at Sackville, which has been operating for not very many years. That home finds it is now obliged to build a small hospital to take care of such patients. The committee's report points out that this condition is general, for it has been the experience of all of such homes.

The Special Committee of the Senate on Aging subscribes to the belief that elderly people should remain in their homes for as long as possible, and it reports that the Canadian Medical Association in its brief urged more organized home care and homemaker services as a desirable alternative to institutional care, and believed that this should be a public responsibility.

I agree fully with that. People want to remain in their own homes. They are very anxious to remain in their own communities. In fact, a person who is engaged in the management of the United Church Home at Sackville has said that one of the difficulties they encountered when that home was established was in inducing or persuading people from the various parts of the province to go to it.

Hon. Mr. Sullivan: That is the crux of the whole situation.

Hon. Mr. Burchill: My plea this afternoon is for help for such institutions as I have described. I give my wholehearted support to the recommendation found at page 34 of the committee's report, which is as follows:

> That approved nursing homes, operated on a non-profit basis, be made part of the hospital services system, and be included in the federal-provincial hospital insurance arrangements.

It is my hope that that recommendation will be implemented soon, because in providing better care for the aged in Canada in the future we must not overlook the conditions as they are at present. These nursing homes, which are doing such magnificent work all over this nation, need support and assistance.

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

PRIVATE BILLS

CANADA HEALTH AND ACCIDENT ASSURANCE CORPORATION—SECOND READING

Hon. Eric Cook moved second reading of Bill S-13, respecting Canada Health and Accident Assurance Corporation.

He said: Honourable senators, the purpose of this bill is to amend the original incorporating act of the Canada Health and Accident Assurance Corporation, which was passed in 1945.

The corporation has its head office in the City of Waterloo, in the Province of Ontario. At the time it commenced business the corporation had a small office and employed a staff of four. Since that time its history has been one of steady and progressive growth. I am now informed it is a healthy and successful organization, having an administrative staff of 95, and selling its policies through 40 active agencies in all provinces of Canada, using the services of over 30 salesmen. The present number of policyholders of the corporation is in excess of 70,000.

At the present time the corporation offers policies of insurance covering all aspects of medical, surgical and time-loss insurance. The acceptance by the public of the services offered by the corporation is indicated by the annual increase in net premium income. In the first year of its operation the corporation had a net premium income of $73,000. That same year-end figure for 1965 approaches $6 million.

The last report of the Superintendent of Insurance for Canada discloses that Canada Health and Accident Assurance Corporation is the largest Canadian company engaged solely in the field of accident and sickness insurance.

Based on its past experience, the corporation feels that it can now profitably enter the field of life insurance, and when it does it will be more than able to meet the financial requirements as set out by the Department of Insurance.

The corporation has been transacting business in the province of Quebec since 1950, and has increased its net premium income from $160,000 to more than $760,000. It now feels that it should carry on business not only under its name in English but also in French, as La Corporation Canadienne d'Assurances Santé et Accidents.

The corporation desires also to increase its authorized capital stock to $2 million, divided into shares of $10 each, to satisfy the requirements of the Department of Insurance.

Sections 1 and 2 of the bill give the corporation its French name, while sections 3, 4 and 5 increase its capital from $500,000 to $2 million, and empowers the corporation to write life insurance when its capital alone, or its capital and surplus together, are not less than $1 million.

Honourable senators, if this bill receives second reading, I shall move that it be referred to the Standing Committee on Banking and Commerce, at which time the appropriate witnesses will be present to answer any questions or to give any further information which may be required.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Cook, bill referred to the Standing Committee on Banking and Commerce.

INCOME LIFE INSURANCE COMPANY—SECOND READING

Hon. A. Hamilton McDonald moved the second reading of Bill S-11, to incorporate Income Life Insurance Company of Canada.

He said: Honourable senators, this company was incorporated under the Corporations Act of Ontario by Letters Patent dated December 9, 1963 with an authorized capital of $10 million. A public underwriting of shares of this company was completed during the spring of 1964, raising approximately $2,750,000.

The company was licensed to carry on business by the Province of Ontario in January 1964 and is presently licensed in the provinces of British Columbia, Alberta, Saskatchewan and Ontario.

The present directors of the company are the persons listed as petitioners for the new federal company bearing the same name.

The head office of the company is at 75 James Street South, Hamilton, Ontario, where a full time administrative staff is maintained for the purposes of underwriting claims, accounting, actuarial and other required services.

The management staff of Income Life consists of full-time employees, each of whom is fully experienced in the insurance field.

Honourable senators, at this point I would like to state that my following remarks will apply not only to Bill S-11 but also Bill S-12. By so doing I think I will save the time of the house, for then I shall not have to repeat the remarks when I explain Bill S-12.

While the prime purpose of Income Disability is to underwrite accident and sickness insurance, and while the prime purpose of Income Life is to underwrite life insurance, the proposed federal acts of incorporation request that each company be empowered to underwrite "life, accident and sickness insurance." The existing two companies operate in conjunction with each other and the requested powers are required so as to enable each of the companies to be able to reinsure coverages written by the other.

The two companies share office space at head office and have certain sole employees and certain joint employees. The two companies in total employ 62 people on a full-time basis and, in addition, Income Disability is represented by 70 agents holding accident and health licenses and Income Life is represented by 87 agents holding life licenses.

[*Translation*]

Hon. Jacques Flynn: Honourable senators, the brief remarks I now wish to make are not related to the principle of the bill but concern rather the French names of those two companies.

I fully realize that it would be better to discuss this matter in committee. However, I shall merely make a suggestion to the sponsor of the bill and if he can act upon it, he might do so when the bill is considered in committee.

I think that all companies doing business throughout the country should also have

French names, but quite often those names are not really French.

I admit that in the case of a company incorporated many years ago, as was the Sun Life of Canada, the name was translated into la Sun Life du Canada, compagnie d'assurances, but when, as in this case a new company is involved—I believe it was incorporated in 1963 if I understood correctly—it seems to me an effort should be made to find a better French name than Income Life, compagnie d'assurance-vie, and especially Income du Canada, compagnie d'assurance-invalidité et de ré-assurance.

I tried to find an appropriate translation but it is not always easy to find one on the spot.

I would suggest to the sponsors of these two bills that a better sounding translation be found.

[*Text*]:

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. McDonald, bill referred to the Standing Committee on Banking and Commerce.

INCOME DISABILITY AND REINSURANCE COMPANY OF CANADA— SECOND READING

Hon. A. Hamilton McDonald moved the second reading of Bill S-12, to incorporate Income Disability and Reinsurance Company of Canada.

He said: Honourable senators, Income Disability and Reinsurance Company of Canada was incorporated under The Corporations Act of Ontario by Letters Patent dated September 19, 1960 as a private company. The original authorized capital was $1.5 million divided into 15,000 shares of the par value of $100 each. Initial capital of approximately $300,000 was raised. The company was licensed by the Province of Ontario in March 1961 to transact the business of accident and sickness insurance. Subsequently, the company was licensed to transact the same classes of insurance in Manitoba in May 1961, in Alberta and British Columbia in April 1962 and in Saskatchewan in January 1963. The original name of the company was Income Insurance Company of Canada and the same was a private company.

In February 1963, the company was converted into a public company and its name was changed to Income Disability and Reinsurance Company of Canada. The authorized capital of the company was increased from $1.5 million to $5 million and there was a public underwriting of its shares whereby an additional $2.4 million of capital was raised.

The head office of the company is located at 75 James Street South, Hamilton, Ontario and the company transacts business in British Columbia, Alberta, Saskatchewan, Manitoba and Ontario.

The existing directors of the company are the petitioners listed in the petition for incorporation of the federal company.

If honourable senators see fit to give second reading to this bill, I shall move that it be referred to the Standing Committee on Banking and Commerce.

I would like to assure all honourable senators that I shall endeavour to have the French language version of the names of these two companies changed so that they will not be offensive. I do not know what success I shall have, but I shall certainly endeavour to do so.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. McDonald, bill referred to the Standing Committee on Banking and Commerce.

BANK OF BRITISH COLUMBIA— SECOND READING

Pursuant to the Order of the Day:

Hon. J. W. de B. Farris: Honourable senators, I move the second reading of Bill S-16, to incorporate Bank of British Columbia.

Honourable senators, I wish to point out that there are not sufficient copies of this bill to provide one for each senator. I have 15 copies here and will make those available now.

If this motion is adopted, I propose to move that the bill be referred to the Standing Committee on Banking and Commerce. The bill of last session was with that committee when Parliament was dissolved.

I made a long speech on this subject matter on the previous occasion, speaking until adjournment time on one day and continuing on the next day. I propose to give the reference to that speech, so that senators may have an opportunity to look at it. The speech commences at page 470 of Senate *Hansard* for May 13, 1964, and is continued at page 483 of May 14, 1964. I believe it was the longest speech I ever made—and that is saying something, as someone remarked.

I must apologize to honourable senators, because when I rose an hour ago I did not

know that there were no copies of this bill available, other than the one I presented. There are 15 available now, and anyone who wants one may have one.

Hon. Mr. Benidickson: Mr. Speaker, may I suggest that they be distributed now? That would facilitate the passing of the honourable member's motion.

Hon. Mr. Farris: My honourable friend will understand that there is not sufficient to provide one for each senator.

Hon. Mr. Benidickson: There may be enough for our purpose.

Hon. Mr. Farris: I am satisfied with that.

Hon. Mr. Flynn: Could the honourable sponsor indicate the changes in this bill as compared with the measure presented last year?

Hon. Mr. Farris: The changes eliminate certain clauses which were a matter of contention when it was before us. In particular, there is the elimination of any possibility of the Government of British Columbia holding shares in the proposed bank. Perhaps I should read the bill, as it is short.

Hon. Mr. Brooks: That is to say, the new bill meets the points of objection made to the previous bill?

Hon. Mr. Farris: Substantially so. I did not know I had to deal with this today, and anything I say must be taken with a grain of salt. I will read the bill.

BILL S-16

An Act to incorporate Bank of British Columbia.

Whereas the persons hereinafter named have by their petition prayed that it be enacted as hereinafter set forth, and it is expedient to grant the prayer of the petition: Therefore Her Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:

As regards incorporation, I do not believe you wish me to read the names of the petitioners. To my knowledge they are largely the same as before, perhaps identical. The bill continues:

2. The persons named in section 1 shall be the provisional directors of the Bank.

3. The capital stock of the Bank shall be one hundred million dollars.

4. The chief office of the Bank shall be at the city of Vancouver, in the province of British Columbia, and shall remain at all times in the province of British Columbia.

5. (1) A majority of the directors of the Bank shall be resident in the province of British Columbia.

(2) A majority of the executive officers of the Bank shall be resident in or shall have their ordinary residence in the province of British Columbia.

(3) This section shall have effect notwithstanding anything in or authorized by the Bank Act, unless and until otherwise provided by Parliament.

6. Schedule A of the Bank Act is amended by adding thereto the following—

Then the name of the new bank is given and the bill continues:

7. Except as provided in the Bank Act and in this Act, the Bank shall have all the powers, privileges and immunities and be subject to all the liabilities and provisions set forth in the Bank Act.

I have also the authority to state, on behalf of the premier of the province, that his government will undertake to hold no shares in this bank, if incorporated.

Honourable senators, this bill in similar form was introduced in 1964 and stayed on the Order Paper until it passed second reading and was referred to the Standing Committee on Banking and Commerce. The committee did not support the bill and it came back to the Senate. If my memory serves me aright, the Senate unanimously referred it back to the committee and it stayed there, not acted upon—I make no criticism of anybody for that—until Parliament prorogued.

If this motion for second reading is carried now, this bill, in its more restricted form compared with the previous bill will be referred to the committee, and I would so move at the appropriate time.

Hon. Mr. Brooks: When the honourable leader of the house spoke about this a short time ago, my understanding was that he gave permission to honourable Senator Farris to propose second reading now. As the honourable senator has explained to us, although it is not the same bill, it is practically the same as that which was before the committee previously.

As far as I personally am concerned, and I think as far as senators on this side of the house are concerned, we are not going to take objection on any technical point as to its having second reading and being sent to committee.

Hon. Mr. Hollett: Except that we have not a copy of the bill.

Hon. Mr. Brooks: The bill was read and there is a copy here if the honourable senator desires it.

Hon. Mr. Farris: I can give my honourable friend one right now.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

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

On motion of Hon. Mr. Farris, bill referred to the Standing Committee on Banking and Commerce.

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

THE SENATE

Tuesday, February 22, 1966

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

Prayers.

ACTING LEADER OF THE GOVERNMENT IN THE SENATE

Hon. A. K. Hugessen: Honourable senators, we are meeting this evening under a deep sense of tragedy and loss as the result of the sudden passing of our colleague, Senator Bouffard, Leader of the Government in the Senate during the last few weeks.

I propose to say a few words about Senator Bouffard, but before doing so I hope the house will allow me to explain my present position. I received a letter from our leader, Senator Connolly, dated February 18, which with your permission I will read to you.

Dear Senator Hugessen:

I know that you will have felt deeply shocked at the sudden and tragic death of our colleague, Senator Bouffard. He has been with you in the Senate for nearly 20 years, and you have both been at the bar of Quebec much longer.

As you know, I am under doctor's orders, and I am required to spend a number of weeks in a warmer climate for the purpose of recovery from an illness. During this period I would be most grateful if you would assume the function of Acting Leader of the Senate. I realize that I am asking you to take on heavy responsibilities. However, since you assure me that your health is more than equal to the task, I feel that if you would do this it would carry the approval of all of our colleagues in the chamber. I can assure you, and I would be grateful if you would assure them that I will return to take on my normal responsibilities at the earliest possible date.

I received a similar request from the Prime Minister.

Honourable senators, you will fully realize that a request coming from those sources, and under the present circumstances, was one which I could not possibly refuse. I accept it and I will do my best.

Having for many years experienced the invariable kindness and generosity of the members of this chamber, I am quite certain that during the next few weeks members on both sides will adequately carry on the work of the Senate and will turn a blind eye to any errors or inaccuracies which may appear in the conduct of the acting leader.

I wish to direct attention to the last sentence of Senator Connolly's letter to me, in which he undertakes to return to take on his normal responsibilities at the earliest possible date. In that connection, I am happy to tell you —and you will no doubt be equally happy to recognize—that my tenure is likely to be short.

As most of you know, Senator Connolly and Mrs. Connolly left for Florida last Friday. I had a long telephone conversation with him on Thursday evening. He told me his doctors assured him that if he has three weeks of complete rest, basking in the Florida sunshine, he will then be in a position to come home and resume his place in this Senate and in the council chamber. Let us all devoutly hope that the doctors are right and that we shall have the great pleasure of receiving our leader back, renewed and refreshed, by the middle of March. Perhaps I should say at this stage that we would not want to hurry him back if he does not feel equal to doing so by that time; if he feels that a further week or two would be of benefit to him, then of course we will carry on.

In that connection Senator Connolly said something else which I feel I should repeat to you. He referred again to the countless acts of kindness and good will which he received during the period of his illness from so many of his colleagues in this chamber, and he expressed his gratitude and good will to you all.

THE LATE SENATOR PAUL H. BOUFFARD THE LATE HONOURABLE PAUL COMTOIS

TRIBUTES

Hon. A. K. Hugessen: Honourable senators, I started my remarks by saying that we are meeting this evening under a deep sense of tragedy in the loss of Senator Bouffard. Before paying my own tribute to his memory I want to place upon the record a tribute to him which I have received from Senator Connolly and which Senator Connolly wishes to be

placed on the record of this house as his tribute. I shall read it.

> I greatly regret my inability to be in my place in the Senate tonight. Paul Henri Bouffard has been a colleague and a close friend of mine in the Senate for more than twelve years. His distinguished career in his profession and in public life, I am sure, will be thoroughly discussed in the tributes which will be paid to his memory. I should like to make special reference to the competence which he displayed and to the conscientious devotion which he gave to the work of the Senate and of its committees.
>
> I find it particularly distressing to think that death should have called him so soon after he had assumed the responsibilities of deputy leader in Canada's second chamber. In a short period of time he had not only endeared himself to his colleagues but he had impressed all with his great qualities, both as a parliamentarian and as a leader. The Senate is now deprived forever of his services. I, personally, feel the loss now for what I am certain would have been a close and fruitful association in the work of the Senate.
>
> The loss which the Senate suffers, of course, cannot be compared to the loss which his dear wife and his family have sustained. Our hearts go out to them in their tragic bereavement.

Senator Bouffard and I had been colleagues at the Bar of Quebec for more than 40 years, and I knew him as one of the ablest and most distinguished members of the Bar from the City of Quebec long before either of us was appointed to the Senate.

Senator Bouffard was a proud and loyal Quebecer, having been born in that city to a distinguished family, his father having been a member of the Superior Court Bench. He was educated at Laval University, and after graduating he continued his connection with his Alma Mater for the rest of his life, first as Professor of Commercial Law and for the latter years as a Governor and Member of the Board of Trustees. It was during his lifetime that that great change took place in the physical surroundings of Laval, when the university was moved from the centre of the city to the lovely site outside the western boundaries, known as Cité Université, of which all Quebecers have the right to feel so very proud.

Senator Bouffard started practising law in his native city, and very soon made his mark. He became the leader of an important law firm, and it was not very long before his colleagues at the Bar gave him the highest honour it was in their power to bestow. He was appointed Bâtonnier of the Bar of Quebec in, I believe, 1948, and shortly thereafter became Bâtonnier General of the Bar of the whole province.

His interests and aptitudes lay largely in the field of commercial and company law, and as the years passed by he became interested in a number of enterprises of which he became a member of the board of directors, much valued for his wise advice.

Though first, and always, and loyally a Quebecer, his interests were not bounded by the limits of the province. He was a good Canadian. Our colleague was not one of those new Quebecers whose views we sometimes read in the press today, people whose interests seem to go no farther than the boundaries of the province, people who seem to regard the rest of Canada with suspicion and distrust, only modified from time to time when more money can be extracted from the federal treasury for provincial purposes.

No. Our colleague, reflecting the views, I am sure, of the overwhelming majority of the people of our province, believed in Canada and believed that Quebec should take her full place in Confederation, in the development of our country and of the history that lies before us.

With regard to Senator Bouffard's political activities, Senator Connolly has made reference to these in the quotation from which I have read. We have known him here for nearly 20 years, assiduous in his duties, constant in his function as Chairman of the Miscellaneous Private Bills Committee, courteous, attentive and kindly to all. We shall miss him greatly, but I think we can be happy in the thought that he had a happy, successful and useful life.

I am sure that I speak for everyone here when I express our deepest condolences to his devoted widow and the members of his family.

Honourable senators, perhaps it would be fitting for me to say a word about the second tragedy which took place early this week in Quebec, the sad death of Lieutenant-Governor Comtois, a man who was liked and respected by all.

When I heard of that tragedy, in conjunction with the death of our own colleague Senator Bouffard, I was almost irresistibly

reminded of that famous sentence of John Bright in the British Parliament a little over one hundered years ago, at the time of the Crimean War. It was the worst period of the war. The House of Commons had just heard that one of its members had been killed while leading his troops into battle, and two or three more members had heard that their sons had been killed in the same battle.

John Bright referred to these matters, said a word of consolation to survivors, stopped and looking around the chamber said this:

> The Angel of Death has been abroad throughout the land; you may almost hear the beating of his wing.

Honourable senators, in these sad circumstances I think it would be advisable for us, after concluding the tributes to Senator Bouffard, not to carry on with debate on the various matters on the Order Paper. The honourable senators who are ready to proceed on these matters have all agreed to stand them until tomorrow, for which we are grateful.

Hon. A. J. Brooks: Honourable senators, the honourable Senator Hugessen referred this evening to his taking over of the duties of Acting Leader of the Government. Of course we understand the sad reason for his doing so. May I say that we are fortunate in having him to assume those duties. It is not my intention to say anything further in that connection at the present time.

It was with deep sorrow that I, and all honourable senators, heard the sad news of Senator Bouffard's passing. I rise this evening to express my shock upon learning of that sad news.

I had known Senator Bouffard since coming to the Senate, and we had become very good friends. I got to know him best during the past month, and the better I knew him the more I liked him. I am sure that has been the experience of everyone who met him.

As Senator Hugessen stated, Senator Bouffard had many excellent qualities, one of which, as I am sure we all noticed, was his great modesty. He was a very learned man, a Doctor of Laws, a Queen's Counsel, a man whose interests leaned in a variety of directions. He was a professor of commercial law at the great Laval University at one time, a director of many commercial and industrial enterprises, and he belonged to many worthwhile organizations and clubs.

Despite his success, Senator Bouffard was humble. When he spoke regarding his appointment as acting leader in the Senate at the beginning of this session he said:

> My lack of experience will no doubt cause me to appeal to both sides for your collaboration in the execution of the difficult duties I shall have to fulfil.

The only person in the Senate at that time who felt he might have some difficulty in performing those duties satisfactorily was Senator Bouffard himself. Certainly there were no other senators who doubted his ability or his capacity.

There are other senators here who knew Senator Bouffard much longer and more intimately than I did—senators from his own City of Quebec who knew his contributions to the business, social and civic life of that great city, and to his Church.

I am going to ask Senator Flynn if he will speak for me and my colleagues in this connection. However, at this time I wish to join with the honourable acting leader, Senator Hugessen, in extending sincere condolences to Madame Bouffard and all the family.

Senator Hugessen has thought it appropriate, and I am sure we all do, to make some remarks and express our grief at another sudden and very tragic death which occurred in the City of Quebec yesterday. I attended the funeral of the late Senator Bouffard, and while there I learned of the passing of the Lieutenant-Governor Comtois of Quebec. The thought came to me at the time that Canada in general, and the Province of Quebec in particular, can ill afford the loss of two such outstanding and distinguished sons, especially in these difficult and trying times when all men of good will are badly needed.

I knew Paul Comtois well. I had the honour to serve with him in the House of Commons for a number of years. I was also a colleague with him in the cabinet of the former government. One of the most lovable men I ever met was Paul Comtois. I never heard him utter an unkind word about anyone. If he could not speak well of people, he just did not speak of them at all.

Paul Comtois was a very popular and efficient representative of the Crown. He was probably one of the best who ever held this high office at any time in any province in Canada.

As to his private life, his activities were numerous and varied, but in all successful. They are well known—in fact so well known

and so many I would not undertake to enumerate them. They covered a great range and brought him in contact with many people.

His tragic death is greatly mourned by thousands of people, particularly in his native province which he loved so much, and also in every other part of Canada where he was known.

To all his family we extend our sincere sympathy and to Madame Comtois in particular. In this connection may I read a paragraph from today's *Gazette* which expresses, I am sure, the sentiment of all of us:

> At this time, in mourning the Lieutenant-Governor's tragic death, all sympathy will go out to Madame Comtois, who at all times shared her husband's kindly dignity, his unfailing courtesy. She also most worthily served, and she may at this time be comforted by the sincere sorrow, so widely felt, for her husband's death.

[*Translation*]

Hon. J. M. Dessureault: Honourable senators, as a senator from the Province of Quebec, especially as a representative of the City of Quebec, I fully share the feelings so well expressed by the Acting Government Leader in this house (Hon. Mr. Hugessen), as well as the Leader of the Opposition (Hon. Mr. Brooks) who paid an eloquent and well-deserved tribute to Senator Bouffard.

I knew Senator Bouffard since his arrival in Quebec in 1930. A distinguished lawyer, endowed with good judgment, and an experienced businessman, he played a prominent role as a member of the Bar as well as in the field of business.

He achieved great success in many fields and his reputation extended beyond the province of Quebec.

He was appointed to the Senate in 1946, and in 1948, as was mentioned by the Acting Leader, he was appointed bâtonnier of the Quebec Bar.

Commander of the Order of St. Gregory the Great, trustee of Laval University, of which he was a former law professor, he was on the Board of Directors of the Royal Bank of Canada, of the *Compagnie d'Administration et de Fiducie,* of Canadian Breweries and of several other important companies.

I have lost, in the person of Senator Bouffard a personal friend, a highly valued colleague and adviser whom I always held in great esteem and admiration.

He had a great number of friends and well deserved the reputation of gentleman, which he had in the eyes of everyone.

He had an impressive funeral yesterday at which a large public, including the Speaker of the Senate and a dozen of his colleagues, gathered to pay him a tribute.

I wish to assure Mrs. Bouffard and the members of his family of my deep sympathy and to offer them my sincere condolences.

In another line of thought, one would be prompted to say that a tragedy brings on another one. Those of my colleagues who were in Quebec City yesterday were, as I was, greatly shocked by the tragic news of the death of the Lieutenant-Governor of Quebec, the Honourable Paul Comtois, who perished in the fire of Spencerwood and whose charred remains were recovered only yesterday afternoon.

The Honourable Paul Comtois was a remarkable Lieutenant-Governor. He was a kindly, devoted, obliging man who was loved and respected by all.

I offer my deep sympathy and my sincere condolences to Mrs. Comtois and to the members of his family.

At the same time, I wish to congratulate my good friend, the Honourable Hugues Lapointe, who has just succeeded the late Honourable Mr. Comtois as Lieutenant-Governor of the Province of Quebec.

The choice could not have been better advised. I am sure that he will continue the tradition by fulfilling with tact this important office and by bringing credit to it.

Hon. Cyrille Vaillancourt: It is with deep emotion and with a heart filled with anguish that I stand to recall, at this time, the memory of two good friends of mine, Lieutenant-Governor Paul Comtois, who has just passed away so tragically, and our colleague, Senator Paul Bouffard.

Mr. Comtois was starting his studies in agricultural economy at Oka at the time I was finishing mine. That is to say that all our lives and until these last few days we were very close.

Mr. Comtois was a real gentleman who always spoke with kindness and good nature, without any bitterness ever. He was the same with people in high office and humble conditions. He came from the land and he remained deeply attached to it, and he kept his farm at Pierreville. But when he came to live in the residence of the Lieutenant-Governor, he decided to take up again what a former governor organized at Spencer-

wood: the maple sugar operations. Each spring, he saw to it that the 400 or so maple trees were tapped and each year he would send me a gallon of maple syrup, telling me that it was much better than what I could get from all the maple syrup producers in Quebec. I must admit that, with all the care he took, his maple syrup was delicious.

He also had an orchard which he sprayed himself each spring in order to harvest good apples. He was happy to give them to his friends to show that even the Lieutenant-Governor could set an example for all the citizens and all the farmers of his province. All his life he was a farmer and his great love was the land.

Last Wednesday morning when we attended the funeral of our lamented colleague Senator Paul Bouffard, everyone was talking about that recent tragedy. I can still hear our colleague Senator Flynn telling me: Last night at 11 o'clock, I was with Mr. Comtois. If Mr. Comtois had delayed getting home a little bit after the reception given for him at the Chateau Frontenac, he might still be alive.

To his widow, that great lady so kind and so charming, and to his children, I extend my deepest sympathy. I know that Mrs. Comtois and her children, with the deep faith that is theirs, will accept that painful ordeal, knowing that Mr. Comtois, who was always a paragon of virtue in his lifetime, has already received his reward. We may be sure that, from heaven, he will protect his own even more efficiently than he did during his lifetime.

It is also with deep emotion and sorrow that I recall the passing away of our colleague in this Chamber, Senator Bouffard. Little did I suspect what the future held when I asked the Prime Minister to appoint him to replace me. For, under the circumstances, I felt he was well qualified to become Assistant Leader and, after a while, Deputy Leader.

Senator Hugessen, you will be replacing him not merely as Deputy Leader but for a while you will be Acting Leader. Qualified people are needed to hold that office. This is why Senator Bouffard was selected and now Senator Hugessen is replacing him.

When two or three days after his appointment, I said to Senator Bouffard: "My dear senator, there are some very difficult circumstances in our lives, even for the person who asks another to replace him." I had to ask him to take my place. I told him he was more qualified than I was and I also knew that he would have to be here much more often. He replied: "It is my duty to accept; I cannot refuse the request of Senator Connolly or the Prime Minister." He added: "This is a duty I gladly accept."

Hardly ten days ago he was with us. On Tuesday of the previous week I inquired about his health, for at the beginning of the session he was suffering from influenza and had to fight against it. He replied: I feel very well today. Little did he think at that time that ten days later he would not be among us any more. Moreover, his wife said that he had a cough for some time and she advised him to see the doctor in case he had some lung infection. That afternoon, as usual, he played a game of dominoes at the Club de la Garnison, with lifelong friends. He was a champion domino player. He used to say: It is easy, you know, there are about 2,000 odd combinations; all you have to do is to learn them and then everything is all right. Personally, I could not learn them, whereas he knew them very well. The game is not very rough, but you have to know how to play it.

Under a somewhat cold appearance, he had a heart of gold, he knew not how to refuse his help to whoever asked for it. He was charitable, but without fanfare. When he made charitable donations, he never wanted his name to be advertised. He gave alms for the sake of charity, and not under pretense.

As was mentioned before, at the time Laval University organized its great subscription campaign, since it intended to move the campus where the new Cité universitaire is now located, Senator Bouffard was asked to organize the subscription, and I understand it produced some twelve million dollars, which is a substantial amount for the province of Quebec.

He kept on devoting himself to this work since he was a governor of this institution.

Senator Bouffard was the son of a famous lawyer from a rural area of Quebec, who later became judge of the superior court. Therefore, he had a good background. His father was a great lawyer, a great jurist and a great judge. He followed in his footsteps. Having appeared in court several times against the Quebec Power Company which was not too well liked in the area, he was recognized as a rather clever man and the Quebec Power Company decided to hire him.

It is at that time that he opened his office in Quebec City. Two years later all differences between the people and the Quebec Power were settled; Mr. Bouffard had found a way to resolve those problems.

With the disappearance of our colleague Senator Bouffard, we not only lose a friend, but we lose a great man, an enlightened and esteemed fellow citizen.

To his worthy spouse, and to his family, I extend my sincere condolences.

Senator Bouffard spent a lifetime doing good for his fellow citizens and the Great Master has already given him the prize He awards those who serve their country well and who have loved their fellow citizens.

[*Text*]

Hon. Stanley S. McKeen: Honourable senators, I regret that my condition does not permit me to make a lengthy speech, but I cannot let the occasion pass without paying tribute to our late colleague and expressing my condolences to his family.

Senator Bouffard and I were sworn in as members of this chamber on the same day twenty years ago. For the past fourteen or fifteen years I have shared the same room with him. I knew him well. In paying tribute to his memory I express my condolences to his family who will miss him far more than we will. Paul Bouffard has done a great job for his country.

[*Translation*]

Hon. Jacques Flynn: Honourable senators, I happened to meet Lieutenant-Governor Comtois and our colleague, senator Bouffard, a few hours before they passed away. You can imagine the successive shocks I have received. I am still stunned.

At an informal reception given at the Chateau on Sunday night, I had the opportunity to have a pretty long conversation with Lieutenant-Governor Comtois, one of my good friends whom I had known at the other place and whom I had the honour to replace as Minister of Mines and Technical Surveys. A few hours after having left us, he lost his life in the distressing tragedy about which we all know.

One could describe Paul Comtois by a short sentence: he was a good man, a kind-hearted man.

Kindness was written all over his face and even those who only saw pictures of him have noticed that kindness made up of simplicity, and graciousness. He had a brilliant career, of course, but he did not go looking for honours; they came to him because of his quiet efficiency, his desire to serve and his constant availability to all, his province and his country.

Paul Comtois will remain the prototype of the great landed gentry. He will be remembered as a very charming man. All those who came near him will not forget him easily.

I join with the people of Canada to express our sorrow to Mrs. Comtois and her children, to tell them that we mourn with them the passing of a beloved husband and father, who was also a man loved by all the people of Canada.

Early last Wednesday morning I met Senator Bouffard at the Quebec city hall. We both had things to discuss with the mayor. We talked about our coming back here today as planned and about the program of business of this house. He seemed in excellent health and yet, a few hours later, he died suddenly.

I would say that very few people really knew Senator Bouffard. His main characteristics, and I will speak of only two of them, were first of all a legal mind and I mean by that not only his knowledge of the law but a very sound judgment and then, generosity. From his father, Justice Pierre Bouffard, who was considered a great magistrate, Senator Bouffard inherited a love for the law, a legal mind and a sound judgment. Called to the bar in 1918, he practised law with his father for about ten years before founding in Quebec City his own law firm, which was to become one of the most important in that town. His clients were seeking Mr. Bouffard's services first for his qualities as a lawyer and his successes in every field have been truly remarkable. Then, gradually, he was sought after as a very wise counsellor, and that is how he was appointed director of so many boards of important commercial, financial and industrial organizations.

It is also his qualities as a legal expert that justified his appointment to the Senate, which has enabled us in this house to benefit from his great contribution during twenty years. Senator Bouffard's remarks always wore the stamp of a great wisdom. He did not seek to be brilliant but rather efficient in our discussions, especially before committees, mainly as chairman of the private bills committee.

I spoke about the generosity of our colleague. In this regard also his discretion never lessened his action. There are crowds of people from all classes, who benefited

from his assistance. He was a devoted collaborator in every good cause. Mention was made of Laval University, and he was a member of the financial committee. I shall add the École supérieure de Commerce de Québec, of which he was the governor and more particularly the Quebec bar. He loved his profession more than anything else; he was a lawyer. He was for many years president of the judicial aid office as he believed, rightfully, that access to the courts must be provided for all people, notwithstanding their respective means.

His success in all his fields never made him triumphant, for he rejoiced just as much, and even more, when his fellow-citizens were successful.

He knew no envy; he applauded other people's success and very often contributed to it.

A generous man, he brought an open mind to bear on various problems. Being a Liberal in politics, he looked at his party only as a necessary framework for action. He always showed the greatest respect for those who did not share his views. Deeply attached to the language and to the heritage of the French Canadians, he foresaw a truly nation-wide role for his fellow-countrymen.

To both these essential qualities, I would add his extraordinary capacity for work; until the end, he worked without respite. And is it not on account of his sound judgment, which I mentioned before, that a call was made on him first of all to replace Senator Vaillancourt as Deputy Government Leader in the Senate, and, afterwards, to be acting leader in the absence of our Government Leader (Hon. Mr. Connolly). And is it not also because of his generosity, his sense of duty, that he accepted? Circumstances have born out that Paul-Henri Bouffard was a great-hearted man, a man of sound judgment.

Because he was my senior by a few decades and had not argued in a court of law for about fifteen years, I only knew him by reputation, until I came to the Senate. For a little over three years now, he showed me an esteem and a regard which allowed me to believe myself to be one of his friends. It is as a friend of his, more than as a fellow-citizen of Quebec City, or a colleague at the Bar or in the Senate that I want to tell again to Mrs. Bouffard and her children how much I sympathize with them in their grief and how deep I feel their cruel loss.

[*Text*]

Hon. Josie D. Quart: Honourable senators, what a dreadful shock to learn of the passing of Senator Bouffard. He seemed to be in good health and spirits when he left the Senate last Thursday.

It seems that I have always known him, for during our teenage days we used to skate together in the Quebec Skating Club.

Senator Bouffard was a shining example of perfect bilingualism, and because of it he was able to transcend all borders of geography and nationality. His passing means a very serious loss to the Senate. As we all know, he had recently been appointed Deputy Leader of the Government, and during his short term of office he proved that he had all the necessary qualifications for that position. Had he lived, he was slated to play a prominent role in the activities of the Senate.

To Senator Bouffard idleness was unknown; there was always work to be done and challenges to be encountered. He made a valuable contribution to the development of his native province, and was a director of a number of industrial and commercial firms. Senator Bouffard took an active interest in education, and was a Governor of the Board of Trustees of Laval University. It makes one sad to think that his hand will never again be outstretched in friendly greeting, and to realize that he will no longer take his place with us in this chamber.

Only those who have lost a loved one can fully sympathize with his loving wife, Margaret, his family, and the grandchildren who loved him so dearly. We shall long cherish his memory. Success crowned his earthly efforts, and may his eternal reward be great.

Honourable senators, this is a period of dreadful shocks: one of the saddest was the cruel blow which struck the Province of Quebec on Monday in the sudden and tragic passing of Quebec's Lieutenant-Governor Paul Comtois.

Mr. Comtois won the respect and admiration of all who knew him. His sudden and untimely passing means a great loss, not only to the province he loved so much but to the whole of Canada.

As a Quebecer and a personal friend of the late Lieutenant-Governor, and Madame Comtois, I was grieved beyond words to learn of the death of this kind and courteous gentleman who performed the duties of his high office with sincere dedication.

My sympathy and thoughts are with Madame Comtois and the members of his family. May Divine Providence comfort them in their hour of sorrow.

I wish the newly appointed Lieutenant-Governor, Honourable Hugues Lapointe, and his charming wife, the new chatelaine of Bois de Coulonge, every success in their new roles.

Hon. Salter A. Hayden: Honourable senators, may I just add a word as a long-time friend of Senator Paul Bouffard.

It is said that the exit from life and the passage into history are often sudden and always final. When I think that just a week ago Paul was standing here in this chamber, alert, kindly and full of life, which were his characteristics, conducting the business of the Senate, and that tonight we are putting on record our regrets at his passing, it makes one realize that time available is never as long as one might estimate it to be.

Much has been said tonight and much is known about the brilliance of Paul Bouffard in his profession, his outstanding position in the business world an in the political life of the country. I prefer to say a word about the other side of Paul Bouffard, his great friendliness and his love of the Senate. To his great friendliness, each and every senator here can bear testimony.

Paul Bouffard's love of the Senate was demonstrated in all the years that he had been in this chamber. He devoted himself assiduously to the work of committees; he participated most helpfully and always gave excellent advice in relation to the problems with which we were dealing. He gave up additional time when there were special sittings of a committee, even when the Senate was not in session, because he had a great love for the Senate and for its position in the Government of Canada. He felt its place was important, and he devoted himself to presenting that image in as clear and as bright a way as possible, so that the public would at all times appreciate the importance and value of this branch of Parliament.

Senator Bouffard had a good sense of humour. I noticed it, as I am sure other senators did, when from time to time tempers began to rise a little during discussion in committee, and a sparkle would come from that unfailing sense of humour and the atmosphere would change. His unfailing sense of humour just seemed to clear the air and make easier the passage of the measure under discussion.

These are the characteristics of Paul Bouffard that I recall after many years of friendship which goes back much before his coming to the Senate. He was a close and dear friend of mine, and I shall miss him. Certainly his widow and children and grandchildren will miss him. Time will not quickly erase the history of associations and friendships he made in the Senate.

[*Translation*]

Hon. Leon Methot: Honourable senators, may I join my colleagues in expressing my deepest sympathy.

Since the beginning of the year the Grim Reaper has too often visited us. Yesterday, we were in Quebec City to pay our last respects to a colleague and a friend. Senator Bouffard died on duty. His full and successful career came to an untimely end.

His sense of duty and his devotion to his work were proverbial. He was always ready to help whoever had need of him.

He was admitted to the Bar in 1918, around the same time as I was, and I had many opportunities to discuss complex matters with him. He shared his knowledge with me every time.

Elevated to the Senate in 1946, having wonderful attributes of heart and mind, he won the admiration and the sincere friendship of us all.

Allow me to offer, in your name and on my behalf, to Mrs. Bouffard and to all his family our heartfelt sympathy and to wish them the courage needed to face such an ordeal.

At the time when the Senate was struck by the sudden death of Honourable Paul-Henri Bouffard, the whole country and the province of Quebec were dismayed by the tragic death of the Lieutenant-Governor of Quebec. The Honourable Paul Comtois devoted his entire life to public affairs, at the farm credit, as a member of the federal Government in Ottawa, or as Lieutenant-Governor in Quebec. All his life, he was pleased to do his duty. He gave his province the best of himself. I have deep sympathy for all his relatives.

[*Text*]

Hon. John J. Kinley: Honourable senators, I have listened with great interest to the wonderful tributes paid to our late acting leader, Senator Paul Bouffard.

I should like to mention a personal experience which I think is appropriate on a sad occasion of this kind. Just before the Senate adjourned for the recess, Senator Bouffard sat beside me at the prayer breakfast of the Christian leadership group in this Parliament, a group which has been in existence for some time. It was an honour to have the Acting Leader of the Senate present, and from a

personal point of view I felt it was a great example which would have far-reaching effects in religious co-operation, which is so sorely needed at the present time. It was evident that Senator Bouffard was trying his best to bear witness in that faith in which we are all equals, and where merit alone is the badge of religion. We felt that his presence there was a light that would shine forth with great effect, and which perhaps would do something for us that would strengthen us in a way that is of importance to us all.

Last week I was in Washington with a number of friends, led by the Minister of National Defence, Honourable Paul T. Hellyer, and attended the prayer breakfast of the President of the United States. There were 1,800 men present in the main forum. The ladies assembled with the First Lady in another place. It was indeed a wonderful occasion. It was perhaps the most powerful congregation of its kind. There were present the leaders of the Senate and of Congress, the armed forces, the judges, and many of the ambassadors of the world. It was an inspiring sight. Billy Graham was there—the man who we had always heard of as a prince of peace, as one who wanted peace at any price. Here he came as a prince in shining armour, backing the President to the last degree, and that great congregation stood and applauded him because he carried them with him, because he was a true patriot of the United States of America.

When I returned to Ottawa and heard of the death of Senator Bouffard, who was with me at our prayer breakfast here, I felt that we had lost a good friend. He had been my neighbour, occupying the next room to me in the Parliament Buildings for many years.

I knew Senator Bouffard to be extremely able. I felt that his speech in the debate for an Address in reply to the Speech from the Throne was generous. It was an excellent endeavour. Senator Bouffard did his work in a way that I am sure we all admired. He was doing so well, the last thing we expected was his sudden passing.

What I want to remember about Senator Bouffard is that he was present at the prayer breakfast and bore witness to his faith, to our Christian faith, without regard for any divisions we may have. We of the prayer breakfast group will remember him for the interest he took and expected to take, but which was cut off by his untimely death.

I have written to express our condolences and sincere sympathy to the late Senator Bouffard's widow and his fine family. I know their faith will sustain them, and that in their sorrow they will be proud of the memory of a fine husband and father who was so highly regarded in the Senate, in his native province and throughout Canada.

[*Translation*]

Hon. L. M. Gouin: Honourable senators, at the beginning of this session I had the opportunity to mention the success Senator Bouffard had as a lawyer and a businessman. He had just been appointed acting leader and I was convinced, like all of you, that he would discharge his duties admirably.

When I last saw—and unfortunately it was to be the last time—my lamented friend and colleague on February 9, he seemed in excellent health. Nothing foreshadowed his tragic death last week. It was a hard blow for us to learn of the passing of our new acting leader. In less than a month, he had done well in that capacity. He knew how to present clearly and convincingly the business submitted to the house by the Government. He also chose wisely those to whom he entrusted that task.

Were I called upon to bring out the most characteristic qualities of our colleague from Granville, I would mention at the outset his sound judgment and his perfect loyalty.

Senator Bouffard proved the soundness of his judgment each time he spoke in this House, each time he chaired one of our committees or took part in a discussion.

Senator Bouffard proved his loyalty to his leaders through each and every election campaign since I have had the privilege of knowing him. I recall with particular emotion the loyalty of our lamented colleague towards the Right Honourable Louis St. Laurent who rightly trusted him implicitly.

Born in Quebec City in 1895, Senator Bouffard had all the best typical characteristics of a good Quebecer. This great business man combined devotion to his native province with a patriotism as big as the continent. He was one of our great Canadians, for he could face national problems with coolness and thoughtfulness. He considered them with a sound judgment and a clear mind.

Senator Bouffard enjoyed the respect of everybody in the bar and in financial circles, and of all his fellow-citizens.

By the demise of that former student who did them proud, the Quebec Seminary and Laval University have lost a patron and a great associate.

A professor of commercial law at the Quebec law faculty and a member of the board of trustees of his alma mater, Senator Bouffard deserves to be remembered always.

I hope his memory will be commemorated through the giving of his name to some foundation, some scholarship for law students or some award. I would be happy to bring my humble contribution to such a symbolic gesture. I offer Mrs. Bouffard and all the members of her family my deepest sympathy.

I also wish, in concluding my remarks, to offer my heartfelt condolences to Mrs. Comtois and her family. Our distinguished Lieutenant-Governor was the victim of the destruction of Spencerwood by fire. He was an honest citizen. He fulfilled with distinction his high office. He discharged his duty in a way that earned him the respect and the esteem of the whole population.

The whole country deplores the tragic death of the Honourable Paul Comtois at this time.

Hon. Jean-François Pouliot: Senator Bouffard whom all of you, honourable senators, praised with emotion, was a sincere friend of us all. Our colleagues who made his eulogy spoke in tones of deep emotion. They will long remember this colleague who was an outstanding lawyer, a very able parliamentarian, but who was even more than that, a gentleman and a big-hearted man. He was a supporter of justice. He was interested in young people and that is why he devoted so much of his time to the university, hoping that his work would be useful to future generations.

I knew Senator Bouffard well, and he was extremely helpful to me before he was appointed to the Senate himself.

Furthermore, honourable colleagues, when I was appointed to this house, I had the honour of being introduced to Mr. Speaker by the Leader of the Government, who was the honourable Senator Ross Macdonald, and also by the honourable Senator Paul Bouffard, who was the senator for the division where I was living.

He always had a liking for the lower St. Lawrence; he had a place, a summer home, at Notre Dame du Portage, on the shores of the majestic St. Lawrence which, in my area, looks very much like the Juan de Fuca Straits near Victoria. The river in my area, at Notre Dame du Portage and Rivière du Loup, is 20 miles wide. As a backdrop, there are the gigantic mountains, the Laurentians, not unlike the Olympic Mountains that can be seen in the United States, across from Victoria.

The air is pure, it smells good, and the river on which there are numerous boats is dotted by a number of islands with picturesque names—Lièvre island, Pèlerins island, Blanche island, Rouge island and Brandy Pots—in memory of smugglers who used those islands in the past; that has long since disappeared.

Notre Dame du Portage is a very popular summer resort for its beaches near Rivière du Loup and St. Patrick, where the Right Honourable Louis St. Laurent owns a summer villa. It was in that unforgettable landscape that Senator Bouffard used to come for a rest after his intense work at his law office in Quebec. We would meet him there, always modest always most happy, a grand gentleman he was. I shall always cherish his memory and I shall often remember that when I had difficulty in reaching a decision I asked his opinion on such and such a matter. In fact, his father and mine were both barristers. His father was later appointed to the bench. They were contemporaries, they were friends. The lamented Senator Bouffard was also my friend—the son of my father's friend. In speaking to you like this, you will please forgive me for recalling personal memories, but I do not hesitate to share them with you for your memories of Senator Bouffard are similar to mine.

He had an admirable companion who staunchly stood by him rain or shine. I join my colleagues in offering Mrs. Bouffard and the senator's family my deepest sympathy.

[*Text*]

Honourable senators, the Province of Quebec is in sorrow. We were grieved first by the death of an eminent colleague of ours who had made a sacrifice to accept the position of acting leader of this house. There is no more painstaking, difficult and arduous position. It is arduous for a good reason: the leader, or the acting leader in charge, has the responsibility here for all legislation that is sponsored by all members of the Government in the other place. This responsibility extends to legislation sponsored by the Leader of the Government in the Senate or by the acting leader, as well as to legislation proposed or introduced by any honourable member.

These duties present a tremendous task; it is a killing task. For that reason I congratulate our friend Senator Hugessen on his appointment, and at the same time I offer him my sympathy and my very best wishes.

Do you know, honourable colleagues, that when Senator Dandurand was Leader of the Government and the Right Honourable Arthur Meighen was leading the other side of the house, Senator Dandurand rose every morning at five o'clock in order to read the legislation sponsored in the House of Commons which was to come before the Senate. He worked all day without respite. It is surprising that he lived so long, when one considers the enormous amount of work he had to do.

When Senator Bouffard was invited by the Government to take charge and to replace temporarily our leader, Senator Connolly, he accepted the office as an honour although he knew what it entailed. He accepted it because of his loyalty to the head of the party, the Prime Minister, to his friend Senator Connolly, and to an institution for which he had the greatest respect, the upper chamber, the Senate to which we all belong. And what Senator Bouffard did for me by being so generous when I went to him for advice, he did, I am sure, for many others also.

It was also surprising that though Senator Bouffard had an iron will, he had at the same time an open mind. By that I mean he had no prejudices whatever, and he was ready to consider the pros and cons of every matter submitted to him. I regret his passing for that reason as well as for his remarkable formation as a jurist, which he received at home and by the teaching of his father and by working as hard as any one of us ever did.

I would also remind my honourable colleagues that we have in this Senate chamber the largest number of first-class lawyers to be found in any organization in this country. While a large number of lawyers from every part of the country belong to the Canadian Bar Association, there is not to be found in any legal organization in any province as many eminent lawyers as there are in this chamber.

Senator Bouffard was counted in that group. He was also Bâtonnier Général of the Province of Quebec, which meant he was the first lawyer of that province, elected by his confreres to that high office because of the respect they had for him. Senator Bouffard and Senator Hugessen were each in turn elected Bâtonnier Général de la province de Québec at the time when that title had real meaning.

That being said, I repeat to you that I could say much more in praise of Senator Bouffard, but I do not wish to delay you, honourable senators, after all the fine eulogies and well-deserved tributes that have been paid in this chamber.

As I have said to you, the Province of Quebec is in mourning for the loss of its first citizen, the Lieutenant-Governor, who was the representative of Her Majesty the Queen in Quebec City, the capital of that province.

Yesterday, when I went to Quebec to attend that magnificent tribute paid to our deceased colleague, I saw on the face of every man, woman and child that I met—and I met crowds of them—sorrow, sadness and consternation because of the death of the late Honourable Paul Comtois in such tragic circumstances.

This is the first occasion on which I have seen the flag flying at half-mast over this building for so long a period of time. It has been lowered since Thursday morning last, and will remain down until Thursday evening next, a total of eight days, or more than a week. It reminds us that life has not much meaning except for the work, the civic qualities and the patriotism that are shown by those who are gone to the Great Beyond and who will be remembered for what they did in their lifetime. Tomorrow is the day when we shall all remember that man is but ashes and dust. What are the glories of this world when we think that the only thing that counts is what is done for others? This is why the late Lieutenant-Governor Paul Comtois and Senator Bouffard will be remembered, and those who did not have the privilege of knowing personally those two great Canadians will know the legend that will surround their names forever.

[*Translation*]

Hon. Maurice Bourget: Honourable senators, I should like to join with my colleagues from the Senate who so eloquently recalled the memory of the colleague who was, unfortunately during a too short period, the Acting Leader of the Government in the Senate.

I will not repeat everything that was said a few minutes ago about Senator Bouffard. Nevertheless, may I say that I agree wholeheartedly with what was said and that he deserved such tributes. To all of us, his passing means the loss of a sincere and loyal friend, a devoted colleague.

I avail myself of this opportunity to offer once more to Mrs. Bouffard and her family my most sincere sympathy in their sad bereavement.

Sunday night, a little past midnight, my wife told me that the Lieutenant-Governor's residence was all in flames. From the window of my residence at Levis, I was able to see the fire destroying that residence called Spencerwood. I was far from thinking that the flames were destroying at the same time the body of the man who, during the last five years, had with so much dignity represented the Queen in our province of Quebec.

The late Paul Comtois will long be remembered especially in our province and, I understand, across the country, as the perfect gentleman. I express my sincere sympathy to Mrs. Comtois and her family.

[*Text*]

Hon. J. W. de B. Farris: Honourable senators, the hour is late and I do not wish to prolong this sitting. I had breakfast this morning at home in Vancouver and I am here in Ottawa tonight. Before this sitting ends I wish to join with my friend Senator McKeen in emphasizing that these tributes, heartfelt as they are, are not confined to the provinces of Quebec and Ontario. They represent the feelings of people throughout the whole of Canada.

REDISTRIBUTION BILL

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-126, to extend the time for consideration of objections pursuant to section 20 of the Electoral Boundaries Readjustment Act with respect to the reports of commissions established for the decennial census taken in the year 1961.

Bill read first time.

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

He said: Honourable senators, may I ask that this bill be placed first on the Orders of the Day for tomorrow? It is a very simple bill which merely extends the time for the House of Commons to give consideration to the objections to the reports of the provincial committees dealing with the redistribution of seats. It is rather urgent because the time is running out under the bill as it stands today. If this house is willing to give consideration to it and pass it tomorrow, the hope is that it will be possible to give it Royal Assent tomorrow evening.

Hon. Senators: Agreed.

Motion agreed to.

DOCUMENTS TABLED

Hon. A. K. Hugessen: Honourable senators, I have eighteen documents to table. I should perhaps advise my honourable friends that the last one on the list is the report of the Eighth Meeting of the Canada-United States Interparliamentary Group held at Ottawa and Montreal from May 20 to May 23, 1965. Later I shall move that this report be printed as an appendix to today's *Hansard*.

Hon. Mr. Hugessen tabled:

Copy of Order in Council P.C. 1965-536, dated March 25, 1965, authorizing the manner in which Fishing Bounty may be distributed for the fiscal year ended March 31, 1965, together with a statement of such payments for the said year, pursuant to section 4 of the Deep Sea Fisheries Act, chapter 61, R.S.C., 1952. (English and French texts).

Copies of correspondence exchanged during the period January 17, 1966 and February 1, 1966, between the Prime Minister of Canada and the Premiers of the Provinces and Dr. G. C. Andrew, Executive Director, Association of Universities and Colleges of Canada, with reference to an interim increase in per capita operating grants to Universities. (English and French texts).

Text of letter from President Ho Chi Minh to the Prime Minister of Canada, dated January 24, 1966, concerning the Vietnam situation. (English and French texts).

Report of the Commission appointed to demarcate the boundary between the Provinces of Manitoba and Saskatchewan—Part I—dated August 2, 1965, together with a copy of an atlas covering the portion of the boundary surveyed in 1961-1962, pursuant to Order in Council P.C. 1963-683, dated May 2, 1963. (English text).

Statutory Orders and Regulations published in the *Canada Gazette*, Part II, of Wednesday, February 9, 1966, pursuant to section 7 of the Regulations Act, chapter 235, R.S.C., 1952. (English and French texts).

Report on the Quinquennial Actuarial Valuation of the Royal Canadian Mounted Police (Dependants) Pension Fund as at March 31, 1964, under Part IV of the Royal Canadian Mounted Police Act, pursuant to section 89(3) of the said Act, chapter 241, R.S.C., 1952, together with a copy of Order in Council P.C.

1965-7/2303, dated December 29, 1965. (English and French texts).

Copies of Order in Council P.C. 1966-287, dated February 10, 1966, appointing and reappointing certain members to the Economic Council of Canada. (English and French texts).

Copy of a booklet entitled "The National Flag of Canada". (English and French texts).

Copies of letters exchanged between the Prime Minister of Canada and the Premier of Alberta, dated November 9, 1965 and February 4, 1966, with reference to National Parks in the Province of Alberta. (English text).

Order in Council P.C. 1966-241, dated February 4, 1966, authorizing under section 21A of the Export Credits Insurance Act the provision of unconditional guarantees to banks by the Export Credits Insurance Corporation to facilitate the financing on medium term credit of insured exports of capital equipment, pursuant to section 21B of the said Act, chapter 105, R.S.C., 1952, as amended 1960-61. (English text).

Report of the Operations under the International River Improvements Act for the year ended December 31, 1965, pursuant to section 11 of the said Act, chapter 47, Statutes of Canada, 1955. (English and French texts).

Report of the Department of Mines and Technical Surveys for the year ended December 31, 1964, pursuant to section 10 of the Department of Mines and Technical Surveys Act, chapter 73, R.S.C., 1952. (English and French texts).

Report on the Operations of the Municipal Improvements Assistance Act, for the year ended December 31, 1965, pursuant to section 11 of the said Act, chapter 183, R.S.C., 1952. (English and French texts).

Report of the Board of Trustees of the Maritime Transportation Unions for the year ended December 31, 1965, pursuant to section 16 of the Maritime Transportation Unions Trustees Act, chapter 17, Statutes of Canada, 1963. (English and French texts).

Report to Parliament of the Civil Service Commission of Canada on positions and employees excluded in whole or in part under section 74, and appointments made from January 1, 1965 to December 31, 1965 under section 25 of the Civil Service Act, pursuant to section 76(2) of the said Act, chapter 57, Statutes of Canada, 1960-61. (English and French texts).

Estimates for the fiscal year ending March 31, 1967. (English and French texts).

Report of the Superintendent of Insurance for Canada—Loan and Trust Companies, for the year ended December 31, 1964, pursuant to section 9 of the Department of Insurance Act, chapter 70, R.S.C., 1952. (English and French texts).

Report of the Eighth Meeting of the Canada-United States Interparliamentary Group held at Ottawa and Montreal from May 20 to May 23, 1965. (English and French texts).

BANKRUPTCY ACT

BILL TO AMEND—FIRST READING

Hon. A. K. Hugessen presented Bill S-17, to amend the Bankruptcy Act.

Bill read first time.

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

Hon. Mr. Hugessen: Honourable senators, this is an important and intricate piece of legislation which will require a great deal of consideration.

My honourable friend Senator Hayden has very kindly undertaken to explain the bill on second reading. I thought that, in order to give him time to prepare his explanation and to allow honourable senators to read the bill and understand it, I would move that it be placed on the Order Paper for second reading on Tuesday next, March 1, if that meets with the approval of my honourable friends.

Hon. Senators: Agreed.

Motion agreed to.

DIVORCE

RESOLUTIONS PRESENTED

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the following resolutions:

Resolution 1, for the relief of Eileen Elizabeth Henderson Alluisi.

Resolution 2, for the relief of Lilia Orchot Babij.

Resolution 3, for the relief of Agnes Madeline Lenora Belanger Bales.

Resolution 4, for the relief of Joyce Eileen Eaton Bastien.

Resolution 5, for the relief of Alice Ruth Cookman Beattie.

Resolution 6, for the relief of Margaret Joan Eastwood Chevalier.

Resolution 7, for the relief of Patricia MacIntyre Clegg.

Resolution 8, for the relief of Sheila Luba Newman Cummings.

Resolution 9, for the relief of Susan Rona Shier Cunliffe.

Resolution 10, for the relief of Muriel Roberts Eccles.

Resolution 11, for the relief of Marie Marguerite Therese Madeleine Kathleen Belanger Fallon.

Resolution 12, for the relief of Francis (Frank) Edward Thibodeau Fonovich.

Resolution 13, for the relief of Edmond Foster.

Resolution 14, for the relief of Raymond Fredette.

Resolution 15, for the relief of Joan Rayson Bowen Gagnon.

Resolution 16, for the relief of Carl Gettel.

Resolution 17, for the relief of Shirley Eleanor Barber Goyer.

Resolution 18, for the relief of Maurice Grandjean.

Resolution 19, for the relief of Laura Dorothy Hampson Grant.

Resolution 20, for the relief of Francesco Grilli.

Resolution 21, for the relief of Pnina Cohen Amizlev Hart, otherwise known as Pnina Cohen Hart.

Resolution 22, for the relief of Frederick Norman Hamilton.

Resolution 23, for the relief of Neta Helen Walsh Hamilton.

Resolution 24, for the relief of Patricia Kathleen Wilmot Heath.

Resolution 25, for the relief of Gilles Hebert.

Resolution 26, for the relief of Gilles Jutras.

Resolution 27, for the relief of Heather Norma Maconachie Kirkpatrick-Smith.

Resolution 28, for the relief of Gerald Sydney King.

Resolution 29, for the relief of Flora Mandelcorn Klempner.

Resolution 30, for the relief of Raymond Lafond.

Resolution 31, for the relief of Therese Belanger Lafontaine.

Resolution 32, for the relief of Marie Josephine Yvette Ranger Lapenna.

Resolution 33, for the relief of Maurice Jules Francois Leroy.

Resolution 34, for the relief of Ian Goodridge Philip MacDonald.

Resolution 35, for the relief of Robert Stirling Manchur.

Resolution 36, for the relief of Ginette Josiane Daher Mathieu.

Resolution 37, for the relief of Madeleine Belanger Meunier.

Resolution 38, for the relief of Rita Emma Carlon Michaud.

Resolution 39, for the relief of Rena Cohen Newman.

Resolution 40, for the relief of Christina Fearn Lawson Nortranders.

Resolution 41, for the relief of Madeleine Mary Davis Parsons.

Resolution 42, for the relief of Victoria Mary Rogochewsky Paquette.

Resolution 43, for the relief of Susan McNeil Haddow Ramsli.

Resolution 44, for the relief of Dawn Amelia McCracken Rattray.

Resolution 45, for the relief of Frederick Reynard.

Resolution 46, for the relief of Linda Caroline Rich Robins.

Resolution 47, for the relief of Marie Lucienne Monique Huguette Ladouceur Robinson.

Resolution 48, for the relief of Raymond Rochette.

Resolution 49, for the relief of Claire Blain Rochon.

Resolution 50, for the relief of Henryk Jan Paul Rzepus.

Resolution 51, for the relief of Louise Lafrance St. Louis.

Resolution 52, for the relief of Elphege St. Germain.

Resolution 53, for the relief of Susan Carol Chernoff Saltiel.

Resolution 54, for the relief of Werner Helmut Schmidt.

Resolution 55, for the relief of Solomon Schnapp.

Resolution 56, for the relief of John Joseph Scott.

Resolution 57, for the relief of John Phillip Shave.

Resolution 58, for the relief of Malcolm Sydney Smith.

Resolution 59, for the relief of William Robert Snow.

Resolution 60, for the relief of Anne Helen Estelle Stevenson Snow.

Resolution 61, for the relief of Eva Prantz Solti.

Resolution 62, for the relief of Marie Anne Adrienne Micheline Leclerc Tasse.

Resolution 63, for the relief of Ronald Coleman Thomas.

Resolution 64, for the relief of Danuta Wieswla Pawlowicz Tondi.

Resolution 65, for the relief of Marie Gabrielle Cecile Tremblay Tremblay.

Resolution 66, for the relief of Irene Nellie Kon Walker.

Resolution 67, for the relief of Warren Marshall Wallace.

Resolution 68, for the relief of Isobel Isaacs Weitzner.

Resolution 69, for the relief of Margaret Ann Clark Wildman.

Resolution 70, for the relief of Kathryne Laurie Wing.

Resolution 71, for the relief of Nancy Bessie Brayton Yates.

Resolution 72, for the relief of Ida Gorbaty Grossman.

Resolution 73, for the relief of Erwin Beattie Barr.

Resolution 74, for the relief of Mary Braddock Bates.

Resolution 75, for the relief of Jacques Belec.

Resolution 76, for the relief of Ludger Berube.

Resolution 77, for the relief of Marie Estelle Camille Jouvet Boisvert.

Resolution 78, for the relief of Donald Cameron Borrie.

Resolution 79, for the relief of Cedric Ambrose Bowman.

Resolution 80, for the relief of John Terrence Bradley.

Resolution 81, for the relief of Margaret Elizabeth Munro Britton.

Resolution 82, for the relief of Nicholas Myroslaw Budinski, otherwise known as Maurice Jaros.

Resolution 83, for the relief of Margaret May Ann Trimm Cheese.

Resolution 84, for the relief of Mildred Frances Johnson Croxen.

Resolution 85, for the relief of Pamela Katherine Wray Irion.

Resolution 86, for the relief of Dorothy May Delaney Gauthier.

Resolution 87, for the relief of Jean Mastine Gervais.

Resolution 88, for the relief of Marie Jeannine Jacqueline Tremblay Girard.

Resolution 89, for the relief of Chana Anna Flint Goldberg, otherwise known as Channa Anna Flint Goodwin.

Resolution 90, for the relief of Shirley MacMillan Henthorn.

Resolution 91, for the relief of Dimitra Karababas Karavas.

Resolution 92, for the relief of Gordon John Kennedy.

Resolution 93, for the relief of Ingo Silvester Koppe.

Resolution 94, for the relief of Betty Jackson Clark Dent Labrie.

Resolution 95, for the relief of Daniel Legault.

Resolution 96, for the relief of Edith Julia Anne Anderson Long.

Resolution 97, for the relief of William Donald McQuitty.

Resolution 98, for the relief of Vivette Cecile Foote Membride.

Resolution 99, for the relief of Lucien Menard.

Resolution 100, for the relief of Rose Leibovitz Miller.

Resolution 101, for the relief of Anne Roberta Coleman Molnar.

Resolution 102, for the relief of Reginald Clark Moores.

Resolution 103, for the relief of John Russell Morrison.

Resolution 104, for the relief of June Thompson Mowlam.

Resolution 105, for the relief of Julien Ninclaus.

Resolution 106, for the relief of Noreen Ralph Magill Ougler.

Resolution 107, for the relief of Carmen Beauchamp Paris.

Resolution 108, for the relief of Michael Parizon.

Resolution 109, for the relief of Claude Pepin.

Resolution 110, for the relief of Louis Portugais.

Resolution 111, for the relief of Ginette Collerette Raimondo.

Resolution 112, for the relief of Stella Selena Stroud Rielly.

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

Hon. Mr. Roebuck: Honourable senators, in view of the very considerable delay that has taken place I move, with leave, that they be considered now.

Hon. Mr. Hollett: Honourable senators, I understood it was the intention to adjourn this house in memory of the deceased, and I do not think that we should proceed with any further business.

Hon. Mr. Hugessen: My understanding was that honourable senators who intended to speak to matters on the Orders of the Day had agreed to postpone their speeches. We are now dealing only with formal matters.

The Hon. the Speaker: It has been moved by the honourable Senator Roebuck, seconded by the honourable Senator Croll, that resolutions Nos. 1 to 112, both inclusive, be taken into consideration now. Is it your pleasure, honourable senators, to adopt the motion?

Hon. Mr. Pouliot: Next sitting.

Hon. Mr. Roebuck: I move that they be considered at the next sitting of the Senate.

Motion agreed to.

CANADA-UNITED STATES INTERPARLIAMENTARY GROUP

MOTION TO PRINT REPORT AS APPENDIX

Hon. A. K. Hugessen: Honourable senators, with leave, I move that the report of the Eighth Meeting of the Canada-United States Interparliamentary Group, tabled earlier, be printed as an appendix to the *Debates of the Senate* of this day.

Hon. Mr. Brooks: Is it the full report or an abridged edition which is to be printed? It could be a bulky document.

Hon. Mr. Hugessen: I understand it is abridged.

Motion agreed to.

For text of report see appendix, pp. 163-5.

HON. MAURICE BOURGET, P.C.

FELICITATIONS ON APPOINTMENT TO PRIVY COUNCIL

On the Orders of the Day:

Hon. A. K. Hugessen: Honourable senators, before the Orders of the Day are called, there is one event to which I should direct the attention of members of the Senate, and I am particularly happy to do so on this rather sombre day. I wish to advise honourable senators that this morning our former Speaker, Senator Bourget, was sworn in as a member of the Privy Council of Canada.

Hon. Senators: Hear, hear.

Hon. Maurice Bourget: Honourable senators, I wish to thank our acting leader, the honourable Senator Hugessen, most sincerely for bringing my appointment to the Privy Council to the attention of the Senate.

I would like also to reciprocate and to congratulate him upon his nomination as Acting Leader of the Government in the Senate. I have no doubt that he will fulfil his duties with the ability and judgment he has shown throughout his long service to the Senate.

Also, with your permission, I wish to thank the man who was responsible for the great honour which has been bestowed upon me—the Right Honourable the Prime Minister. I hope that I shall be worthy of this high honour, which in turn reflects upon all the members of the Senate.

Through you, my acting leader, I want to thank all honourable members for the warmth of their congratulations.

The Senate adjourned until tomorrow at 3 p.m.

APPENDIX

(*See p. 162*)

REPORT OF THE EIGHTH MEETING OF THE CANADA-UNITED STATES INTERPARLIAMENTARY GROUP

Held at Ottawa and Montreal May 20-23, 1965

The eighth meeting of the Canada-United States Interparliamentary Group was held in Ottawa and Montreal, May 20-23, 1965. Twenty-three members of the United States Congress and twenty-six members of the Canadian Parliament participated in the discussions. The Co-Chairmen of the United States delegation were the Honourable George D. Aiken, Senator from Vermont, and the Honourable Cornelius E. Gallagher, Representative from New Jersey. The two Speakers of the Senate and House of Commons, the Honourable Maurice Bourget and the Honourable Alan A. Macnaughton led the Canadian Delegation. A list of the Canadian and United States delegates appears as an appendix to this report.

Established in 1959, this group has quickly grown in the six years of its existence into one of Canada's strongest and most valuable interparliamentary links. Meetings are held alternately in Washington and Ottawa. The seventh session was held in Washington and Cape Kennedy in January, 1964.

As on previous occasions, the discussions of the Group were frank, informal and off the record. The object of the meetings is a free and unofficial exchange of views and ideas between legislators of our two countries on a wide range of matters of mutual interest.

Canadian delegates at the eighth meeting were drawn from British Columbia to Nova Scotia, and from the Arctic Circle to the Vermont border, while the United States delegates represented an even wider spread—from Hawaii to Maine and Alabama. This broad representation, together with the seniority of many of the representatives indicates clearly the appreciation on both sides of the importance of each country to the other in much more than a regional sense.

The opening plenary session was held on May 20, at which the United States delegates were welcomed by the Prime Minister of Canada, the Right Honourable Lester B. Pearson. Following the usual practice, the meeting then resolved itself into two committees, one dealing with trade and related matters, the other dealing with defence.

The Trade Committee was under the joint chairmanship of Senator Aiken of the United States delegation and Mr. Speaker Bourget and Senator McCutcheon of the Canadian delegation. United States representation included—besides Senator Aiken—Senators J. S. Cooper, B. E. Jordan (North Carolina), Eugene McCarthy, J. B. Pearson and Hiram Fong, and Representatives H. T. Johnson, S. R. Yates, S. R. Tupper, Mark Andrews, Vernon Thomson and D. M. Fraser. Canadian representation included also Senators Méthot and Leonard and the following Members of Parliament: Honourable J. W. Monteith, Honourable Alvin Hamilton, Mr. Lucien Lamoureux, Mr. Stanley Knowles, Mr. George Chatterton, Mrs. Margaret Konantz, Mr. Gérard Laprise, Mr. Albert Béchard and Mr. J. E. Lloyd.

Subjects discussed in the three meetings of the Trade Committee included the following:

—transportation links between Canada and the United States;

—co-operative paving of the Alaska Highway;

—Canadian access to the sea through the Alaskan "Panhandle";

—continental water resources utilization projects; and

—aid to developing nations.

The Defence Committee was jointly chaired by Congressman Gallagher for the United States and Mr. Speaker Macnaughton and Mr. David Hahn for Canada. United States delegates on the Committee—in addition to Congressman Gallagher—included Senators Mike Mansfield, Bourke B. Hickenlooper, Leverett Saltonstall, P. V. McNamara, F. E. Moss and L. B. Jordan (Idaho) and Representatives W. T. Murphy, J. I. Whalley, R. T. Stafford and A. I. Selden. Also on the committee, for Canada, were Senators P. H. Bouffard, H. de M. Molson, S. J. Smith and M. Grattan O'Leary, and the following Members of Parliament: Mr. James E. Walker, Mr. Jack McIntosh, Mr. Heward Grafftey, Mr. Bert Leboe, Dr. Stanley Haidasz, Mr. Andrew Brewin and Mr. Gene Rheaume.

Subjects discussed in the three sessions of the Defence Committee included the following:

—the state of the NATO Alliance;
—U.N. Peace-keeping operations;
—defence production sharing; and
—the general international situation.

Members of the United States delegation expressed a special interest in the re-organization of the Canadian defence forces, and, at their request, the Minister of National Defence, the Honourable Paul Hellyer, met with the members of both the Trade and Defence Committees and outlined for the benefit of Americans and Canadians alike the problems and progress toward unification of the Canadian military services.

While in Ottawa the United States delegates were taken onto the floor of the Senate, where tributes were paid by Mr. Speaker Bourget and by the Leader of the Government in the Senate, the Honourable John J. Connolly, and the Leader of the Opposition, the Honourable Alfred J. Brooks. In the House of Commons, the United States guests were seated in the Speaker's Gallery and recognized from the floor by Mr. Speaker Macnaughton, by the Prime Minister, the Right Honourable Lester B. Pearson, by the Leader of the Official Opposition, the Right Honourable John G. Diefenbaker, and by the leaders or spokesmen from the other Opposition parties.

In Ottawa the delegates and their wives were guests at several social functions including a luncheon given by Mr. Speaker Bourget, a joint Senate and House of Commons reception, a reception given by Mr. Speaker Macnaughton, a reception given by His Excellency W. Walton Butterworth, United States Ambassador to Canada, and an official dinner given by the Canadian delegation in honour of the United States delegates. The guest speaker at the Government dinner was the Secretary of State for External Affairs, the Honourable Paul Martin.

A special program was provided for the wives of the delegates while the meetings were in progress. Among other things, the ladies' program included a scenic tour of Ottawa's Tulip Festival; the Gatineau Parkway; tea at Mr. Speaker Macnaughton's summer residence, "The Farm", at Kingsmere, Quebec; and luncheons given by Mme Maurice Bourget and Mrs. Jack McIntosh. The ladies also were graciously received at Government House by Her Excellency, Mme Georges P. Vanier.

On Saturday, May 22, the delegates and their wives travelled by private train to Montreal, stopping for lunch at the Seigniory Club in Montebello, Quebec, and reaching Montreal in time for dinner at the St. James's Club, where the Honourable Guy Favreau, Minister of Justice, the Honourable C. M. Drury, Minister of Industry, Senator Hiram Fong, of Hawaii, and Senator Grattan O'Leary were among the guest speakers. Sunday morning, delegates were briefed on plans and progress of Expo '67 by the Commissioner-General, His Excellency Pierre Dupuy, and senior members of his staff. A luncheon-reception was given by His Worship, Mayor Jean Drapeau, on Ile-Ste-Hélène, and delegates were given the opportunity to view by helicopter the preparations underway at the Expo site.

Thus ended the eighth meeting of the Canada-United States Interparliamentary Group, with the homeward departure of both delegations from Montreal's International Airport in the late afternoon of Sunday, May 23, 1965. All delegates seemed well satisfied with the results of this latest meeting and more than ever convinced of the usefulness of this vehicle for the exchange of views between legislators of two countries which have so much in common.

Once again, the presence and active participation of the wives added greatly to the success of the venture. These ambassadors of goodwill serve always to strengthen and confirm the social exchanges, the friendships and mutual understanding that are fostered by these meetings.

We would not want to conclude this report without expressing our warm appreciation for the excellent co-operation and assistance of the officers of the Departments of External Affairs and National Defence, and of the various other agencies of government who did so much to make the visits in Ottawa and Montreal such a resounding success. We wish also to record our gratitude to His Worship Mayor Jean Drapeau, and His Excellency Pierre Dupuy and their fine staffs for the excellent arrangements in Montreal, and to the Honourable Paul Hellyer, Minister of National Defence, whose department took care of the transportation arrangements. We should also acknowledge the excellent staff work by Mr. George Carty, Mr. Ian Imrie and his assistants who were in charge of all arrangements for this important meeting. A word of thanks should also go to Air Canada for making Mr. Gérard Lareault available to

assist in the reception and transportation of delegates.

Respectfully submitted,

Maurice Bourget,
Speaker of the Senate

Alan A. Macnaughton,
Speaker of the House of Commons.

Ottawa,
September 15, 1965.

Appendix

DELEGATES TO THE EIGHTH MEETING, CANADA-UNITED STATES INTER-PARLIAMENTARY GROUP

I. CANADIAN DELEGATION

THE SENATE

Honourable Maurice Bourget (Co-Chairman)
Honourable M. Wallace McCutcheon,
Honourable P. H. Bouffard,
Honourable H. deM. Molson,
Honourable S. J. Smith,
Honourable Léon Méthot,
Honourable M. Grattan O'Leary,
Honourable T. D. Leonard

THE HOUSE OF COMMONS

Honourable Alan A. Macnaughton (Co-Chairman)
Honourable J. Waldo Monteith
Honourable Alvin Hamilton
Mr. Lucien Lamoureux
Mr. James E. Walker
Mr. Jack McIntosh
Mr. Stanley Knowles
Mr. George Chatterton
Mr. Heward Grafftey
Mr. Bert Leboe
Dr. Stanley Haidasz
Mr. Andrew Brewin
Mr. Gérard Laprise
Mr. David G. Hahn
Mrs. Margaret Konantz
Mr. Jack E. Lloyd,
Mr. Gene Rheaume
Mr. Albert Béchard

STAFF

Mr. George M. Carty
Mr. Ian G. Imrie
Mr. Leo Robitaille
Mr. Timothy Plumptre
Mr. Paul Bridle
Col. T. G. Bowie
Mr. Gérard Lareault
Capt. Roger Christianson.

II. UNITED STATES DELEGATION

THE SENATE

Hon. George Aiken, Vermont, (Co-Chairman)
Hon. Michael J. Mansfield, Montana
Hon. Bourke B. Hickenlooper, Iowa
Hon. Leverett Saltonstall, Massachusetts
Hon. Patrick V. McNamara, Michigan
Hon. John Sherman Cooper, Kentucky
Hon. B. Everett Jordan, North Carolina
Hon. Eugene J. McCarthy, Minnesota
Hon. Frank E. Moss, Utah
Hon. J. P. Pearson, Kansas
Hon. L. B. Jordan, Idaho
Hon. Hiram J. Fong, Hawaii

STAFF

Mr. Carl Marcy
Mr. Darrell St. Claire
Mr. Francis R. Valeo
Miss Milrae Jensen
Miss Varney Porter

THE HOUSE OF REPRESENTATIVES

Hon. Cornelius E. Gallagher, New Jersey, (Co-Chairman)
Hon. William T. Murphy, Illinois
Hon. Harold T. Johnson, California
Hon. Stanley R. Tupper, Maine
Hon. Mark Andrews, North Carolina
Hon. J. Irving Whalley, Pennsylvania
Hon. Robert T. Stafford, Vermont
Hon. Vernon T. Thompson, Wisconsin
Hon. Armistead I. Selden, Alabama
Hon. Donald M. Fraser, Minnesota
Hon. Sidney R. Yates, Illinois

STAFF

Dr. Albert Westphal
Mrs. Louise O'Brien

ARMY ESCORTS

Colonel Joseph Kimmett
Lt-Col. Robert Koenig
Major Robert Fike
Major Edward Peter
Sgt-Major Sullivan
Sgt. McGinnis

THE SENATE

Wednesday, February 23, 1966

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

Prayers.

DOCUMENTS TABLED

Hon. A. K. Hugessen tabled:

Exchange of notes between the Secretary of State for External Affairs and the Ambassador of the United States of America relating to the development of the Saint John River, dated December 18, 1965. (English text).

Copy of "Economic Survey by the Organization for Economic Co-operation and Development—Canada", December 1965. (English text).

Report of loan out of the Consolidated Revenue Fund to the Farm Credit Corporation pursuant to section 82(4) of the Financial Administration Act, chapter 116, R.S.C., 1952. (English and French texts).

Consolidated Index and Table of Statutory Orders and Regulations published in the *Canada Gazette*, Part II, for the period January 1, 1955 to December 31, 1965. (English and French texts).

PRIVATE BILLS

CANADIAN BOARD OF MISSIONS OF THE CHURCH OF GOD—FIRST READING

Hon. Donald Cameron presented Bill S-18, to incorporate Canadian Board of Missions of the Church of God.

Bill read first time.

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

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

Motion agreed to.

UNITED GRAIN GROWERS LIMITED—REPORT OF COMMITTEE

Hon. Salter A. Hayden, Chairman of the Standing Committee on Banking and Commerce, reported that the committee had considered Bill S-5, respecting United Grain Growers Limited, and had directed that the bill be reported without amendment.

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

Hon. Mr. Thorvaldson moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

AETNA CASUALTY COMPANY OF CANADA—REPORT OF COMMITTEE ADOPTED

Hon. David A. Croll, Acting Chairman of the Standing Committee on Banking and Commerce, reported that the committee had considered Bill S-4, to incorporate Aetna Casualty Company of Canada, and had directed that the bill be reported with the following amendment:

Page 1: Strike out clause 1 and substitute therefor the following: "1. Albert Bruce Matthews, executive, Melvin Kirkland Kenny, insurance executive, John Hamilton Cameron Clarry, one of Her Majesty's Counsel, Granville Patrick Harcourt Vernon, one of Her Majesty's Counsel, Peter Greer Beattie, solicitor, and Stephen Clifford Smith, solicitor, all of the city of Toronto, in the province of Ontario, together with such other persons as become shareholders of the company, are incorporated under the name of Aetna Casualty Company of Canada, and, in French, La Compagnie Aetna Casualty du Canada, hereinafter called 'the Company'."

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

Hon. Mr. Croll: With leave of the Senate, I move that this report be taken into consideration now.

Honourable senators, the report contains a minor amendment. The names of three of the incorporators who were not residents of Canada were deleted from the incorporation clause of the bill.

Motion agreed to and report adopted.

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

Hon. Mr. Cook moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

DIVORCE

REPORTS OF COMMITTEE PRESENTED

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the committee's reports Nos. 114 to 169, inclusive, and moved that the said reports be taken into consideration at the next sitting.

Motion agreed to.

PRIVATE BILLS

THE PACIFIC COAST FIRE INSURANCE COMPANY—REPORT OF COMMITTEE ADOPTED

Hon. Mr. Hayden, Chairman of the Standing Committee on Banking and Commerce, reported that the committee had considered Bill S-6, respecting The Pacific Coast Fire Insurance Company, and had directed that the bill be reported with the following amendment:

Page 2: Delete clause 4.

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

Hon. Mr. Hayden: With leave of the Senate, I move that this report be taken into consideration now.

Honourable senators, the amendment striking out paragraph 4 was made at the request of the promoters of the bill. A similar bill came before the Senate last year and provided for a coming into force date which was different from, and later than, the date on which the bill might become law. That provision was felt necessary at the time in order that they might prepare for the changes encompassed by this legislation. Between the last session and this session there was ample time to make that sort of preparation, and so the incorporators simply ask that the coming into force date be struck out, and the measure will come into force when it becomes law.

Motion agreed to and report adopted.

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

Hon. Mr. Thorvaldson moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

GENERAL MORTGAGE SERVICE CORPORATION OF CANADA—REPORT OF COMMITTEE

Hon. Mr. Hayden, Chairman of the Standing Committee on Banking and Commerce, reported that the committee had considered Bill S-8, respecting General Mortgage Service Corporation of Canada, and had directed that the bill be reported without amendment.

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

Hon. Mr. Leonard moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

INCOME LIFE INSURANCE COMPANY OF CANADA—REPORT OF COMMITTEE

Hon. Mr. Hayden, Chairman of the Standing Committee on Banking and Commerce, reported that the committee had considered Bill S-11, to incorporate Income Life Insurance Company of Canada, and had directed that the bill be reported without amendment.

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

Hon. Mr. McDonald moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

INCOME DISABILITY AND REINSURANCE COMPANY OF CANADA—REPORT OF COMMITTEE

Hon. Mr. Hayden, Chairman of the Standing Committee on Banking and Commerce, reported that the committee had considered Bill S-12, to incorporate Income Disability and Reinsurance Company of Canada, and had directed that the bill be reported without amendment.

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

Hon. Mr. McDonald moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

CANADA HEALTH AND ACCIDENT ASSURANCE CORPORATION—REPORT OF COMMITTEE

Hon. Mr. Hayden, Chairman of the Standing Committee on Banking and Commerce, reported that the committee had considered Bill S-13, respecting Canada Health

and Accident Assurance Corporation, and had directed that the bill be reported without amendment.

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

Hon. Mr. Cook, for Hon. Mr. Lang, moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

THE PACIFIC COAST FIRE INSURANCE COMPANY—MOTION TO APPLY FEE PAID LAST SESSION

Hon. Gunnar S. Thorvaldson moved:

That the parliamentary fee paid upon Bill S-6, "An Act respecting The Pacific Coast Fire Insurance Company", at the 1965 session be applied to the bill at the present session. The petitioners again have paid the printing costs.

Motion agreed to.

GENERAL MORTGAGE SERVICE CORPORATION OF CANADA—MOTION TO APPLY FEE PAID LAST SESSION

Hon. T. D'Arcy Leonard moved:

That the parliamentary fee paid upon the Bill S-8, "An Act respecting General Mortgage Service Corporation of Canada", at the 1965 session be applied to the bill at the present session. The petitioners again have paid the printing costs.

Motion agreed to.

AETNA CASUALTY COMPANY OF CANADA—MOTION TO APPLY FEE PAID LAST SESSION

Hon. Eric Cook moved:

That the parliamentary fee paid upon the Bill S-4, "An Act to incorporate Aetna Casualty Company of Canada", at the 1965 session be applied to the bill at the present session. The petitioners again have paid the printing costs.

Motion agreed to.

REDISTRIBUTION BILL

SECOND READING

Hon. A. K. Hugessen moved the second reading of Bill C-126, to extend the time for consideration of objections pursuant to section 20 of the Electoral Boundaries Readjustment Act with respect to the reports of commissions established for the decennial census taken in the year 1961.

He said: Honourable senators, this bill is rather urgent but, at the same time, not very consequential so far as the Senate is concerned. Its sole object is to increase the time within which the House of Commons will have the right to discuss objections to various reports of the Redistribution Commissions from the various provinces.

Under the bill passed at the last session, section 20 provided that the House of Commons shall, within the first 15 days after the expiration of the period, have a chance to consider the matter of objection. As honourable senators know, it has been impossible for the House of Commons to accomplish this at the present session. They are trying desperately to complete the discussion on the Estimates for the current year and they have not the time to consider the various objections which have been made to some of the reports of the provincial redistribution commissions.

This bill proposes to extend the period to 45 sitting days of the House of Commons. It is really a clearing-up operation for the House of Commons, and it is rather urgent because the time is elapsing. If the Senate is disposed to put the bill through the remaining stages this afternoon, it is hoped that Royal Assent will be given to it today. The bill passed all three readings last week in the House of Commons in less than a page of *Hansard.*

Hon. A. J. Brooks: Honourable senators, as the honourable sponsor of the bill has told us, this is an urgent matter. He says it is not very consequential as far as we are concerned, but it would have serious consequences, if it were not passed. He also told us that the bill went through the other place in about seven minutes. This illustrates the necessity—and necessity is a hard master—and also that when something has to be done quickly, Parliament can move fast.

The Government undoubtedly was in some difficulty. The original bill required that the house deal with objections to boundary alterations, put forth by the Members of Parliament, within 15 calendar days from last Friday. This imposed a hardship on the Government, as it left insufficient time for approval and passage of spending estimates, which meant that the Government could find itself without funds. That is why I say that failure to pass this bill could be very consequential.

In my opinion, this is not altogether a complimentary commentary on the manner in

which the Government has been handling the organization of its house business. We cannot blame it altogether on the Estimates. It was an unfortunate and embarrassing situation for the Government. This bill will change section 20 of the Electoral Boundaries Readjustment Act, by increasing the period of 15 calendar days to 45 sitting days, and that will give sufficient time to enable the spending estimates to be passed. It therefore gives a very necessary breathing space to the Government.

So as to avoid the possibility of undesirable and embarrassing consequences which necessitated this amendment, I assure you that we on this side of the house have no objection to the bill being given second and third readings and being passed today. We hope that this will have the desired results.

I might point out that the extension to 45 days makes very little difference as far as the Electoral Boundaries Readjustment Act is concerned. Redistribution is overdue by about four years or more and a few days longer will not hurt one way or another. We will co-operate in every way in the passage of the bill.

Hon. Jean-François Pouliot: Honourable senators, I ask permission to read the names of 33 counties which will disappear if the proposals of the Quebec commission is adopted:

Arthabaska—

Sir Wilfrid's county.

Bagot, Chateauguay—

The name of a remarkable victory over the Americans, if you so think.

Compton, Deux-Montagnes, Dorchester, Huntingdon, Iberville, Iles-de-la-Madeleine, Jacques-Cartier—

The name of the discoverer of New France, but apparently it was a hyphenated name.

L'Assomption, L'Islet, Maskinongé, Matapedia, Mégantic, Montcalm, Montmagny, Montréal-St-Henri, Napierville, Nicolet, Québec-Centre, Québec-Comte, Québec-Est—

The county of Sir Wilfrid Laurier, Mr. Lapointe and Mr. St. Laurent, which is also very well represented now in the House of Commons.

Quebec-Ouest, Rivière-du-Loup—

You must know about that great river and the city.

Rouville, Saguenay, St-Jean, Soulanges, Verchères, St-George, Wolfe, Yamaska.

All these names have now been struck out by the commission.

Honourable senators, so that you will not have to listen too long to my remarks, I would ask for your unanimous consent to table a Canadian Press dispatch dated August 26, 1965, entitled "Senator charges 'bungling' in electoral redistribution." With your permission I will place it on *Hansard*.

Hon. Senators: Agreed.

Hon. Mr. Pouliot: Thank you. I have a further request to make, and I do so also in the interest of saving time. Again, I ask for your unanimous consent to table three articles which appeared in the Rivière-du-Loup weekly, *Le Saint-Laurent*, the first of which is entitled "The Folly of the New Wave"; the second of which bears the heading, "Quebec disfigured by the Langlois Commission", and the third one, which is rather snappy, is entitled "The rage to destroy everything". If you have the time to glance over these articles you will learn of some of the difficulties we have had.

Hon. Senators: Agreed.

For text of newspaper articles, see Appendix, pp. 179-84

Hon. Mr. Pouliot: I would also add that in my view it is a very serious mistake for the House of Commons to abdicate its rights, and for the members of that house not to decide what in fact is their own business, the establishment of county boundaries. I am sure that the representatives of all political parties and groups in that house could come to some arrangement. It has been done for nearly a century, and I feel it should still be possible for them to come to a compromise regarding the establishment of these boundaries. The results may not be perfect, but what is done by members who know their constituencies is much better than what can be done by judges who know nothing about them.

With your permission, I would cite a personal experience. I had to go to the town of Rimouski to appear before the Langlois Commission, and there I saw a stubborn chairman who would not listen to anyone. I was representing, as a friend, the county council of Rivière-du-Loup, and everybody was treated in a manner far removed from the rules of etiquette and fair play. Finally, when my turn came I told the Commissioner,

"I do not know you, but I have known your father who was my colleague in the House of Commons for four years. He was a notary public and a perfect gentleman; if he had lived to see you today he would be discouraged and he would deny you." I had to use strong language. It was very effective; afterwards I could speak as much as I wanted to.

The point I want to stress is that sometimes there are judges and chief justices who cry for respect for the Bench. I will comment upon that by repeating what was said by a student to a regent. The regent had said to the class, "You should respect me," and one boy answered back, "Won't you start by respecting yourself?"

It is very dangerous to impose upon judges this type of work that the commissions have done so badly, according to the countless complaints that appear in the *Votes and Proceedings* of the House of Commons. I shall not speak further, and I thank you very warmly for giving your unanimous consent for the tabling of these papers.

Hon. Mr. Hollett: Honourable senators, I do not rise to withhold unanimous consent, but merely to ask the honourable acting leader, who introduced the bill, what exactly he meant by saying that the Government is desperately trying to do certain things. Would he be good enough to explain that?

Hon. Mr. Hugessen: Did I use the word "desperately"? My understanding is that the House of Commons is trying to get through the estimates for the current year before the end of the current year, and that being the case, and the debates continuing in the house for several days, they just do not have the time to consider these criticisms of the report of the various provincial commissions. That is the only reason. No doubt, when this original section 20 was passed last year it was not contemplated that the condition of the House of Commons would be such that this period of 15 days could not be complied with.

Hon. Mr. Hollett: Will the honourable gentleman tell me what are the conditions in the House of Commons at the present time which make him use the word "desperately"?

Hon. Mr. Croll: It is merely a picturesque description.

Hon. Mr. Hollett: I asked the sponsor of the bill, not Senator Croll.

Hon. Mr. Hugessen: I am not sure that I used the word "desperately." If I did it was perhaps a picturesque way of saying that the House of Commons is trying to get through the estimates and is finding that the time at its disposal before the end of the fiscal year is presenting a problem.

Hon. Mr. Brooks: Honourable senators, I am not rising to object to Senator Pouliot being given unanimous consent to place certain articles on the record, but I understand that any objections to be made to the boundaries of constituencies are to be made by Members of Parliament and they are to be heard within this time limit mentioned in the bill. Senator Pouliot's request that these objections should go on our records does not seem to me to be altogether appropriate. I think the Members of Parliament individually are supposed to take exception to the boundaries under the act. I may be wrong.

Motion agreed to and bill read second time, on division.

THIRD READING

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

Hon. Mr. Hugessen: Honourable senators, with leave of the Senate, I move that this bill be read the third time now.

Motion agreed to and bill read third time and passed.

ROYAL ASSENT

NOTICE

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

GOVERNMENT HOUSE

Sir,

Ottawa,
February 23, 1966

I have the honour to inform you that the Hon. Robert Taschereau, P.C., Chief Justice of Canada, acting as Deputy to His Excellency the Governor General, will proceed to the Senate Chamber today, the 23rd February, at 5.45 p.m., for the purpose of giving Royal Assent to certain bills.

I have the honour to be,
Sir,
Your obedient servant,
A. G. Cherrier
Assistant Secretary
to the Governor General.

The Honourable
The Speaker of the Senate,
Ottawa.

DIVORCE

RESOLUTIONS ADOPTED

The Senate proceeded to consideration of resolutions numbered 1 to 112 inclusive, which were presented yesterday.

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, moved the adoption of the following resolutions:

Resolution 1, for the relief of Eileen Elizabeth Henderson Alluisi.

Resolution 2, for the relief of Lilia Orchot Babij.

Resolution 3, for the relief of Agnes Madeline Lenora Belanger Bales.

Resolution 4, for the relief of Joyce Eileen Eaton Bastien.

Resolution 5, for the relief of Alice Ruth Cookman Beattie.

Resolution 6, for the relief of Margaret Joan Eastwood Chevalier.

Resolution 7, for the relief of Patricia MacIntyre Clegg.

Resolution 8, for the relief of Sheila Luba Newman Cummings.

Resolution 9, for the relief of Susan Rona Shier Cunliffe.

Resolution 10, for the relief of Muriel Roberts Eccles.

Resolution 11, for the relief of Marie Marguerite Therese Madeleine Kathleen Belanger Fallon.

Resolution 12, for the relief of Francis (Frank) Edward Thibodeau Fonovich.

Resolution 13, for the relief of Edmond Foster.

Resolution 14, for the relief of Raymond Fredette.

Resolution 15, for the relief of Joan Rayson Bowen Gagnon.

Resolution 16, for the relief of Carl Gettel.

Resolution 17, for the relief of Shirley Eleanor Barber Goyer.

Resolution 18, for the relief of Maurice Grandjean.

Resolution 19, for the relief of Laura Dorothy Hampson Grant.

Resolution 20, for the relief of Francesco Grilli.

Resolution 21, for the relief of Pnina Cohen Amizlev Hart, otherwise known as Pnina Cohen Hart.

Resolution 22, for the relief of Frederick Norman Hamilton.

Resolution 23, for the relief of Neta Helen Walsh Hamilton.

Resolution 24, for the relief of Patricia Kathleen Wilmot Heath.

Resolution 25, for the relief of Gilles Hebert.

Resolution 26, for thehrelief of Gilles Jutras.

Resolution 27, for the relief of Heather Norma Maconachie Kirkpatrick-Smith.

Resolution 28, for the relief of Gerald Sydney King.

Resolution 29, for the relief of Flora Mandelcorn Klempner.

Resolution 30, for the relief of Raymond Lafond.

Resolution 31, for the relief of Therese Belanger Lafontaine.

Resolution 32, for the relief of Marie Josephine Yvette Ranger Lapenna.

Resolution 33, for the relief of Maurice Jules Francois Leroy.

Resolution 34, for the relief of Ian Goodridge Philip MacDonald.

Resolution 35, for the relief of Robert Stirling Manchur.

Resolution 36, for the relief of Ginette Josiane Daher Mathieu.

Resolution 37, for the relief of Madeleine Belanger Meunier.

Resolution 38, for the relief of Rita Emma Carlon Michaud.

Resolution 39, for the relief of Rena Cohen Newman.

Resolution 40, for the relief of Christina Fearn Lawson Nortranders.

Resolution 41, for the relief of Madeleine Mary Davis Parsons.

Resolution 42, for the relief of Victoria Mary Rogochewsky Paquette.

Resolution 43, for the relief of Susan McNeil Haddow Ramsli.

Resolution 44, for the relief of Dawn Amelia McCracken Rattray.

Resolution 45, for the relief of Frederick Reynard.

Resolution 46, for the relief of Linda Caroline Rich Robins.

Resolution 47, for the relief of Marie Lucienne Monique Huguette Ladouceur Robinson.

Resolution 48, for the relief of Raymond Rochette.

Resolution 49, for the relief of Claire Blain Rochon.

Resolution 50, for the relief of Henryk Jan Paul Rzepus.

Resolution 51, for the relief of Louise Lafrance St. Louis.

Resolution 52, for the relief of Elphege St. Germain.

Resolution 53, for the relief of Susan Carol Charnoff Saltiel.

Resolution 54, for the relief of Werner Helmut Schmidt.

Resolution 55, for the relief of Solomon Schnapp.

Resolution 56, for the relief of John Joseph Scott.

Resolution 57, for the relief of John Philip Shave.

Resolution 58, for the relief of Malcolm Sydney Smith.

Resolution 59, for the relief of William Robert Snow.

Resolution 60, for the relief of Anne Helen Estelle Stevenson Snow.

Resolution 61, for the relief of Eva Prantz Solti.

Resolution 62, for the relief of Marie Anne Adrienne Micheline Leclerc Tasse.

Resolution 63, for the relief of Ronald Coleman Thomas.

Resolution 64, for the relief of Danuta Wieswla Pawlowicz Tondi.

Resolution 65, for the relief of Marie Gabrielle Cecile Tremblay Tremblay.

Resolution 66, for the relief of Irene Nellie Kon Walker.

Resolution 67, for the relief of Warren Marshall Wallace.

Resolution 68, for the relief of Isobel Isaacs Weitzner.

Resolution 69, for the relief of Margaret Ann Clark Wildman.

Resolution 70, for the relief of Kathryne Laurie Wing.

Resolution 71, for the relief of Nancy Bessie Brayton Yates.

Resolution 72, for the relief of Ida Gorbaty Grossman.

Resolution 73, for the relief of Erwin Beattie Barr.

Resolution 74, for the relief of Mary Braddock Bates.

Resolution 75, for the relief of Jacques Belec.

Resolution 76, for the relief of Ludger Berube.

Resolution 77, for the relief of Marie Estelle Camille Jouvet Boisvert.

Resolution 78, for the relief of Donald Cameron Borrie.

Resolution 79, for the relief of Cedric Ambrose Bowman.

Resolution 80, for the relief of John Terrence Bradley.

Resolution 81, for the relief of Margaret Elizabeth Munro Britton.

Resolution 82, for the relief of Nicholas Myroslaw Budinski, otherwise known as Maurice Jaros.

Resolution 83, for the relief of Margaret May Ann Trimm Cheese.

Resolution 84, for the relief of Mildred Frances Johnson Croxen.

Resolution 85, for the relief of Pamela Katherine Wray Irion.

Resolution 86, for the relief of Dorothy May Delaney Gauthier.

Resolution 87, for the relief of Jean Mastine Gervais.

Resolution 88, for the relief of Marie Jeannine Jacqueline Tremblay Girard.

Resolution 89, for the relief of Chana Anna Flint Goldberg, otherwise known as Channa Anna Flint Goodwin.

Resolution 90, for the relief of Shirley MacMillan Henthorn.

Resolution 91, for the relief of Dimitra Karababas Karavas.

Resolution 92, for the relief of Gordon John Kennedy.

Resolution 93, for the relief of Ingo Silvester Koppe.

Resolution 94, for the relief of Betty Jackson Clark Dent Labrie.

Resolution 95, for the relief of Daniel Legault.

Resolution 96, for the relief of Edith Julia Anne Anderson Long.

Resolution 97, for the relief of William Donald McQuitty.

Resolution 98, for the relief of Vivette Cecile Foote Membride.

Resolution 99, for the relief of Lucien Menard.

Resolution 100, for the relief of Rose Leibovitz Miller.

Resolution 101, for the relief of Anne Roberta Coleman Molnar.

Resolution 102, for the relief of Reginald Clark Moores.

Resolution 103, for the relief of John Russell Morrison.

Resolution 104, for the relief of June Thompson Mowlam.

Resolution 105, for the relief of Julien Ninclaus.

Resolution 106, for the relief of Noreen Ralph Magill Ougler.

Resolution 107, for the relief of Carmen Beauchamp Paris.

Resolution 108, for the relief of Michael Parizon.

Resolution 109, for the relief of Claude Pepin.

Resolution 110, for the relief of Louis Portugais.

Resolution 111, for the relief of Ginette Collerette Raimondo.

Resolution 112, for the relief of Stella Selena Stroud Rielly.

Resolutions adopted, on division.

SPECIAL COMMITTEE ON AGING

CONSIDERATION OF FINAL REPORT—DEBATE CONTINUED

The Senate resumed from Wednesday, February 9, consideration of the final report of the Special Committee on Aging.

Hon. Josie D. Quart: Honourable senators, may I deviate from the usual procedure and express my congratulations at this time rather than wait until I participate in the address in reply to the Speech from the Throne. In doing so, I follow the slogan: "Why wait for spring—do it now."

My first words are those of pride that once again His Excellency the Governor General and Madame Vanier presided in such a gracious manner at the opening of the Twenty-seventh Parliament. Who could fail to be impressed by the eloquent manner in which Canada's great hero of two world wars read the Speech from the Throne, His Excellency's perfect bilingualism symbolizing the two great cultures of Canada.

May I associate myself with the many honourable senators who have paid such glowing tributes to our distinguished colleagues who have passed on to their eternal reward. To their families I offer my deepest sympathy.

It is with sadness that I refer to the honourable senators who have resigned through age or illness. They will live on in our memory.

Now, for a joyful change of mood. I take great pleasure in joining the chorus of praise from both sides of this chamber and in echoing congratulations to our honourable distinguished Speaker. I wish him health and happiness in presiding over our deliberations, and trust his duties will not be too arduous in maintaining order. Mr. Speaker is very fortunate in having such a charming wife to assist him with his social obligations. Perhaps we should call Mrs. Smith the Perle Mesta of Canada—"the hostess with the mostest."

Hon. Senators: Hear, hear.

Hon. Mrs. Quart: Since the opening of the session we have missed the genial Leader of the Government, Senator John J. Connolly, and I was overjoyed, as we all were, to learn that Senator Connolly has now recovered sufficiently to be basking in the southern sun; and, after some toasting and roasting, he should soon be back again with us, looking hale and hearty.

To Senator Hugessen, who has taken on the heavy duties of deputy leader, I wish every success in his new role. Maybe I should not congratulate him, as Senator Pouliot has said, but you, Senator Hugessen, have both my congratulations and sympathy.

[*Translation*]

To Senator Vaillancourt, former Deputy Leader of the Senate, may I say that I hope he will be with us for many years.

[*Text*]

The leaders of our little band, Senator Brooks, and our deputy leader Senator Choquette, seem in fine fettle, and with their wide parliamentary experience they have already given tangible proof that they are on the alert to provide constructive criticism when necessary to improve Government legislation.

My next task is particularly pleasant. It is to congratulate most heartily Senator A. Hamilton McDonald, as mover of the address in reply to the Speech from the Throne. Although a novice in our midst, he performed like a seasoned veteran.

[*Translation*]

I also wish to take this opportunity to congratulate our distinguished colleague, Senator Gouin, for his speech in support of the motion. It is always a pleasure to hear him, regardless of the matter under discussion.

[*Text*]

And last but far from least, it is a great pleasure to welcome our other new colleague, Senator Benidickson.

Honourable senators, although I know Senator Croll objects to further complimentary remarks, I must disobey him and congratulate him on the excellent summary of the highlights of the report he tabled on February 3. It covered almost all aspects of what could and should be done for Canada's senior citizens. There is really little that I could add without resorting to useless repetition to further endorse what the other speakers have said in favour of the report, and of the hard work, ability, and devotion of the chairman and the members of the committee, as well as the well-merited praise for Mr. R. E. G. Davis and his staff who assisted him in the preparation of the report.

As a member of the steering committee, I enter this debate with pride and gratitude that the report has been so favourably received. I feel privileged to have served on this committee with the other distinguished senators, under the capable chairmanship of Senator Croll, with Senator Haig as vice-chairman. It was a wonderful experience and it was most gratifying to read the flattering editorials which appeared in the newspapers across Canada. The Senate is not always so fortunate. Take this headline by Christopher Young in the Ottawa *Citizen*: "The senators show us how." I shall not read the long article but merely quote a few paragraphs:

> As Senator David Croll, the chairman of the committee, proudly said, the proposal breaks new ground. "It's a new approach, and it could well be adopted by government and perhaps lead to a new concept for the second half of this century."
>
> The Croll committee's proposal brings a decent income for the aged within the realm of financial practicality. It suggests that every single person over 65 be guaranteed at least $105 a month and every married couple $185. For every person or couple whose income falls below these floors, the government would fill the gap on the basis of a simple income declaration form.
>
> It is estimated that the plan would cost the federal treasury about $100 million a year, an amount that the country could afford...
>
> Among other things, the Croll committee's report triumphantly demonstrates to many doubters, including this one—

And, remember, I am not the one; this is Christopher Young speaking—

> —that the Senate still has a constructive function to perform when it has a mind to try.

Then this one from the Ottawa *Journal* under the headline: "Aged need planning as much as money." Again I shall read but a few paragraphs of this complimentary article:

> The Senate committee have chosen to give pride of place to their recommendation for a guaranteed income of $1,260 ($2,220 for a married couple) annually for all Canadians at 65.
>
> Actually the Senate inquiry, as might be expected, has produced far more than this simple—and expensive—proposal.
>
> Quite as important as the recommendation for minimum income is the advocacy of a national council on social research. The committee found 'a woeful lack of statistical information' and concluded that programs of financial support and care of older people, involving large commitments of public funds, were established with no evaluation of merit or the needs and wishes of the elderly.
>
> In addition to research on the aging by such a national council, the committee urged a national commission on the aging to co-ordinate planning. The committee found ad hoc programs today are misdirecting energy, being carried on with no regard to priority, standards or the wise use of scarce resources.
>
> These are sharp criticisms. To increase outlays on the aged by $100,000,000 without ensuring research and planning would not achieve the main purpose well stated by the committee. That is to allow the elderly to 'keep the image they have earned in their prime'.

And the article concludes as follows:

> The report gives an insight into the necessity of research and planning. It will be unfortunate if the impression grows that only money is required to improve the lot of senior Canadians.

In voicing my approval of the report, I feel confident that if a national council or a national commission on aging were set up it would make full use of its members and would, I hope, include volunteers to explore

the angles involved in the promotion of Canada's aging citizens, particularly of those who find themselves in ill-health, financial or other difficulties or those merely alone or lonely; for although an adequate income is an important aspect which cannot be overlooked, money alone is not sufficient to assure a happy and useful old age.

Someone has said that all generalizations are false, including this one:

> . . . that only those senior citizens with low incomes are lonely—those with money can buy companionship and happiness.

Many problems other than money depend upon how people accept old age. There is the lowered status of the retired person in a work-oriented society, the loss of the friendly associations of work, the loss of a lifetime partner, loneliness, boredom, depression at the death of friends, ill-health and the deteriorating family relationships.

In my opinion, a major challenge facing old people these days is the callous attitude of modern society to old age. Millions of older women and men are haunted by many fears and anxieties which they keep to themselves, and ponder and worry about. Older people have a tendency to exaggerate slights, and to expect frequent visits from their family. When disappointed, resentment and a feeling of neglect set in; that they are unwanted becomes an obsession, and they bemoan the ingratitude of their family.

The world is different today from what it was, say, 50 years ago. Their memories of better days linger on. But this type of dismal thinking is most depressing. Older people should remember that life cannot hurt you unless you expect more from others than they are capable of giving. These characteristics of old age can be lessened by companionship of others in the same age group. Distraction, recreation and hobbies which are part of the programs of Golden Age clubs for senior citizens, help chase away their blues. Older people then take on a new lease of life due to a renewed interest in people and things.

It is said that the vital secret of happiness in old age is to keep moving; and, one might add, to keep thinking and working at something purposeful.

A few months ago Senator Sullivan pointed out, in an excellent speech, that "The mind need not age and all the experience of past years need not be fruitless."

Dr. Wilder Penfield says:

> Toward the close of life there is some misconception of the capacity of the human brain. Rest is not what the brain needs most at 60 or 65—it is a challenge. Aside from the normal rhythm of sleep, too much rest destroys the brain and even destroys the health in time.

Well, that is the time when clubs and activities for aging citizens fill a much-needed want. In these clubs for the aged, our elderly citizens are taught to forget the words 'retirement' and 'leisure' and to work at something to develop their talents and hobbies, to take up new careers, and make new friends among the members of the retired society.

Old age is of interest to everyone. We cannot dodge it if we live long enough. Old persons have a direct appeal to most volunteers, and great credit is due the volunteers who have organized clubs for senior citizens and who render invaluable services to help staff institutions for older men and women. They teach senior citizens handicrafts, take them out for motor drives, play games with them and conduct all these activities to keep the older persons active and interested in life.

Considerable funds have been raised by many voluntary national associations to furnish institutions with equipment, libraries and other comforts for the older folk and above all to make them feel they are remembered and not just discarded citizens. But voluntary groups alone cannot raise sufficient money or supply trained staff to enable them to provide the necessary leadership for a nation-wide program.

However, the briefs presented to our committee by voluntary groups throughout Canada expressed their willingness to recruit volunteers as required in co-operation with local welfare councils in the cities or municipalities which are appointed by the federal or provincial governments to co-ordinate the services of the various organizations and to direct their efforts.

Before concluding, I would like to suggest to the directors of Expo '67 that they have a Senior Citizens' Day to honour their contribution to Canada over the past 100 years. At the World's Fair in New York there was a pavilion called Dynamic Maturity, which was an on-the-site service and hospitality centre for older visitors. That was the only World's Fair pavilion to dedicate itself wholly to the needs and interests of older persons. A tour-service

desk was installed at the pavilion to accommodate older people, and to provide information on exhibits of particular interest to older persons and to explain to them how to visit the fair without over-exertion.

Perhaps a small space could be found in Canada's pavilion to provide a few comfortable chairs and an information or hospitality service, which could be staffed by volunteers without any additional expense.

In New York there was also an international hospitality program, where older visitors from foreign countries registered if they wished to avail themselves of the hospitality of older Americans in the metropolitan area of New York. Perhaps the so-called Mothers of Confederation Pageant—they call themselves the Ladies of the Provinces—could be featured as a special attraction for a Senior Citizens' Day.

This group of 24 ladies, gowned in authentic Confederation costumes of 1867, represent the wives of the Fathers of Confederation. They made a great hit at the Charlottetown's Centennial pageant in 1964. What about these suggestions, Mr. Expo '67?

I wonder how many honourable senators saw the page in the *Globe and Mail* of February 9 entitled "Age and Criticism do not weary them," showing the pictures of seven of our distinguished senators from 75 to 88 years of age. I am sure Senator Roebuck saw it, because he is smiling broadly. They all looked wonderful and their quotes were priceless. After seeing it I concluded that instead of being referred to as the most exclusive club in Canada, the Senate should be called The Evergreen Club where, like the evergreens, the older senators never fade but just pass away.

Finally, to end my rambling remarks, I would like to read a clipping I received from a friend in Toronto. I presume it is from a Toronto newspaper:

> Some people begin to fear death at 30. That is the beginning of old age. Some people are still kicking up their heels at 90. They never grow old. Theirs is the ultimate wisdom.
>
> I knew a cranky woman of 30 who put a dead hand on everything she touched. I knew a man of 70 who loved the outdoors, simple folk, good talk, cigars, whisky and women—in that order. He said he wanted to die with his boots on.
>
> There isn't a livelier bunch in town than some of the folk at the Jewish Home for the Aged on Bathurst St. They're really swingers. They're not going to be left out of any of the new trends, dance steps, customs.
>
> They're putting on a spring fashion show next Friday. Two married couples are among the models—Mr. and Mrs. Joseph Gershkovitch, aged 90 and 83; Mr. and Mrs. Max Smith, 80 and 76, Mrs. Zirla Halman, 97, is also modeling.
>
> Their dance club does the monkey, the watusi, the frug and the hula. They danced the hula in grass skirts at a party given for a resident who went to Hawaii to visit his son.
>
> They ought to try a pop festival.

Honourable senators, how many of the problems of our older citizens can we remedy? And how effective will our 92 recommendations be in speeding up the necessary legislation? It will be up to you, Senator Croll, and the members of our committee who have influence with the Government, to keep pushing.

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

MILLTOWN BRIDGE BILL

SECOND READING

Hon. Nelson Rattenbury moved the second reading of Bill S-15, to authorize the construction of a bridge across the St. Croix River between the Province of New Brunswick and the State of Maine.

He said: Honourable senators, this is a bill to authorize the construction of an international bridge over the St. Croix River, which forms part of the boundary between the State of Maine and the Province of New Brunswick.

The bridge will replace an old structure, long past its usefulness, between Milltown in New Brunswick and Calais in the State of Maine. It will be an international bridge, it will be toll free and it will be constructed, operated and maintained by the Province of New Brunswick and the State of Maine. Each government will pay half the cost of the structure. The cost of the approaches and the preparatory work on either side of the bridge will be borne, within their own boundaries, by the governments of the State of Maine and the Province of New Brunswick. I might add that the federal Government will assume no financial responsibility.

Federal authorization is required because the bridge is an international structure. The

bill is modelled on earlier Acts of Parliament authorizing the construction of international bridges in similar circumstances. At an appropriate time it is expected that notes will be exchanged between the governments of Canada and the United States covering the international aspects of the arrangement being made for the construction of the bridge.

The Government of New Brunswick is anxious to proceed with the construction as soon as passage of the bill is obtained. As I mentioned earlier, the present bridge is outmoded and has long outlived its usefulness. I understand that this is the only step remaining to be taken before construction of the bridge. It seems important to accommodate the province as soon as possible, particularly since the federal Government has declined to share in the cost of construction.

It may help honourable senators if I go through the bill quickly, explaining it clause by clause. Clauses 1 and 2 are self explanatory.

Clause 3 permits the province to construct, operate and maintain a toll free bridge in co-operation with the State of Maine.

Clause 4(1) states that the bridge is to be constructed in accordance with such regulations as will safeguard navigation, as may be prescribed by the Governor in Council. So that the nature of the project may be fully understood, the province is to submit to the Governor in Council full details as to drawings, and a map of the proposed location. I understand the province has already provided this material which, subject to passage of this bill, has been found acceptable. Subclause (2) is self explanatory.

Clause 5 is the customary clause in such bills of an international nature, requiring that 50 per cent of the materials and labour be Canadian.

Clause 6 would prevent the province from assigning the powers described in clause 3, without the approval of the Governor in Council. For example, if the province were to assign its powers to a private party, this provision would allow the federal Government to impose whatever additional conditions were deemed desirable under these circumstances.

This bill is of considerable local interest. My colleague from New Brunswick, Senator McLean, knows personally the provisions of the bill and the conditions under which the residents of that area have had to live for some years. For example, when a fire occurred on the American side a few years ago, the fire department on this side wished to assist but could not do so, with the result that four lives were lost.

I trust there will be no difficulty in having the bill passed.

Hon. A. J. Brooks: Honourable senators, I wish to congratulate honourable Senator Rattenbury on his explanation of the bill to construct a bridge across the St. Croix River. This construction is not only very necessary, as he has said, but the river itself is most historic. It was one of the first discoveries of Champlain, who spent his first winter in America on Dochet's Island in the St. Croix River. The people of New Brunswick have long felt, and still feel, they would like to own this island as a monument to Champlain and his early discovery of the river.

The honourable sponsor of the bill has told us that the federal Government is undertaking no financial obligation for this bridge. As it will be an international bridge, I am rather surprised that the Government of New Brunswick has not asked for some assistance. Some years ago a bridge was constructed between Lubec, Maine, and Campobello Island, and at that time the federal Government paid three-quarters of the cost. It was a different situation there, however, as the federal Government had been operating a ferry service for many years.

Another aspect of the bill, as was pointed out, is that New Brunswick is to provide 50 per cent of the labour and 50 per cent of the cost of material. The federal Government is interested because it is concerned with all international bridges, and all bridges over navigable rivers, as it has the responsibility of ensuring that the bridge is so constructed that navigation is not hindered in any way.

There is a great need for this bridge. The present structure is very old, as I know from being in that area many times myself. I also know that the traffic on the bridge between St. Stephen and Calais is becoming more dense each year, and a new bridge at Milltown is certainly needed. I see no reason for objecting in any way to this bill.

Hon. A. Neil McLean: Honourable senators, I represent that part of the country and I am familiar with the need for this bridge. The present bridge is an old one and is tumbling down. Therefore, I concur in what has been said by Senator Rattenbury and Senator Brooks.

This legislation has had a long struggle in that it had to be passed by the Assembly of the State of Maine, and then by the Legislature of New Brunswick, and I understand it also had to be assented to in Washington. It has taken three years to reach its present stage. It comes within the jurisdiction of the federal Government because Maine and New Brunswick, not being sovereign states, cannot enter into agreements on such matters. However, the federal Government is not being asked to put up any money; this is being provided by the State of Maine and by the Province of New Brunswick.

It is quite true that a fire truck cannot cross the existing bridge. We have had a number of fires in New Brunswick and in Maine in the last year or two, and I have no doubt that if a fire truck could have crossed that bridge many lives could have been saved. I hope this bill will be passed as soon as possible so as to enable the building of the bridge to commence at an early date.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

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

Hon. Mr. Rattenbury: Next sitting.

Hon. Mr. Hugessen: If any honourable senator wishes this bill to be considered in committee, this would be the time to refer it there, would it not?

Hon. Mr. Rattenbury: Honourable senators, I was hoping, because of the need for expedition, that the bill would not be referred to committee, but if any honourable senator wishes this course to be followed I would be happy to move that it be referred to the Standing Committee on Transport and Communications.

Hon. Mr. Brooks: Since this matter could be dealt with in committee within a very short time, and since three years have already passed since this project first came up for discussion, I think it would be better if it were referred to committee.

Hon. Mr. Hugessen: As chairman of that committee I can assure my honourable friend that it would be disposed of within the next week, or as soon as the proponents are here.

Hon. Mr. Rattenbury: I move that it be referred to the Standing Committee on Transport and Communications.

Motion agreed to.

BUSINESS OF THE SENATE

Hon. Mr. Hugessen: Honourable senators, as there will be Royal Assent later this afternoon, I move that the Senate do now adjourn during pleasure to reassemble at the call of the bell at approximately 5.40 p.m.

Hon. Mr. Leonard: Honourable senators, I would like to remind you that the Standing Committee on Finance will sit immediately. The witness will be the Honourable Jean Marchand, Minister of Citizenship and Immigration, who is to be Minister of the Department of Manpower when it is set up. He was to have been here tomorrow morning but he has to leave for Quebec City. For that reason the Finance Committee will meet to hear him now. He will be accompanied by officials of his present department and others from the Department of Labour. The committee will meet again at 9.30 tomorrow morning when these officials will again attend.

The Senate adjourned during pleasure.

ROYAL ASSENT

The Honourable Robert Taschereau, P.C., Chief Justice of Canada, Deputy of His Excellency the Governor General, having come and being seated at the foot of the Throne, and the House of Commons having been summoned and being come with their Speaker, the Honourable the Deputy of His Excellency the Governor General was pleased to give Royal Assent to the following bill:

> An Act to extend the time for consideration of objections pursuant to section 20 of the Electoral Boundaries Readjustment Act with respect to the reports of commissions established for the decennial census taken in the year 1961.

The House of Commons withdrew.

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

The sitting of the Senate was resumed.

The Senate adjourned until tomorrow at 3 p.m.

APPENDIX

(*See p. 169*)

REDISTRIBUTION BILL

NEWSPAPER ARTICLES TABLED BY HONOURABLE JEAN-FRANÇOIS POULIOT

SENATOR CHARGES 'BUNGLING' IN ELECTORAL REDISTRIBUTION

Ottawa (CP)—An indignant senator, who had more than 30 years experience in the Commons before spending the past 10 years in the upper house, said Wednesday the new electoral maps drawn by 10 quasi-judicial commissions should be scrapped.

Senator Jean-François Pouliot said the new maps, particularly the one prepared for his native Quebec province, represent socialistic bungling, wipe out historic landmarks and have no co-ordination.

He said in an interview that rather than write the proposed electoral maps into law this winter, Parliament should throw aside the work of the redistribution commissions and revert to the old practice of having the maps prepared by a committee of MPs.

"It's disparaging to the members' knowledge of their own constituencies to turn the job over to these commissioners. It makes MPs out to be dunces. And the commissioners are, oh, so infallible-Jehovahs and Solomons rolled into one. Like the Queen, they can do no wrong."

Chief points of complaint that raised the senator's ire were changes in the electoral map affecting his old Commons constituency of Temiscouata and neighboring ridings and changes in the names of ridings in the Quebec City district.

The Quebec Commission headed by Mr. Justice Paul Langlois of the Superior Court drew the lines of the new constituency of Temiscouata in such a way that the old ridings' principal community, Rivière-du-Loup, now falls in neighboring Kamouraska.

But what is worse, the new map drops historic Quebec names and substitutes others, Senator Pouliot complained.

Gone are de la Naudiere, Madeleine de Vercheres' married name; Compton, the birthplace of Louis St. Laurent; Arthabaska, where the late Sir Wilfrid Laurier began his career; and both Wolfe and Montcalm.

New names on the map include Duvernay, the founder of the St. Jean Baptiste Societies, and Limoilou, the hamlet near St. Malo in Britanny where discoverer Jacques Cartier was born.

Don't Mention Quebec

And what the senator found even more upsetting, the new maps do not include the name of Quebec itself, anywhere. Gone are the old ridings of Quebec East, Quebec West, and Quebec South.

In their places are the names of Louis Hebert, the first Quebec farmer, and Langelier, a lieutenant-governor. Both have already been honored by having Quebec streets named after them.

What Senator Pouliot suggests is naming the three Quebec City ridings Abraham, Tresor and Sault-au-Matelot. Abraham would be named after Abraham Martin, a son-in-law of Louis Hebert from whom the Plains of Abraham got their name.

The Winnipeg *Tribune*, Thurs., Aug. 26, 1965.

THE 1965 REDISTRIBUTION—THE MADNESS OF THE NEW WAVE

by Jean-François Pouliot

The madness of the new wave is characterized by two well known symptoms, the desire for change and the rage to destroy everything.

Electoral redistribution is simply a readjustment of the limits of the ridings so that they may be represented as fairly as possible in the Parliament of Canada.

According to the statistics of the last census taken in 1961, on which redistribution is based, the population of the eastern section of the province of Quebec, from Levis to Gaspé, with the islands in the gulf of St. Lawrence, amounts to 478,842 and is divided in ten ridings. Here is the list with each riding's population.

(1) Magdalen Islands, 12,479; (2) Bonaventure, 42,962; (3) Gaspe (without Magdalen Islands), 61,862, Gaspe East, 41,333; Gaspe West, 20,529; (4) Matapedia-Matane, 70,664;

Matapedia, 35,586; Matane, 35,078; (5) Rimouski 65,295; (6) Riviere-du-Loup-Temiscouata, 69,318; Riviere-du-Loup, 40,239; Temiscouata, 29,979; (7) Kamouraska, 27,138; (8) Montmagny-L'Islet, 51,248; Montmagny, 26,450; L'Islet, 24,798; (9) Bellechasse, 26,054; (10) Levis, 51,842; Total 478,842.

The average representation would therefore be 47,884 for each of these ten ridings.

The population of four ridings is lower than the average. (Magdalen Islands, Bellechasse, Kamouraska and Bonaventure). To reduce the number of ridings in that region from ten to eight, and to increase the average population in each to 59,855, it would be enough first of all to join Magdalen Islands to Bonaventure, Kamouraska to L'Islet and Montmagny to Bellechasse, which would give the following result:

(1) Bonaventure (with Magdalen Islands), no change, 55,441; (2) Gaspe East and West (without Magdalen Islands), no change, 61,-862; (3) Matapedia-Matane, no change, 70,664; (4) Rimouski, no change, 65,295; (5) Riviere-du-Loup-Temiscouata, no change, 69,-318; (6) Kamouraska-L'Islet, Union of neighboring ridings, 51,936; (7) Montmagny-Bellechasse, Union of neighbouring ridings, no other change, 52,504; (8) Levis, no change, 51,842. Total 478,842.

It is obvious that joining Kamouraska and L'Islet and Montmagny and Bellechasse make much more sense than joining Montmagny and L'Islet with the two little neighbouring counties of Kamouraska and Bellechasse, provided, however, that nothing is changed in these constituencies before they are grouped together.

If the Commission had wanted to, it could easily have carried out its work without offending everyone. It would only have had to consult with the persons involved before designing its puzzle.

To hasten to complete anything without first seeking to know how is, to say the least, rather peculiar. If the same thing happens again, it deserves another epithet.

CHANGE FOR THE SAKE OF CHANGE

The spirit of the law concerning electoral redistribution was never to jettison everything. The only purpose of the act is to fix the number of members representing a given region.

The territory from Levis to Gaspe, including the islands in the St. Lawrence River and in the Gulf of St. Lawrence, is very representative. It now has ten members. It is proposed to reduce that number to eight, which would seem reasonable for a population of almost half a million.

To have a fair appreciation of a working method, it is not enough to take an isolated case at random; it must be considered as a whole. The official statistics of the 1961 census and of the proposed redistribution of 1965 are also significant. By comparing them, one finds the extent of nonsense of the project of the Langlois Commission.

Indeed, what should we think of anybody proceeding blindly to reduce every constituency at one end and enlarging it at the other end?

Complication without rhyme or reason of the simplest things shows a disquieting deformation of mind, does it not?

Bonaventure (without islands) would reach 58,012 from 42,962. Amqui and ten other important municipalities of the Valley (19,074) would be separated from Matapedia-Matane and added to Bonaventure. On the other hand, Port Daniel and l'Anse aux Gascons (4,024) would be taken away from Bonaventure and added to Gaspe.

Gaspe (including the islands)

Notwithstanding the annexation of Magdalen islands (12,479), Gaspe would be reduced from 74,341 to 54,180.

All Gaspe West, including Murdochville (20,529) and three municipalities in Gaspe East (3,220), would be detached from Gaspe to be added to Matapedia-Matane. On the other hand, Port Daniel and L'Anse aux Gascons (4,024) would be taken from Bonaventure to be annexed to Gaspe.

Matapedia-Matane (including large slice of Gaspe, but almost without Matapedia.

The Commission proposes to take 23,749 from Gaspe to add them to Matapedia-Matane and on the other hand, to take from Matapedia-Matane (1) Amqui and the ten other municipalities mentioned above (19,074) and to add them to Bonaventure, and (2) fifteen other municipalities (17,914) to add them to Rimouski. In summary: added: 23,749; deducted: 37,783. Matapedia-Matane would be reduced from 70,644 to 57,770.

Rimouski

On the other hand, Rimouski would be increased from 65,295 to 70,165. Fifteen municipalities from Matapedia-Matane (17,-914) added to Rimouski; ten municipalities (10,396) taken from Rimouski to be added to Temiscouata.

Rivière Du Loup–Témiscouata (not including the city or the name of Riviere du Loup)

Population reduced from 69,318 to 67,633. Area increased to the East by ten municipalities (10,396) taken from Rimouski. That number is almost identical with the population of Riviere du Loup city which, contrary to most elementary common sense, would be detached and separated from the county bearing its name, with three other neighbour communities (14,816) to be annexed to Kamouraska.

Kamouraska-L'islet

The population of those two counties together would increase from 51,936 to 67,911 following the annexation of the vital part of Riviere du Loup-Temiscouata (14,816) and of St. Apolline, which would be taken away from the former Montmagny county.

Montmagny-Bellechasse

The population of those counties together would increase from 52,504 to 68,432. St. Apolline would be deducted (1,159) in order to add twelve municipalities from Dorchester (17,087).

LEVIS

Increase from 51,842 to 70,196, with the annexation of ten municipalities from Dorchester (9,468) and ten municipalities from Lotbiniere (8,886). The total population of those twenty towns added to Levis is 18,354.

Neither Dorchester nor Lotbiniere were ever considered as lower St. Lawrence counties because they are in the central Quebec district.

In conclusion, was it necessary to take away 91,927, add 127,362 and dissatisfy the whole population of 478,842 in order to reduce from ten to eight the number of lower St. Lawrence counties, from Levis to Gaspe?

The redistribution made by the Langlois Commission in our area gives a good idea of the mess it made throughout the province of Quebec.

"Le *Saint-Laurent*," Rivière-du-Loup, 29 July 1965.

THE 1965 REDISTRIBUTION—QUEBEC DISFIGURED BY THE LANGLOIS COMMISSION

by Jean François Pouliot

The difficulties made up by the Langlois Commission result from the fact that the federal constituencies would not be completely superimposed on the provincial constituencies, so that the boundaries of the latter and the former would be identical, and also from the fact that it proposed to remove the names of 33 provincial constituencies from the designation of federal ridings. It completely overlooked the community of interests, both from the federal and the provincial point of view, of the entire population comprised within the limits of every riding.

As we have shown when reducing from ten to eight the number of ridings in eastern Quebec, from Lévis to Gaspé and the Îles-de-la-Madeleine, there is no need to know the law nor the case-laws by heart. It is not a point of law, it is simply a matter of common sense. Any schoolboy in primary school, with an average I.Q. but an open mind, who would know the four simple rules and a few elementary notions of geography, would have no trouble to understand that, in any field, it is important to avoid any needless trouble to anyone and that, in the present case, it is desirable to annex the smallest riding of the province, if not of the whole country, to the least populous of the seven other ridings of our area. The union of the Îles-de-la-Madeleine to Bonaventure is essential.

Between Rivière - du - Loup – Témiscouata, there are four small ridings whose population adds up to half the average of the others. There is no need to be as wise as King Solomon to realize that Kamouraska should be annexed to L'Islet and Bellechasse to Montmagny, but completely, that is, without changing the boundaries of any provincial riding in redistributing federal constituencies.

Instead, the Langlois commission, without consulting the parties concerned, changed all the riding limits, east and west of every riding, with the result that unanimous protests arose.

Mr. Olivier Gagnon, chairman of the Chamber of Commerce of Gaspé-Nord claimed that the new electoral boundaries set up by the Langlois Commission endangers the economic unity of the Gaspé area—Mr. Wilbrod Bérubé, chairman of the Chamber of Commerce of Port-Daniel stated that Port-Daniel wants to remain in the riding of Bonaventure for social and economic reasons.

Those are the reasons which were put forth by many personalities of Gaspé, Bonaventure, Matapédia-Mantane, Rimouski, Rivière-du-Loup-Témiscouata and Montmagny-L'Islet in protest against the proposals of the Langlois commission.

Mr. Philippe Michaud, on behalf of the Lower St. Lawrence Chamber of Commerce,

stated that villages which are economically interrelated should remain so at the level of the riding.

Speaking for the Liberal Women of Matapédia-Matane, Mrs. Benoît Bérubé, of Amqui, said that the population of the riding objects to the new electoral map suggested by the Langlois commission which completely eliminates the riding of Matapédia.

Mr. Jean-Paul Légaré presented a new electoral map. Mr. Jean Ménard, speaking for the Rimouski Chamber of Commerce, recommended that Rimouski remain the hub of the riding and that the latter include the towns of Mont-Joli and Trois-Pistoles. Mr. Félix Gagnon, his son Marcel, Mr. Théodore Sirois and many others spoke along the same lines.

But the chairman of the commission was mostly against Mr. Beauvais Bérubé, who submitted an excellent brief from the Chamber of Commerce of Rivière-du-Loup, and against my learned colleague, Mr. Antonio Dubé, barrister, who represented the city of Rivière-du-Loup. We had been told that during the Quebec meeting he had constantly interrupted the objectors from Montmagny, L'Islet, and we saw that he was not well disposed towards the city of Rivière-du-Loup. Mr. Bérubé and Mr. Dubé advanced excellent arguments but Mr. Langlois would not listen to reason.

Many well-known people were present, such as Mayor Rosaire Gendron, M.P., Mr. Gérard Chouinard, reeve, and Mr. Paul-Emile Roy, secretary-treasurer of the county of Rivière-du-Loup, Captain Louis-C. Rioux, from the village of Isle-Verte, Mr. Réal Dubé, mayor of St-Antonin, Mr. Jean-Léon Marquis and alderman Bossinotte, of Rivière-du-Loup, Mr. Edmond Plourde, who represented the Société St-Jean Baptiste of Rivière-du-Loup and many others.

After reading the letters and resolutions of protest sent by all the municipalities of the riding of Rivière-du-Loup-Témiscouata, and to prevent the chairman from interrupting, I had to resort to exceptional measures and tell him that I had known his father well as he had been my colleague in Parliament for four years, and that I remembered him as a perfect gentleman; and I added: "If your late father were still with us he would feel very discouraged with you." I could say that because of my white hair.

After that, I was able to put freely to the commission the arguments set out in the three previous articles to prove that the report of the Langlois commission should be drafted again from A to Z, that is from Gaspé to Témiscamingue.

In this matter of redistribution, it is painful to notice that there has been no co-ordination between the Province of Quebec and its sister provinces. For instance, in all the provinces, at least two ridings bear the name of the provincial capital. It is a shame that the name of Quebec City, the cradle of our civilization, should be erased from the federal electoral map.

In all the other provinces, federal ridings have compound names made up of two or three provincial ridings. The Langlois commission wants to remove from the federal electoral map the names of 33 provincial ridings. If the plan of the Langlois Commission were approved by Parliament, we would have reason to say that Quebec is not a province like the others.

In a recent report, Chief Justice Frédéric Dorion suggested an amendment to the Investigations Act to give investigating commissioners the right to apply the rule of contempt of court.

Being aware of the facts that we drew to his attention, does not the reader of these four articles come to the conclusion that it would be much simpler and more practical to repeal the Investigations Act and to have these investigations carried out by parliament itself, as it is one of its primary responsibilities?

I do not know any single Member of Parliament who would have submitted a report as absurd as that of the Langlois Commission. Let us hope that the Government will realize this and act accordingly, after an experience which was as unfortunate as it was unpopular; let us hope that it will resume the custom of relying on parliamentarians for the redistribution of federal constituencies. P.S. For those who deliberately refuse to face facts and who keep criticizing: The official 1961 census statistics on the population of each municipality are the same in all publications of the federal Government. Obviously, they are also the same of course for provincial counties and federal constituencies.

The federal redistribution is based on these data.

Le *Saint-Laurent*, Rivière-du-Loup, 19 August 1965.

THE RAGE TO DESTROY EVERYTHING
Redistribution in 1965 by
Jean-François Pouliot

This article is the third of a series of four on the current redistribution of federal rid-

ings. The first, entitled "Figures speak" gave the facts with regard to the ten ridings in the eastern region of the Province of Quebec, which are to be reduced to eight; the second, entitled "The madness of the new wave", was meant for those who did not care and those who had not understood; in this one, it will be necessary to cross the t's and dot the i's, because it is specially meant for the few who do not want to understand or admit anything. The only thing left after that will be to draw our conclusions.

Answer to two good questions:

We have been asked: Where do you get your figures? Answer: In official publications only, in the *Canada Gazette*, published by the Queen's Printer, and Bulletin 92-526 of the census of Canada (1961), which gives the population for each riding and each municipality in the country. The publication of that document was authorized by the Minister of Trade and Commerce himself. Of course, to understand the scope of the report of the redistribution commission, it is necessary to analyze all the figures and compare them, as we did.

Another question: By comparing so many figures, what are you driving at? Answer: The first paragraph of the first article contained the following sentence: We will see if the redistribution commission does a better job than the members. That is why the procedure followed by the commission was explained in great detail, so that you might base your opinion on hard facts. Personally, we feel that each member knows his riding better than a commissioner living in Montreal can know each of the 75 ridings of the Province of Quebec, even if he spends the summer at Trois-Pistoles.

We hope the Government will see that the proposals of the commission are not acceptable and will have enough common sense to resort to a parliamentary committee which will do a better job. It would only have to repeal the present act and to revive the previous legislation.

Redistribution commissions.

The 1964 act provides for the setting up of ten commissions, one for each province. "Each commission for a province shall consist of four members, namely a chairman, two other members appointed as provided in section 6, and the representation commissioner". (Section 5)

The chairman of the commission shall be appointed by the Chief Justice of the province from among the judges of the court over which he presides; the two other members of the commission are appointed respectively by the Leader of the Government in the house and the other by the leader of the opposition in the house. (Section 6).

All seems fine in theory but in practice, it is quite different. First of all, the representation commissioner who is ex-officio entitled to sit on all meetings of the commission of each province, is no other than Mr. Nelson Castonguay, the federal chief electoral officer who, with the best of goodwill, could not be everywhere at the same time, particularly when press reports continually suggest that a general election is in the air. Another member of the commission is in the same situation, that is Mr. François Drouin, Q.C., chief electoral officer of the Province of Quebec. Neither Mr. Castonguay nor Mr. Drouin were in Rimouski when the commission met there. We met their colleague, Mr. Ogden Glass, vice-principal of Bishop University, of Lennoxville, who, showed courtesy to all those who appeared before the commission. He took notes on what was said, but he did not have a chance to speak one word, because the chairman was always talking, either to make arrogant interruptions when people were trying to make him aware of the feelings of the people, either to speak in favour of his idea of completely upsetting all county boundaries in the lower St. Lawrence, or else to support other arguments just as stupid and nonsensical.

The reader is free to judge whether the person who appointed the chairman of that commission showed good judgment.

SHORTCOMINGS OF THE ACT

Under the 1964, Electoral Boundaries Act, the Commission first prepares its report, (Sections 12 to 15), and then, before completing it, it may, if it deems it necessary, hold one or more sittings "to hear representations by interested persons". (Section 17.) Now, the report we discussed was published in the *Canada Gazette* on May 22 last, and in that same issue, chairman Langlois gave notice of hearings on June 21 at Quebec City where it seems he spoke on "The Law", (as Seraphin Poudrier would say) on June 28 at Chicoutimi, on July 5 and 6 at Rimouski, where he was forced to hear the vigorous and well-founded criticism of the local public bodies, on July 13 at Sherbrook, July 20 at Three Rivers, and the tour is not complete. The commission will sit in Hull on August 17, at Amos on August 24, and in Montreal on August 30. We do not fancy those travelling

commissions; they remind us of Mr. Perrichon's travels, and the travelling Boulinards, those ever so popular comedies of yesteryears. From what we have heard and seen in Rimouski, all observations interested parties may have made or might make at those hearings are nothing but a waste of time for the commission's report was published on May 22, before those so-called hearings, and no one can stop the chairman from firmly believing he is infallible.

The president's untimely outbursts seemed to be like some kind of mental cruelty on his colleague. This peaceful man would cloak himself in silence, in order no doubt, to avoid giving rise to further unpleasant scenes. The greatest weakness of the act is to provide that the commission shall be allowed to submit its report before consulting the people concerned. The biggest of the numerous faults of the commission has been to imagine that it could upset the territory of ten ridings instead of annexing the Magdalen Islands to Bonaventure; and it would have been far too simple to annex completely Kamouraska to L'Islet and Bellechasse to Montmagny, without submitting them to further changes.

QUEBEC IS NOT A PROVINCE LIKE THE OTHERS

Charlottetown, P.E.I. (18,318), Fredericton, N.B. (19,683) and Quebec (171,979 without the suburbs) are the only three provincial capitals the names of which were not given to federal counties by the commission. As regards our province, the commission proposed to do away with the historical names of Quebec East, Quebec Montmorency, Quebec West and Quebec South. It is regrettable that the Quebec Commissions could not co-operate with the commissions from the other provinces, as it would have seen in Newfoundland, St. John's East and St. John's West;—in Nova Scotia, Halifax,—Halifax East-Hants,—and Dartmouth—Halifax West; in Ontario, Ottawa, the country's capital, is divided into three counties, two of which will bear the names of Ottawa West and Ottawa East, and seven counties out of 88 will use the original name of Toronto, that of York; out of thirteen counties in Manitoba, four will have the name of Winnipeg; out of thirteen counties in Saskatchewan, two will bear the designations of Regina East and Regina Lake Centre; out of nineteen counties in Alberta, we find Edmonton East and two other counties bearing the name of Edmonton, and so on.

We asked a Créditiste member what he thought of the proposed removal of the name "Quebec", our provincial capital, from the federal redistribution map. With reverently, clasped hands and eyes turned toward heaven, he said resignedly: "It is the wish of the commission." But wait until the next election and you will see that he has changed his tune.

Let the reader decide whether or not it is an outrage to strike off the name of the cradle of our civilization from an official document of paramount importance.

———

"Le Saint-Laurent", Rivière-du-Loup, August 12, 1965.

THE SENATE

Thursday, February 24, 1966

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

Prayers.

DOCUMENTS TABLED

Hon. A. K. Hugessen tabled:

Copies of Authentic Texts of Conventions and Recommendations adopted by the Forty-ninth Session of the Internation Labour Conference, held in Geneva in June 1965 (English and French texts), together with a copy of a letter expressing the opinion of the Minister of Justice on the legislative jurisdiction of these international instruments, as follows:

Convention 123 concerning the Minimum Age for Admission to Employment Underground in Mines;

Convention 124 concerning Medical Examination of Young Persons for Fitness for Employment Underground in Mines;

Recommendation 123 concerning Employment of Women with Family Responsibilities;

Recommendation 124 concerning Minimum Age for Admission to Employment Underground in Mines; and

Recommendation 125 covering Conditions of Employment of Young Persons Underground in Mines.

Statement with regard to Section 4 of the United Nations Act, chapter 275, R.S.C., 1952. (English text).

Copies of letters dated February 14 and 15, 1966, exchanged between the Prime Minister of Canada and the Premier of Manitoba with reference to the Nelson River development project. (English text).

Interim Report of the Nelson River Programming Board to the Government of Canada and the Government of Manitoba, December 1965. (English text).

DIVORCE (EXTENSION OF GROUNDS) BILL

FIRST READING

Hon. Arthur W. Roebuck: Honourable senators, may I be permitted to introduce a private bill on a public matter of great importance. I present Bill S-19, to extend the grounds upon which courts now having jurisdiction to grant divorce *a vinculo matrimonii* may grant such relief.

Bill read first time.

Hon. Mr. McDonald: Honourable senators, in view of the significance of this proposed legislation, would the honourable Senator Roebuck give us an explanation of the bill at this time?

Hon. Mr. Roebuck: With the indulgence of my colleagues, I should be very pleased to do so, but only briefly because I shall be speaking on it again, perhaps at greater length when second reading is moved.

Hon. Mr. Aseltine: Just a brief explanation.

Hon. Mr. Roebuck: Well, I want to make a sufficient explanation to cover what should be said about it at this time in answer to the question.

Hon. Mr. Choquette: You were ready for the question.

Hon. Mr. Roebuck: I certainly was.

Hon. Mr. Brooks: But no one else was.

Hon. Mr. Roebuck: To be perfectly frank, I was told before I entered the chamber that this question would be asked of me, and I prepared myself with the answer.

Hon. Mr. Brooks: I have seen that done many times before, but not in the Senate.

Hon. Mr. Roebuck: Is there anything wrong with that?

Hon. Mr. Brooks: No, but I think that out of courtesy we should have known something about it.

Hon. Mr. Roebuck: You do know something about it.

Hon. Mr. Choquette: I point out to my good friend that I have been through this before, because I handled the Coyne bill, and when Mr. Coyne was asked questions he had the written answers ready and it took him 20 minutes to answer those questions—he took every bit of that time.

Hon. Mr. Roebuck: If there is any implication in that remark that I arranged the questions with Mr. Coyne, you are quite wrong.

Hon. Mr. McCutcheon: Coming events cast their shadows before them.

Hon. Mr. Roebuck: I arranged a good deal with Mr. Coyne, but not his questions and answers.

Hon. Mr. Choquette: Well, he had the answers. He had them written down.

Hon. Mr. Roebuck: He had two or three days of answers.

Hon. Mr. McCutcheon: Have we a copy of the bill?

Hon. Mr. Roebuck: I do not know what this is all about. If anyone objects to my making a statement as to what this bill intends and why I have introduced it—

Hon. Mr. Brooks: Do we not usually wait until the motion for second reading before we hear an explanation of a bill? At that time we have copies of the bill before us, and we can ask questions about it.

Hon. Mr. Roebuck: Then, you object to my making this statement?

Hon. Mr. Brooks: Yes.

Hon. Mr. Roebuck: That is perfectly all right.

The Hon. the Speaker: Honourable senators, it is moved by honourable Senator Roebuck, seconded by honourable Senator Gershaw—

Hon. Mr. Pouliot: What is the motion? I am always suspicious of these motions.

The Hon. the Speaker: Honourable senators, it is moved by honourable Senator Roebuck, seconded by honourable Senator Gershaw, that this bill be placed on the Orders of the Day for second reading on Tuesday next.

Motion agreed to.

OTTAWA TERMINAL RAILWAY BILL

AUTHORITY TO PRINT COMMITTEE PROCEEDINGS

Hon. A. K. Hugessen, chairman of the Standing Committee on Transport and Communications, presented the following report of the committee on Bill S-2, to incorporate the Ottawa Terminal Railway Company:

> Your committee recommends that authority be granted for the printing of 800 copies in English and 300 copies in French of its proceedings on the said bill.

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

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

Report adopted.

REPORT OF COMMITTEE

Hon. Mr. Hugessen, Chairman of the Standing Committee on Transport and Communications, reported that the committee had considered Bill S-2, to incorporate the Ottawa Terminal Railway Company, and had directed that the bill be reported without amendment.

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

Hon. Mr. Hugessen moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

DIVORCE

REPORTS OF COMMITTEE PRESENTED

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the committee's reports Nos. 170 to 226, inclusive, and moved that the said reports be taken into consideration at the next sitting.

Motion agreed to.

BUSINESS OF THE SENATE

On the Notice of Motion for Adjournment:

Hon. A. K. Hugessen: Honourable senators, I move, with leave of the Senate, that when the Senate adjourns today it do stand adjourned until Tuesday next, March 1, at 8 o'clock in the evening.

Hon. A. J. Brooks: Honourable senators, at this time may I ask the honourable leader (Hon. Mr. Hugessen) if he would indicate to the house what business we may expect for next week.

Hon. Mr. Hugessen: Next Tuesday evening Senator Hayden proposes to explain the Bankruptcy bill. I do not know how long the debate will take, but as soon as it is completed the intention is to move that the bill be referred to the Standing Committee on Banking and Commerce for consideration. I understand that study of this measure in committee may be lengthy.

There will remain on our Order Paper today the Interpretation Act, which is very important. I believe it will be spoken to by my deskmate, Senator Roebuck.

I do not think we shall be asked to consider any further interim supply or any measure of that kind.

There are one or two additional bills before us. One is the bill to amend the Exchange Act, which Senator Cook has undertaken to explain next Tuesday or Wednesday. Another is the bill which my honourable friend Senator Roebuck introduced a few minutes ago. I think that we shall have enough to do, particularly in committee, next week.

Hon. Mr. Brooks: Were you referring to the second reading of the Bankruptcy bill?

Hon. Mr. Hugessen: Yes; second reading will be moved on Tuesday evening. Of course, there may be debate on that bill, or an honourable senator may wish to adjourn it.

Hon. Mr. Brooks: Thank you.

Hon. Mr. Hugessen: In addition, we will still have the debate on the address in reply to the Speech from the Throne and consideration of Senator Croll's report of the Special Committee of the Senate on Aging.

Motion agreed to.

HON. W. ROSS MACDONALD, P.C.

FELICITATIONS ON AWARD BY JUNIOR CHAMBER OF COMMERCE

Hon. A. K. Hugessen: Honourable senators, before the Orders of the Day are called, I wish to direct your attention to one pleasurable matter.

The Junior Chamber of Commerce of the City of Brantford is holding an annual banquet this evening at which the Citizen of the Year Award, which that organization gives annually, is being tendered this year to our friend, Senator W. Ross Macdonald.

I think that is the explanation of his absence from the Senate Chamber this afternoon. I thought it advisable to tell you of this event, and to say that on your behalf I sent an appropriate telegram to the Brantford Junior Chamber of Commerce.

PRIVATE BILLS

UNITED GRAIN GROWERS LIMITED—THIRD READING

Hon. Gunnar S. Thorvaldson moved the third reading of Bill S-5, respecting United Grain Growers Limited.

Motion agreed to and bill read third time and passed.

AETNA CASUALTY COMPANY OF CANADA—THIRD READING

Hon. A. Hamilton McDonald, for Hon. Mr. Cook, moved the third reading of Bill S-4, to incorporate Aetna Casualty Company of Canada.

Motion agreed to and bill read third time and passed.

THE PACIFIC COAST FIRE INSURANCE COMPANY—THIRD READING

Hon. Gunnar S. Thorvaldson moved the third reading of Bill S-6, respecting The Pacific Coast Fire Insurance Company.

Motion agreed to and bill read third time and passed.

GENERAL MORTGAGE SERVICE CORPORATION OF CANADA—THIRD READING

Hon. T. D'Arcy Leonard moved the third reading of Bill S-8, respecting General Mortgage Service Corporation of Canada.

Motion agreed to and bill read third time and passed.

INCOME LIFE INSURANCE COMPANY OF CANADA—THIRD READING

Hon. A. Hamilton McDonald moved the third reading of Bill S-11, to incorporate Income Life Insurance Company Of Canada.

Motion agreed to and bill read third time and passed.

INCOME DISABILITY AND REINSURANCE COMPANY OF CANADA—THIRD READING

Hon. Mr. McDonald moved the third reading of Bill S-12, to incorporate Income Disability and Reinsurance Company of Canada.

Motion agreed to and bill read third time and passed.

CANADA HEALTH AND ACCIDENT ASSURANCE CORPORATION—THIRD READING

Hon. Mr. McDonald, for Hon. Mr. Cook, moved the third reading of Bill S-13, respecting Canada Health and Accident Assurance Corporation.

Motion agreed to and bill read third time and passed.

SPECIAL COMMITTEE ON AGING

CONSIDERATION OF FINAL REPORT

The Senate resumed from yesterday consideration of the final report of the Special Committee on Aging.

Hon. Fred A. McGrand: Honourable senators, the report of the Senate Committee on Aging has been thoroughly discussed by those who served on that committee and those who have spoken on it in this house. Senator Burchill has sought some information concerning homes for the aged in New Brunswick. Senator Brooks and Senator Fergusson have spoken, and as the third member from New Brunswick on that committee I shall try to give the information asked for.

There are approximately 1,850 beds available for the aged in New Brunswick. They are located in five qualified nursing homes and 72 homes for the aged. Of these 72 homes for the aged, seven are operated by municipalities, seven by religious or church organizations, and six by service or charitable associations. These homes are all licensed; the plans must be approved by the fire marshal, and they must meet all the regulations of the Department of Health. A full-time supervisor of homes was appointed in New Brunswick in 1964. The province pays 75 per cent and the municipality 25 per cent of the cost for those who cannot pay their own way.

This report is the result of a thorough review of the problems of the aged in Canada. It goes much further than the need for financial assistance recommended in the report. Most of the briefs presented to the committee complained of inadequate incomes for food and housing, the loneliness of old people and the high cost of drugs. Some of the briefs mentioned the growing habit of placing elderly people in institutions because they are not wanted in the homes of their children.

Due to the mobility of labour, the frequent moves from place to place, often from province to province, the high cost of home building, a great number of families cannot take the aged parents with them. Institutional care is necessary in these cases, but it is not the complete answer to the problem of the aged. A bed in an institution may be a home away from home, but is it, in fact, a substitute for a home? The three-bedroom house in most housing developments makes it difficult for the family to take an aged parent with them because there is not room under the family roof for the grandparents and the growing family.

It has always seemed to me that the trend to separate grandparents from their grandchildren is not a healthy one; it is not good for the old people and it is certainly not good for the grandchildren.

Living in an institution with a number of people of similar age has certain advantages for the aged. They have company of a sort. There is assistance in case of a fall or any other accident. This security relieves their minds and also the minds of the immediate family. Someone else is looking after the parent—and therein lies the danger.

There are some disadvantages in living with a group of people with a similar problem—old age. They may have little in common, less than most people think. They share the same institutional food and the care provided by the home; they share the same idleness and the same loneliness. But each has his own nostalgic feelings which cannot be shared with the person next door who has his own past to live with.

In my view the very habit of talking about the past on the part of old people stimulates grandchildren to learn more about the personal things that happened long, long ago—long ago to a small child. Furthermore, children need to be taught responsibility. To be kind, and to run errands for a grandparent is often the first lesson in citizenship for a young child, and it is a lesson which every child needs.

Besides this, sitting in a home for the aged, next door to a person who has lost his identity or who cannot remember his name or the day of the week, in itself contributes to the aging process.

There are many people engaged in welfare work who believe that three generations should not live under the same roof. They argue that children annoy grandparents and that the grandparents annoy and frustrate children; that children are handicapped by the presence of people who are old and growing older. Evidence was submitted to the committee that children often object to the presence of their grandparents in their home and that was the reason it was necessary to send the aged grandparent to an institution. This is an attitude of our changing society which would bear further investigation. How common is this attitude, and is it on the increase?

So, honourable senators, I ask myself this question: Has an element of human nature emerged in our society that was absent or dormant in the long history of mankind? Is the contact of the old and the young only on an occasional basis a good thing?

There is much truth in the cliché, "The hand that rocks the cradle rules the world." In that forgotten day, the hand that rocked the cradle was usually the hand of the grandparent. It was the grandparents who taught children little games and old nursery rhymes, mended broken toys—something the busy mother did not have time to do.

There is another cliché, "The family that prays together, stays together."

I think we could find much evidence to prove that three generations praying and living under the same roof stay together and enjoy many of the worthwhile things in life that all people seek.

I know that many will not agree with me. I would be overwhelmed by all the arguments of the frictions and irritations that exist when three generations live under the same roof. However, they will find it harder to argue with Arnold Toynbee. In an article about the weakness of our western civilization, which appeared in a well-known publication about a year ago, he wrote:

> Of all the 18 or 20 civilizations that mankind has passed through, this is the first that has put the old people out of their homes, something that leaves calamity in its wake.

I am told that there is an old folks home on this continent with large grounds surrounded by a four-foot fence. It was necessary to raise the fence to six feet, not to keep the old people in but to prevent people from dumping their unwanted parents on the grounds of the old folks home.

Certain religious communities with well-knit family ties, including three generations, have less crime and broken homes than exist in a society where the grandparents are not part of the family. The largest Chinatown in North America, and certainly the most congested, has one of the lowest rates of juvenile delinquency on the continent.

If a boy grows up without the blessing of a grandparent in close association, how will he learn to respect the elderly? I would like to know how many of the young gangsters who roam the streets, knocking down and robbing old people, ever enjoyed the presence of a grandparent in the home.

I do not propose that three generations should live in the three-bedroom house with children sharing a bedroom with a grandparent. In this day, when home building is part of community planning, they should plan homes to serve families and not push families around to serve the plans of those who put emphasis on real estate and the marketing of houses for small families. They should provide a number of houses in each housing development to meet the need of those who wish to provide separate space for the grandparent—something less than a duplex, with a separate entrance.

Much has been said and mention was made in those briefs to which we listened, about growing old graciously. If education is to train the young to live a useful adult life, it should enable the middle-aged adult to grow old graciously. Education is a continuing process.

At no time in our history has society had the trained personnel or the means to make it available that it has today. Technology and automation have caused great emotional upheaval in every sector of the three generations that comprise the modern family. No one sector can be treated as a separate entity: the harassed father with an ulcer or a threatened coronary, or in debt to a finance company; the working mother; the children in a day nursery; the school child who needs help with his homework; the teenageer with a problem; the grandparent sharing the company of strangers in an old folks home. If the family is to survive, it needs all the talent the complete family can provide.

About three months ago a well-known authority in the field of social science in addressing a gathering of social workers discussed all the conflicts that are found in the present-day home. He mentioned the place of the child psychologist, the marriage counsellor and all the other counsellors who can be called in. Then he suggested, when they all failed, call in the grandmother, because she knew everybody best.

Perhaps Dr. Wilder Penfield had this in mind the other day when he said:

> A strong family culture is the cure of society's ills.

He went on to say:

> The way of life, the moral fibre, the depth of character and the capacity for disciplined work are derived largely within the family.

If the family is the unit of society, society must treat it as a unit.

This report is lengthy and it took a long time to prepare. So far, most of the discussion has been on one aspect of the report, and a very urgent one, the few extra dollars for those who need it; but it should not be the end of our investigation into the problems of the aged.

In conclusion, I want to endorse what Senator Brooks said about the capacity of the Senate to carry on certain investigations in the public interest. He mentioned a study of the water resources of Canada. I am sure we are interested in all the problems that will face Canadians, such as the high cost of drugs, the high cost of hospitalization and all the problems that will arise with the advent of medicare.

PRIVATE BILL

CANADIAN BOARD OF MISSIONS OF THE CHURCH OF GOD—SECOND READING

Hon. Donald Cameron moved the second reading of Bill S-18, to incorporate the Canadian Board of Missions of the Church of God.

He said: Honourable senators, in explaining this bill may I just provide a little background information on it.

This denomination—which I am told is rather closely affiliated with the Baptist faith, and whose membership may be interchangeable with some sections of the Baptist faith—was formed around 1880 in the Indiana-Michigan area. At the present time it has some 120,000 members in the United States and about 3,000 in western Canada—the provinces of Alberta and Saskatchewan, and more recently spreading into British Columbia and Manitoba.

It was established in Canada in 1942 in a disjointed fashion, with a number of separate provincial boards. In other words, there was little co-ordination of activities among the provinces. In 1947 the separate boards were dissolved and their responsibilities were assigned to the Canadian Home and Foreign Missionary Board, and this is the organization which is presently petitioning for the incorporation of the organization under a new name, the Canadian Board of Missions of the Church of God.

This church or faith has four purposes or objects: firstly, to promote foreign missions, to select and train mission candidates, to provide bursaries, and to provide support for overseas foreign missions.

The second objective is the establishment of churches and the formation of home missions, and missions in various parts of the world. It will also be authorized to make loans and gifts to purchase property and to supplement the salaries of the missionaries who may be occupying the pulpits of this particular church.

The third objective is to raise funds for the churches and missions to assist them to expand their work, and to assist in the promotion of their Bible Schools.

The fourth objective is to make loans to the churches for building and to expand their activities into new areas, and to develop a program under what is known as the Memorial Loan Fund. As in the case of many churches, people make bequests to this corporation, and also donations and gifts, and this organization has set these moneys up in what it calls the Memorial Loan Fund, the proceeds of which are made available to churches and missions and others as may be required.

When the organization was originally set up in Canada in 1942 it had a board of three trustees. That number was later increased to seven, and under the provisions of this bill it is proposed to increase it to nine. Two board meetings are held each year. The church was incorporated in Alberta in 1954, and in Saskatchewan in 1956 under the Benevolent Societies Act. It is now spreading into Manitoba and British Columbia, as I mentioned a moment ago, and it expects to extend its activities to all of Canada. It has at the present time about a dozen foreign missions operating in various countries.

The bill is in the standard form. Clause 1 delineates the incorporators, and these include a number of ministers. They are the Reverend Henry Charles Heffren of the city of Medicine Hat, the Reverend Adolf Donald Semrau of the city of Camrose, the Reverend Larmour Wallace Chugg of the city of Edmonton, the Reverend Donald Gordon Snell of the town of Drayton Valley, Lloyd Warkentin, bank manager, of the village of Paradise Valley, all in the Province of Alberta, and the Reverend Gilbert Sommert of the town of Biggar, and the Reverend Wilhelm Paul Conrad Rabel of the town of Churchbridge, both in the province of Saskatchewan, and John Unger of the village of Plum Coulee in the Province of Manitoba. Those I have named constitute the board of directors. The head office of the corporation is in Camrose, Alberta, and its objectives are as I have indicated.

Clause 5 gives the corporation power to make the necessary by-laws, and clause 6 gives it the power to operate through management committees. In all other respects the bill is in the same form as previous bills governing similar organizations.

If this bill receives second reading today I shall move that it be referred to the Standing Committee on Miscellaneous Private Bills.

Hon. Mr. Choquette: I should like to ask the honourable sponsor of this bill (Hon. Mr. Cameron) a question. "The Church of God" is quite vague. I do not know of any church that would not be considered the Church of God unless it be its counterpart, the church of the devil, and I do not know of any church of that name.

The honourable sponsor of the bill told us that this church was incorporated in 1954. Was it incorporated under that name? I ask

that question because it was said that bequests could be made to this corporation. It would be most difficult for any executor, I think, if any such bequest were made to the Church of God, not to give it to his own church, or to the church of the testator, because he would certainly consider his own church a church of God. It is my opinion that the name itself is so vague as to convey the idea that any church might receive a bequest in a will.

Hon. Mr. Cameron: Honourable senators, having had no responsibility for the selection of the name, I am not sure that I can answer the question. Certainly, the incorporators give to themselves a great deal of territory. However, when the bill is before the committee I am sure the honourable senator can obtain a better explanation than any I could give him. All I can say now is that these incorporators are good citizens whose intentions are of the best, and probably we would be living in a better world if there were more groups like them.

The name in the original incorporation was The Canadian Home and Foreign Missionary Board, and this bill changes that name to Canadian Board of Missions of the Church of God. It is a little more precise, but it still leaves that omnibus title.

Hon. Mr. White: Honourable senators, clause 15 of the bill gives the corporation broad powers in respect of the investment of funds. It is my understanding that the acts incorporating other religious bodies set out in detail exactly in what manner their funds may be invested. Bill S-7 of this session, to incorporate Evangelistic Tabernacle Incorporated, provides that that corporation may invest its funds in securities of or guaranteed by the Government of Canada, and so on, in first mortgages, and then in securities as defined by the Canadian and British Insurance Companies Act. I would ask the honourable senator why such a provision is not included in this bill.

Hon. Mr. Cameron: I cannot give you an answer to that question, Senator White, but I shall make a note of it and have an explanation given when the bill is before the committee. I think the intention of clause 15 is to give this corporation the same rights and privileges that most benevolent societies have. However, I think it would be desirable to have the range of investments spelled out precisely, and I am sure this can be done.

Hon. Mr. White: If the honourable senator looks at Bill S-7 he will see that clause 17 sets these matters out in full, and a clause similar to that has been included in other such bills.

I bring this matter up because some years ago I sponsored a bill concerning the United Church of Canada when it made application to increase its authority to invest in common stocks. Even though the United Church of Canada had on its board some of the outstanding financiers in Canada, there were certain objections raised by the other side of the house. I was wondering if there had been some change in thinking since that time.

Hon. Mr. Cameron: I have made a note of the point raised by Senator White, and I shall draw the attention of the incorporators to this particular clause.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Cameron, bill referred to the Standing Committee on Miscellaneous Private Bills.

DIVORCE

REPORTS OF COMMITTEE ADOPTED

The Senate proceeded to consideration of reports of the Standing Committee on Divorce Nos. 114 to 169, inclusive, which were presented yesterday.

On motion of Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, reports adopted, on division.

RESOLUTIONS PRESENTED

Leave having been given to revert to Presentation of Petitions:

Hon. Mr. Roebuck, Chairman of the Standing Committee on Divorce, presented the following resolutions:

Resolution 113, for the relief of Evelyn Meier St. Laurent.

Resolution 114, for the relief of Judith Jean Cochrane Rioux.

Resolution 115 for the relief of Robert Robitaille.

Resolution 116, for the relief of Susanna (Susan) Airlie Schattschneider.

Resolution 117, for the relief of Catherine Theresa (Therese) Dube Simard.

Resolution 118, for the relief of Irene Quinn O'Rourke Stevenson.

Resolution 119, for the relief of Cecil Mark Vineberg.

Resolution 120, for the relief of Annie Sorochinsky Visser.

Resolution 121, for the relief of Dick Vyfvinkel.

Resolution 122, for the relief of Thelma Ruth Jones Wallace.

Resolution 123, for the relief of Willis O'Neill Weatherhead.

Resolution 124, for the relief of Janina Krojewska Yakubovsky.

Resolution 125 for the relief of Martha Leah Tupie Aronovitch.

Resolution 126 for the relief of Alphonse Barbeau.

Resolution 127 for the relief of Gaetan Bissonnette.

Resolution 128, for the relief of Marilyn Sylvia Zwaig Blaukopf.

Resolution 129, for the relief of Georgette Chamberland Boies.

Resolution 130, for the relief of Francis Roy Bowers.

Resolution 131, for the relief of Remi Brault.

Resolution 132 for the relief of Dorothy Rose Gann Brown.

Resolution 133, for the relief of Clifford Brown.

Resolution 134, for the relief of Evelyn Allison Knox Buglass.

Resolution 135, for the relief of Stella Bertin Christensen.

Resolution 136, for the relief of Catherine McGuire Cooke.

Resolution 137, for the relief of Denise Paquin Crissinger.

Resolution 138, for the relief of Patricia Young Fellows.

Resolution 139, for the relief of Ghislaine Gagnon Flynn.

Resolution 140, for the relief of Nancy Godwin Buzzell Fox.

Resolution 141, for the relief of Cynthia Weiss Freedman.

Resolution 142, for the relief of Brenda Alice Nickerson Gauthier.

Resolution 143, for the relief of Sally Mamo Gerard.

Resolution 144, for the relief of Victor Francis Green.

Resolution 145, for the relief of Claudette Guay Guerin.

Resolution 146, for the relief of Maureen Holt Jones Hampson.

Resolution 147, for the relief of Carole Marlene Seidman Keses.

Resolution 148, for the relief of Agnes Kasza Klimo.

Resolution 149, for the relief of Joyce Strulovitch Kravitz.

Resolution 150, for the relief of Marie Rachel Lisette Vallieres Krushelnyski.

Resolution 151, for the relief of Herbert Kugler.

Resolution 152, for the relief of Georgina Dorothy Melanson Lazerman, otherwise known as Georgina Dorothy Melanson Lane.

Resolution 153, for the relief of Colette Bechard Letourneau.

Resolution 154, for the relief of Marie Majella Nicole Bisaillon Levis.

Resolution 155, for the relief of Henry Lewin.

Resolution 156, for the relief of Sylvia Tucker LeMessurier.

Resolution 157, for the relief of Andre Edmond Remi Mannes.

Resolution 158, for the relief of Elizabeth Verna Geroux Markovics.

Resolution 159, for the relief of Maria Hogh Muller.

Resolution 160, for the relief of Norman Henry McArthur.

Resolution 161, for the relief of Ellen Joan Lovell McGuigan.

Resolution 162, for the relief of Rosaire Nadeau.

Resolution 163, for the relief of Angelo Nardone.

Resolution 164, for the relief of Marie Albertine Huguette Fournier Ouimet.

Resolution 165, for the relief of Bessie Malen Pascal.

Resolution 166, for the relief of Helen Mary Isabel Robson Peck.

Resolution 167, for the relief of Marius Elie Peretti.

Resolution 168, for the relief of Marie Therese De Seve Piette.

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

Hon. Mr. Roebuck: Honourable senators, I move that these resolutions be considered on Tuesday next.

Motion agreed to.

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY—
DEBATE CONTINUED

The Senate resumed from Tuesday, February 8, consideration of His Excellency the Governor General's speech at the opening of the session, and the motion of Hon. Mr. McDonald, seconded by Hon. Mr. Gouin, for an address in reply thereto.

Hon. Jean-François Pouliot: Honourable senators: Mr. Speaker, I ask you to accept my congratulations to you and Mrs. Smith on the occasion of your elevation to the speakership of this chamber. It is a position of great importance, and you act with fairness and dignity. We appreciate the fact that we are under the protection of the chair when we speak.

I am reminded of what Mr. Mackenzie King said one day in Quebec City when he was leaving for an imperial conference. He was Prime Minister at the time and he said, "As Prime Minister, I am the first among equals."

In the chair, sir, you are the first of all of us, and you can call any one of us to order.

I am sure that you will follow the great traditions of your predecessors, among whom is the former Speaker Senator Bourget, whose merit has been recognized by his appointment to the Privy Council. It should have been done before—but better late than never. He is worthy of such a recognition for the way he fulfilled his duties in the chair.

May I tell you that one of my most pleasant reminiscences is that one of your predecessors, Mr. Speaker Drouin, used to call me to order at times only when I had finished saying what I had to say. I appreciated the way he dealt with me on such occasions, for he did it with a twinkle in his eye.

The address in reply to the Speech from the Throne has been proposed and seconded by two of our most distinguished colleagues. They did very well and fully deserve all the nice things that have been said about them. The best way to appreciate what they said was not only to have listened to them when they spoke but also to have read their speeches afterward. We have found that they were among the best speeches made in this chamber. I could mention many other senators who have spoken on the address, and they have all done very well.

Honourable colleagues, I appreciate your kindness. I have been here for a long time. You have been good to me. You have said such nice things at times that, as I listened to you, I felt I did not belong to this world.

One of the most appreciated remarks that was made by one of my colleagues in this chamber was precisely what Senator Brooks, Leader of the Opposition, has said about me. He said last year that he recognized that I was a hard worker. I agree with him. We are all hard workers, and naturally sometimes we have to differ. What is to be regretted is that in this country very few people know what is meant by freedom and liberty, because those terms are not defined in the Bill of Rights. Therefore, no one knows exactly what liberty is. For me I want to enjoy the liberty and freedom to differ. I say that with due deference. Right now I have to differ with the honourable Leader of the Opposition (Hon. Mr. Brooks), an old friend of mine from the time we sat together for two sessions on the Civil Service Committee of the House of Commons. Believe it or not, each time we made a unanimous report, which meant that we agreed together on certain reforms, they were never made.

Hon. Mr. Brooks: We had a good chairman.

Hon. Mr. Pouliot: Well, thank you, sir, I appreciate it; and you were one of my best helpers on that committee, especially with regard to veterans.

Now, the point on which I want to differ with my honourable friend is what he said yesterday with regard to the relevancy of my remarks about the Redistribution Bill. I know very well that the Redistribution Bill will not affect us personally, because we are not to run as candidates. Those who will be candidates will be members of the House of Commons. It is most improbable that any senator will resign his seat to run as a candidate for any party in a constituency at the next election, which may come at any time in the future. I do not know.

However as long as any piece of legislation comes before the Senate we shall not act as a rubber stamp; we shall not take for granted that what is passed by the House of Commons is binding upon us. We must keep our liberty to say whether it is right or wrong, otherwise all legislation would be like the reports from the divorce judges—we know nothing about them—and we would be here as rubber stamps. My contention is that we have the duty to scrutinize each piece of legislation that goes before the House of Commons. Of course, not all bills originate in the Senate.

Provision is made for money bills to originate in the House of Commons, but after such legislation has been passed by the House of Commons we have the right to discuss it. It is more than our right, it is our duty to analyze and express our opinions for or against any matter that comes before us, and vote accordingly.

The Redistribution Bill is a matter that may not affect us as senators, but we have the duty to study that legislation and to act upon it according to our best judgment. The matter interests us as citizens who have the right to vote, and we have the right to see that the members of the House of Commons are protected by someone, even if they do not protect themselves.

Well, what was behind the idea of redistribution being made by commissions? It was to make it independent, to make those commissions more independent than the Select Standing Committee on Privileges and Elections or any other special committee, to study redistribution and to draft proposals for the adjustment of populations within certain boundaries.

Honourable colleagues, I wonder if you remember that an ex-minister of the Diefenbaker Government, the Honourable Leon Balcer, said that the draft of the new Constitution, or of an amended Constitution, should be made by the Senate. It was one of the finest tributes ever paid to the Senate.

If the Government had decided to appoint a committee of the Senate to draft the boundaries of the constituencies according to increase in population, the Senate would have done as well as it has done by the Committee on Aging, the Committee on Manpower and Employment or the other special committees of the Senate which have studied important matters and which have made useful suggestions.

Yesterday we listened to the Minister of Citizenship and Immigration when he appeared before the Finance Committee, and today we heard evidence from an official of the Department of Labour. They were speaking about the winter works program. But where does that program come from? It comes from an excellent report which was made by the Senate Committee on Manpower and Employment. That committee performed a great service for the welfare of the Canadian people, especially the underprivileged class.

If, according to an eminent Conservative, the Senate was able to draft the amendments, or the new Constitution, do you not think that we would have been as able to submit worthy proposals for the adjustment of the boundaries of the various constituencies in all provinces? Honourable senators, many of you have been in politics and you represent each part of Canada. You are better informed about the regional geography of this country than any judge could be. From coast to coast there are senators who are familiar with our country. Many of them have been members of Parliament for many years. They have been in contact with the people, and know their needs. If the House of Commons was unwilling to take on that work, under fear of being accused of partisanship, do you not think that the members of the Senate, with their experience, their knowledge of the country, their knowledge of geography, would be eminently able to do that work—and at no cost?

It would not have been necessary to travel very much, because you know the country and the knowledge is in your minds.

The Government did not think of that and neither did the four parties in the opposition. Nobody thought of that. Everybody was in earnest with regard to having commissions make reports on redistribution. I do not blame the Government for that, nor do I blame the opposition groups. They were acting in good faith.

There has been little criticism about the way in which redistribution has been made during, mark you, a century. The Government decided, in their wisdom, to entrust it to ten judges to preside over commissions for each province in Canada. I do not know how the judges were selected, whether by the Government or on the recommendation of the chief justice of each province. But they were a failure.

I know a judge of the east who is a personal friend of mine, a colleague for many years and a man whom I respect very much. He is a very good judge, but he was a bad commissioner. Letters have been sent to the press to complain that the boundaries of proposed federal counties were not superimposed over the boundaries of the provincial counties—you know what I mean; they were zig-zagged in all provinces as they were in the Province of Quebec. What is the result?

I have checked the *Votes and Proceedings* of the House of Commons. You will see there the number of complaints that have been made not only for the Province of Quebec but for the other provinces. Those complaints came not only from supporters of the Government but from members of every group of

the opposition. There are one or two members who call themselves independent in the House of Commons, and they also signed the petition, as did their colleagues.

The setting up of these commissions was absurd. In the first place, the judges knew very little about their business and they thought that they were the depositories of the Holy Grail or of the truth. I do not know who inspired them to make such reports, but they had no sense.

I made a particular study of this. I did the kind of legal research I have done since I became a young lawyer, since 1916, for 50 years.

Honourable senators, you have the answer there on your desks, the Senate *Hansard* of yesterday. It is a matter of public importance, it is a matter that will arouse the people. I want to prevent discontent and discrimination and this is why I show, from the County of Lévis inclusive to Gaspé inclusive, how wrongly the proposed redistribution has been made.

You may say that there was a great civil servant, Mr. Nelson Castonguay, the Chief Electoral Officer, who was there on the commission. What could he do? He was preparing for a general election. Do you see him preparing a general election and at the same time looking after the division of the various constituencies of Canada? He was physically unable to do that. He is a friend of mine, and as Chief Electoral Officer he has done an excellent job. When on election night you listen to the reports, you find it fantastic how quickly they come and how accurate they are; in two hours you know what party is in power, in spite of the fact that sometimes the votes are nearly even.

Mr. Castonguay is a very good Chief Electoral Officer but he was under the head of the commission who did set the boundaries of all counties. It makes nonsense. To show you that I have known Mr. Castonguay for a very long time, I may say I knew his father very well, Mr. Jules Castonguay. At that time, in 1935, he was assistant to another who was the son of a former Prime Minister of Canada and the heir to a great name. He had nothing to do, but he received $10,000 a year, and Mr. Castonguay, who belonged to an honourable but modest family, received only $4,000 a year to do the job of the other man, although he was the real chief for the election of 1935. I thought it was a scandal and I brought it to the attention of the House of Commons. It will be seen on *Hansard* Mr. Castonguay was awarded twice his salary, $8,000, but it was $2,000 less than the other fellow got for doing nothing.

In my county everything was well done by Mr. Castonguay the father, and afterwards by Mr. Castonguay the son, who looked after the election there. I made no complaint; everything ran smoothly.

I do not say this as a matter of personal criticism, but in my view the law is wrong; it is impossible for one man to do this job. It must be done by a group of men who would be willing to take advice from each other and who should be sensible and reasonable and always ready to come to a compromise or to an understanding when necessary.

The other commissioner was exactly the same; he was a very fine fellow. I have not met him personally but I have heard much about him that was good. He was Mr. François Drouin, chief electoral officer for the Province of Quebec.

The fourth was Mr. Ogden Glass, a very nice gentleman and Vice-Chancellor of Bishop's University in Lennoxville. He was a delightful man, but the judge kept talking on and on, and Mr. Glass did not have a chance to get a word in. It was an impossible situation.

That being said, honourable senators, you have some understanding of the situation. If during the weekend you want to learn more about it and in greater detail you can do so by reading the appendix to *Hansard* that came today in your mail. I am very pleased I had the opportunity of placing them on record because they give you facts and figures. They give so many that if I had read them yesterday in the Senate it would have been difficult for you to understand, and I would have been imposing on you. But if you have the time to read them you will know the facts—not just opinions—and you will be in a position to form your own opinion.

At home in Rivière-du-Loup, and in the county of the same name, and in the county of Temiscouata, I meet many people. They are all my friends and they all speak openly to me. They were disgusted at the situation. In my view the danger is that by putting judges in charge of matters that they are incapable of dealing with, we expose them to the danger of losing all the respect of the people.

If I may, at this stage I would like to tell you about the gift I received from the county

council of Rivière-du-Loup, which I represented as legal counsel before the commission. I had not sent them any bill and I did not ask for any fee, but at Christmastime I received a long box with the compliments of the warden and secretary-treasurer of the county council. And, honourable senators, do you know what was in the box? No, it was not a gun. It was a cane—a good solid cane. I told them that they were very gracious for acting as ambassadors and that I appreciated their gift very much, and I added, "If I appear again before the commission I will make good use of your cane."

Honourable senators, I am speaking rhetorically because I have no intention of creating any harm for anyone. But there is some more information which I want to give you. In my long years under this roof I have realized that a government is like the Queen—it can do no wrong. It is impossible to make the Government admit that it has made a mistake, that it has been led in error even when it has acted with the best possible intentions. The appointment of ten commissions for the redistribution of the constituencies in Canada was a serious mistake, and now we have the proof. I did not say anything when this legislation came before us last year; I gave it the benefit of the doubt. I have heard many people repeat so frequently that this thing must be done independently of Parliament. You can see now that it is wrong. But is it possible to bring the Government to admit that they were wrong? Can they not admit that it was a mistake and that they should have it redone properly for the satisfaction of the Canadian people and those who belong to all parties in Canada?

Honourable senators, what was the necessity for the various commissions to strike off the historic names of constituencies that have been represented by illustrious men in this country? Why did they strike off names that mean something to our minds and to our hearts, and to the minds and hearts of the Canadian people, names that belong to history? They were struck off with stupidity. If you have the time to look at *Hansard*, to which I have referred, you will see that in the Province of Quebec alone the names of 33 historic counties have disappeared or will disappear if the report is adopted. It may not be possible for you to have a map, but if you look at the map of the Province of Quebec or if you look at the maps that were tabled with the reports of the commissions in the House of Commons on the second day of this session, you will see that this action makes no sense at all.

I wonder if there is anyone who could approach the Government—not only the Government, but the other parties in the House of Commons—to make them understand that the Senate would be willing to perform that work at no cost other than such travelling expenses as might be necessary.

Hon. Mr. Choquette: Have you any idea what the cost of this has been to date?

Hon. Mr. Pouliot: I also want to ask that appropriate question.

Hon. Mr. Choquette: It was money thrown away.

Hon. Mr. Pouliot: Money thrown away—absolutely. Here in the Senate we disagree at times; sometimes I am criticized and sometimes I am praised. When I am criticized I accept it with a certain degree of humility and I say "Perhaps the other fellow is right." When I am praised I think the one praising is speaking of someone else.

One day I asked a certain question when Senator Aseltine was Leader of the Government, and he appreciated that question. I asked him what were the special committees of the Senate during a certain period of time, meaning by that the special work that was done by committees of the Senate besides studying the legislation that we passed or that had been passed in the House of Commons and sent to us for consideration. He supplied the answer, and it was fantastic. People do not realize how much work all our committees are doing. We have excellent chairmen of committees, and our colleagues are always willing to work.

The attendance in this chamber and at various committee meetings is striking. I put my confidence in you. You may have your own views, but if any one of you takes the trouble to look at the ten maps drawn by the ten commissions you will be shocked. This is why I consider I am in order, not only in discussing the matter but in proposing that the Senate do the whole redistribution report, for the satisfaction of the Government, for the satisfaction of the other groups and for the satisfaction of the country.

I know very well that if any lawyer on either side of the house were appointed to the

Bench, he would consider every matter objectively and according to his conscience. I have enough respect for you to think that, and I believe that the senators together could do an excellent job.

It is never too late. True, the bill has been passed, but if you say the legislation has been passed, what does it mean? Yesterday I opposed it in my own way. I did not have the time to explain my views before, and I registered my objection when I said, "On division." I did not want it to pass second reading, but as the Deputy of His Excellency the Governor General was to attend for Royal Assent at a quarter to six I did not insist. I wanted to put the facts on record in order that you could have an opportunity to judge them.

Some of you on the other side belong to the Progressive Conservative Party, and on this side we belong to the Liberal Party, but it makes no difference, and the members of the other opposition groups could rely on us for a fair judgment on such difficult and contentious matters.

I have spoken for forty minutes—

Hon. Mr. Choquette: That is all right.

Hon. Mr. Isnor: There is no time limit.

Hon. Mr. Pouliot: I thank you. I do not want to take advantage of your attention. There are other things to be discussed today, but I would also like to speak on two other matters, the death penalty and constitutional reform. I shall not do that today, but I wonder if you would have any objection to my adjourning the debate until next week, at which time I shall have another opportunity to deal with those two matters.

I have spoken without any *arrière-pensée,* without anything in the back of my mind; I have spoken to you sincerely; I have spoken to you as one could speak to friends and colleagues of high character who deserve respect. It is because I respect you that I have made that suggestion. If I had no respect for you, if I thought the Senate was worn out, that the Senate was finished, that we are no better qualified than are the judges and the others who sat on the commissions, then I would not have made that suggestion. It is because I am sure, because I have the conviction that the Senate could do a better job than anybody else, that the Senate could do a better job than the House of Commons, and could do a better job than any judges or bureaucrats, that I have spoken as I have.

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

INTERPRETATION ACT

BILL TO REVISE—SECOND READING—DEBATE CONTINUED

The Senate resumed from Monday, February 7, the adjourned debate on the motion of Hon. Mr. Macdonald (Brantford) for the second reading of Bill S-9 to revise and consolidate the Interpretation Act and amendments thereto, and to effect certain consequential amendments to the Canada Evidence Act and the Bills of Exchange Act.

Hon. Arthur W. Roebuck: Honourable senators, I have had an opportunity to read this bill during the adjournment and also to compare it in a very general way with the present Interpretation Act. I have come to the conclusion that little would be gained by trying to discuss it in the chamber, because the detail is too great. It is a matter for committee and, as I suggested last session, a subcommittee to go over clause by clause—almost word by word—and in doing so, to have the officials who drew the bill or who are taking responsibility for it, come before the committee and tell us, if they can, what is to be gained by amending the act in this way and the effect of any change that might be made on the meaning of words.

I am much interested in what is contained in the bill, and I am considerably interested in what has been left out of it. There are certain indications I do not particularly like. For instance, it is proposed to repeal the Demise of the Crown Act and insert the substance of that act in the Interpretation Act, which seems to me ridiculous. I do not understand what is to be gained by that. An interpretation act is something which professional lawyers must hold in their minds when reading an act so that they do not misunderstand the act because of the statutory meaning that is given to the words. Why people should have to hold in their minds the Demise of the Crown Act, I am sure I do not know. It seems to me completely out of place. There are other matters upon which I might comment in the same way; therefore, I think we had better conclude the debate and send this bill to committee.

I stood the matter for the last two or three days because I understood Senator Grosart had some comments to make, and I thought

we might both speak on it on the same day. But so far as I am concerned, I can make no further contribution.

Hon. Mr. Grosart: Honourable senators, perhaps I could leave it to the Leader of the Government to decide whether I should speak at this hour. There is no urgency in having the bill referred to committee.

Hon. Mr. Brooks: Adjourn the debate.

Hon. Mr. Grosart: I prefer to adjourn the debate.

Hon. Mr. Hugessen: That is perfectly all right.

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

The Senate adjourned until Tuesday, March 1, at 8 p.m.

THE SENATE

Tuesday, March 1, 1966

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

Prayers.

NEW SENATORS

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

Earl Adam Hastings, Esquire
James Harper Prowse, Esquire
John Lang Nichol, Esquire
Earl Wallace Urquhart, Esquire, Q.C.
Douglas Keith Davey, Esquire
Hon. Jean-Paul Deschatelets, P.C., Q.C.
Hazen Robert Argue, Esquire.

NEW SENATORS INTRODUCED

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

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

Hon. Earl Adam Hastings, of Calgary, Alberta, introduced between Hon. Mr. Hugessen and Hon. Mr. Gershaw.

Hon. James Harper Prowse, of Edmonton, Alberta, introduced between Hon. Mr. Hugessen and Hon. Mr. Gershaw.

Hon. John Lang Nichol, of Vancouver, British Columbia, introduced between Hon. Mr. Hugessen and Hon. Mr. Reid.

Hon. Earl Wallace Urquhart, of West Bay, Nova Scotia, introduced between Hon. Mr. Hugessen and Hon. Mr. Kinley.

Hon. Douglas Keith Davey, of Toronto, Ontario, introduced between Hon. Mr. Hugessen and Hon. Mr. Macdonald (Brantford).

Hon. Jean Paul Deschatelets, P.C., of Montreal, Quebec, introduced between Hon. Mr. Hugessen and Hon. Mr. Denis.

Hon. Hazen Robert Argue, of Kayville, Saskatchewan, introduced between Hon. Mr. Hugessen and Hon. Mr. McDonald.

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

DOCUMENTS TABLED

Hon. A. K. Hugessen tabled:

Copy of United Nations Convention on Road Traffic. (English and French texts).

Copy of Agreement between the Government of Canada and the Government of Spain for Co-operation in the peaceful Uses of Atomic Energy. Signed at Ottawa, September 8, 1964. In force, May 15, 1965. (English and French texts).

Copy of Protocol for the Extension of the International Wheat Agreement, 1962. Done at Washington, March 22, 1965. Signed by Canada, April 22, 1965. (English and French texts).

Copy of Protocol amending the General Agreement on Tariffs and Trade to Introduce a Part IV on Trade and Development. Done at Geneva, February 8, 1965. (English and French texts).

Copy of Convention on Facilitation of International Maritime Traffic. Signed by Canada April 9, 1965. (English and French texts).

Copy of Exchange of Notes between the Government of Canada and the Government of the United States of America concerning the Establishment, Operation and Maintenance of a Torpedo Test Range in the Strait of Georgia. Ottawa, May 12, 1965. (English and French texts).

Copy of The Third International Tin Agreement, adopted April 14, 1965. (English text).

Copy of Exchange of Notes between the Government of Canada and the Government of the United States of America concerning the Loan by the United States of certain Loran-A Equipment for use in Canadian Loran-A Stations. Ottawa, June 7 and 8, 1965. Entered into force, June 8, 1965. (English and French texts).

Copy of Exchange of Notes between the Government of Canada and the Government of the United States of America concerning the Continued Joint

Use, Operation and Maintenance, with effect from January 1, 1966, of the Churchill Research Range at Port Churchill, Manitoba. Ottawa, June 11, 1965. Entered into force, June 11, 1965. (English and French texts).

Copy of Exchange of Notes between the Government of Canada and the Government of the United States of America concerning the Continuing Operation in Canada of Mobile Seismic Observatories until June 30, 1968. Ottawa, May 18, June 28 and 29, 1965. Entered into force, June 28, 1965. (English and French texts).

Copy of Exchange of Notes between the Government of Canada and the Government of Jamaica, concerning the training of Jamaican Military Personnel by the Canadian Military Forces in Canada. Kingston, July 16, 1965. Entered into force July 16, 1965. Deemed to have come into force September 9, 1964. (English and French texts).

Copy of Exchange of Notes between the Government of Canada and the Inter-American Development Bank amending the Agreement of the December 4, 1964, in order to provide additional funds for assistance to Latin American countries which are members of the Bank. Ottawa and Washington September 20 and 30, 1965. Entered into force, September 30, 1965. (English and French texts).

Copy of Exchange of Notes between the Government of Canada and the United States of America, relating to the Establishment of Directions to be followed by the Permanent Engineering Board Established under Article XV of the Columbia River Treaty in Relation to its Administration and Procedures. Washington, October 4, 1965. Entered into force October 4, 1965. (English and French texts).

Copy of Protocol for the further prolongation of the International Sugar Agreement of 1958. Adopted by the United Nations Sugar Conference, October 14, 1965. Done at Geneva, October 14, 1965. (English and French texts).

Copy of Agreement between the Government of Canada and the Government of the United Republic of Tansania concerning the provision of Military Training and Advisory Assistance. Done at Dar es Salaam, November 4, 1965. Entered into force, November 4, 1965. Deemed to be effective from January 24, 1965. (English and French texts).

Copy of Exchange of Notes between the Government of Canada and the Government of the United States of America extending through the 1965-66 Winter season the provisions of the Agreement for the Winter use and maintenance of portions of the Haines Road in British Columbia and the Yukon Territory. Ottawa, November 17, 1965. Entered into force, November 17, 1965. (English and French texts).

Copy of Exchange of Notes between the Government of Canada and the Government of the United States of America concerning the establishment, maintenance and operation of the back-up interceptor control system to strengthen the Continental Air Defence System. Ottawa, November 24, 1965. Entered into force, November 24, 1965. (English and French texts).

Copy of Exchange of Notes between the Government of Canada and the Government of the Federal Republic of Germany amending the Schedule of their Agreements between the two countries of September 4, 1959. Bonn, December 10, 1965. Entered into force, December 10, 1965. (English and French texts).

Copy of Interim Agreement between Canada and the United States of America relating to the renegotiation of Schedule XX (United States) to the General Agreement on Tariffs and Trade. Done at Washington, December 17, 1965. Entered into force, December 17, 1965. To be effective, January 1, 1966. (English and French texts).

Copy of an Agreement between the Government of Canada and the Government of Alberta for the use or employment of the Royal Canadian Mounted Police, pursuant to section 20(3) of the Royal Canadian Mounted Police Act, chapter 54, Statutes of Canada, 1959. (English text).

Report by the Tariff Board relative to the Inquiry ordered by the Minister of Finance respecting Wire and Wire Products, Volume 2, Wire and Wire Cloth of Non-Ferrous Metals—Reference No. 132, pursuant to section 6 of the Tariff Board Act, chapter 261, R.S.C., 1952. (English and French texts).

Report of Permits issued under the authority of section 8 of the Immigration Act for the calendar year 1965, pursuant to section 8(5) of the said Act, chapter 325, R.S.C., 1952. (English and French texts).

DIVORCE

REPORTS OF COMMITTEE PRESENTED

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the committee's reports Nos. 227 to 282, inclusive, and moved that the said reports be taken into consideration at the next sitting.

Motion agreed to.

OTTAWA TERMINAL RAILWAY BILL

THIRD READING

Hon. A. K. Hugessen moved the third reading of Bill S-2, to incorporate the Ottawa Terminal Railway Company.

Motion agreed to and bill read the third time and passed.

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY— DEBATE CONTINUED

The Senate resumed from Thursday, February 24, consideration of His Excellency the Governor General's speech at the opening of the session, and the motion of Hon. Mr. McDonald, seconded by Hon. Mr. Gouin, for an address in reply thereto.

Hon. Jean-François Pouliot: Honourable senators, at the outset may I call to your attention a happy event which took place during the weekend. It was the fiftieth wedding anniversary of our dear friend and esteemed colleague, the genial Senator Burchill and Mrs. Burchill. On behalf of my wife and the countless friends of both of them I wish them years of happiness, and long life.

When I adjourned this debate last week I told you, honourable colleagues, that I would speak to you about capital punishment and constitutional matters. I have changed my mind.

Hon. Mr. Brooks: Good.

Hon. Mr. Pouliot: It is not because I am afraid to speak of these matters, but because an evening like this is not the time at which to speak of capital punishment and dry constitutional matters, the more so because if we have a Constitution that dates back nearly a hundred years nobody pays any attention to it. Therefore, I do not see why tonight I should not put aside the remarks I intended to make in my discussion of the provisions of sections 91 and 92, and others, of the British North America Act. However, the time will come again in due course—be assured of that—when we shall have an opportunity of discussing these matters to the satisfaction of everyone.

Today it is my privilege and joy to welcome the senators who have just been sworn in. I do not know them all. I know some of them, who are good friends of mine, and I must remind them that their thinking of the Senate will be very different on the inside from what it could ever be on the outside. After their being sworn in tonight they, and those who were not absolutely favourable to the Senate, will realize that the Senate is an institution which is worth keeping for the welfare of the state itself.

Tonight I shall speak about party politics. The problem I have in mind is this: There is an eminent lawyer who happens to be a Liberal in politics; there is another equally eminent lawyer who happens to be a Conservative in politics. Is the Liberal lawyer less worthy of the confidence of his clients because he is a Liberal, and is the Conservative lawyer less worthy of the confidence of his clients because he is a Conservative? The answer is: No—a loud "No". But there has been a campaign in the press to the effect that appointments to the Senate should be made on a nonpolitical basis, just as if the lawyers, the doctors, the farmers and the tradesmen appointed to the Senate should have no affiliation whatever with any of the great political parties of this country.

This is why, honourable colleagues, I want now to introduce the Senate itself to the new senators. To assist me in this I have a very good book that you will get in due course, if you do not have it already, namely, the *Canadian Parliamentary Guide*. All the professions and occupations are represented now in this chamber. I shall give you some examples, and in honour of our Government Leader and our Acting Leader, and in honour of the former leaders of the Government in this chamber, and also in honour of the Leader and Deputy Leader of the Opposition, I shall start with the legal careers.

We have in this chamber as Acting Leader of the Government a colleague who is a former Bâtonnier Général, or President, of the Bar of the Province of Quebec; among the other offices he holds, he is the Chancellor of the Anglican Diocese of Montreal, and is one of the Governors of McGill University.

He is also the head of a very large law office in Montreal.

On this side of the chamber I see one of our front benchers who is a Bencher of the Law Society of Upper Canada.

On the other side of the house is another Upper Canada Bencher, and also a former magistrate.

There are 16 lawyers and barristers in this chamber, including the eminent Leader of the Government, the Honourable John J. Connolly. One is a distinguished professor of Montreal, and there are eleven lawyers who are company directors. One barrister has been a professor of philosophy. One of the lawyers, and a very good one, is also a wheat farmer. I am sure he is just as successful a wheat farmer as a lawyer.

There is in this chamber a farmer and retired merchant; one general farmer, and one real estate and gentleman farmer. There is a farmer and auto dealer; two retired farmers; one horticulturalist and exporter.

Some of these gentlemen are on the Government side, while others are on the Opposition side. They are nonetheless respected because they belong to either of the main political parties.

Our new colleagues will be pleased to know that we have two university chancellors in this chamber. One is a barrister of high reputation, who in the past has been our leader, a former cabinet minister and a Speaker of the House of Commons.

Another is a shipowner and grain merchant. Two are principals of vocational schools; one is a teacher and company director; one a retired teacher, and one a university professor. The teaching profession is well represented in this chamber.

With regard to the press, we have here the Honorary President of the Press Gallery—a dean of the Senate; one newspaper and radio station president; one president of a daily newspaper; one journalist and company director; one former journalist, and newspaper owner and barrister.

The medical profession is represented by four eminent physicians and surgeons; one family doctor; two members of the Royal College of Canada; and one honorary surgeon to Her Majesty the Queen. We have two dentists. We also have—may I mention it here—one Blood Tribe Chief from the Blackfoot Nation.

Among our colleagues is the leader of the co-operative movement in Canada. We have two university graduates who are company directors, and one of them was the owner of the Club Canadien du Hockey.

We have with us two lumber merchants and manufacturers; one civil engineer and land surveyor; one business executive and fisheries expert.

That is not all. We have two stockbrokers and company directors; one insurance and real estate broker; one insurance supervisor; one banker and company director; one retired banker; one printer and company director; one pharmaceutical chemist and industrialist; one industrialist, and several merchants and farmers.

That is still not all honourable colleagues. If you want to know about yourselves—

Hon. Mr. Flynn: I would rather not.

Hon. Mr. Pouliot: With regard to military service, I have taken notes of the military records of our colleagues.

One of you was a lieutenant in the navy. Another was President of the Great War Veterans' Association, Dominion Command. Another had service overseas during the Great War.

There are twenty-five veterans here. I could mention the career of the Leader of the Opposition; however, I will come to that later, for he has a remarkable military service record. I will say the same for the Acting Leader of the Government. And there were many others. I note that one of our colleagues enlisted as a private and rose to the rank of colonel, and gave distinguished service during the war.

One is a veteran of World War I; another served overseas in the service of the navy during the Great War as a lieutenant from 1915 to 1918. Another is a retired major; another served in the Royal Canadian Navy. Still another was lieutenant in the 5th Battalion of the Canadian Expeditionary Force and the Royal Air Force. Another was a captain who won the D.C.M. Another rose from private to N.C.O., to lieutenant, 1914-18, and is a Past President of the Canadian Legion, Brantford. Another was a captain who served in both world wars. Another served as a group captain in the R.C.A.F. from 1939 to 1945. Another was a lieutenant in the Royal Air Force from 1916 to 1919. Another served in the R.C.A.F. from 1942 to 1945. Still another was twice wounded, received his M.C. in 1915, and served until 1918.

Honourable senators, I do not want to mention names because I am not doing this for the publicity of anyone. It is in the book. I simply want you to know that the three branches of the armed forces are well represented in this house by Conservatives as well as by Liberals.

Another is a retired commander, 1945, of the Royal Canadian Navy. One of our colleagues, and perhaps there are others, was bereaved by the loss of a son during the war. Another holds the rank of lieutenant colonel. He was officer commanding of the 6th Quebec Regiment of the R.C.A.F., 1919 to 1926. Another received the Military Medal during World War I.

Are you satisfied with this? But that is not all.

There is experience which you, honourable colleagues, have in the municipal field. I see one of my friends across the chamber who was chairman of a school board and who was mayor of Rosetown, and I see another who was reeve of his township.

Another of our colleagues served in the Ontario Legislature for eight years before coming here. Besides that, he was councillor and reeve of his municipality.

Another was town councillor at Truro for six years, deputy mayor for eight years, an M.L.A. for eight years, and Leader of the Opposition in the legislature of his province.

Another of our colleagues was a reeve for 16 years, and director of the Saskatchewan Association of Rural Municipalities for six years.

Another was mayor of the City of Outremont for 18 years, from 1947 to 1963.

Another of our colleagues was M.L.A., Newfoundland, 1924; Solicitor General, 1929; Leader of the Opposition in Newfoundland, 1932-34; and Secretary of State of Canada for four years, 1949 to 1953.

Now I come to the honourable Leader of the Opposition, who was principal of schools; inspector of schools for 10 years; M.L.A., Fredericton; and a former Minister of Veterans Affairs, with a long experience in the House of Commons.

One colleague seated near me was warden of his municipality from 1913 to 1915, a member of the Senate of the University of New Brunswick, and a great friend of the late Lord Beaverbrook.

Another friend of ours was in the Nova Scotia Legislature for 19 years, that is, for 20 complete sessions; a cabinet minister from 1941 to 1954, and premier of his province.

Another of our colleagues is most respected and is dean of this chamber. He was Minister of Agriculture for two years, Minister of Railways and Canals, Minister of Immigration and Colonization, Minister of Interior, Superintendent General of Indian Affairs, Minister of Mines and Resources, and he is now one of the best debaters in the Senate.

I see a friend of ours who was Mayor of Windsor for seven years, M.L.A. in Toronto, for 10 years, Minister of Public Welfare, Minister of Municipal Affairs, Minister of Labour, and who spent 10 years in the House of Commons before coming to the Senate.

Another of our colleagues was a municipal councillor. Another was M.L.A. in British Columbia in 1916; Attorney General and Minister of Labour, 1917 to 1922. Still another was Deputy Speaker of the House of Commons, and Minister of Mines.

Another of our colleagues was first elected an M.L.A. for New Brunswick in 1952; he was Président de la Commission Électrique du Nouveau Brunswick, and was a member of the House of Commons before coming here.

Another one of our colleagues was mayor of the metropolis of Canada, the City of Montreal. I see here a friend of mine who has been in the Halifax City Council, and he was also a school commissioner before entering federal politics.

As I said a moment ago, the former leader of this house, the honourable Senator Ross Macdonald, was in the House of Commons for 13 years, was Speaker for four years, was Government Leader in the Senate and Solicitor General of Canada. I see another gentleman across the floor who was Minister of Trade and Commerce.

Another honourable senator was a municipal councillor for 10 years, and a warden. He served as a member of the Legislature of New Brunswick from 1935 to 1955, and was Speaker of that legislature for five years, and Minister of Health and Social Services for eight years.

I come now to one of the deans of Parliament, Senator Power, who was in the House of Commons for 37 years. He was Minister of Pensions and National Health, Postmaster General, acting Minister of National Defence, and Associate Minister of National Defence.

Senator Roebuck was Bencher of Upper Canada, he was Attorney General of Ontario, and he sat for a number of years in the House of Commons.

His Honour the Speaker was a member of the Legislature of British Columbia.

My friend the acting Whip was councillor and reeve of his municipality. A friend of ours across the chamber was councillor and deputy mayor in the community where he lives.

I have kept for the last moment what I should have said in the first place with regard to five of our colleagues. I want to

mention to the new senators that some of our most active members are the lady members of the Senate, for whom all of us have a great deal of respect and admiration. There is honourable Senator Fergusson who has been most active in the committee work of the Senate and has made important speeches on many occasions. During the last session she was joint chairman of a very important committee.

There is also the honourable Senator Inman, who is Past President of the Innkeepers Association of Prince Edward Island, and Honorary President of the P.E.I. Tourist Association. She also has expressed her opinions in clear, concise and effective language on many occasions.

There is honourable Senator Irvine, who is a most kind person. She is a former teacher, and when she speaks we always learn a lot from her.

There are two other ladies in the Senate whom we also like and respect. I refer to honourable Senator Jodoin and honourable Senator Quart. Although they are on opposite sides in politics, their careers have been quite similar. Both have been decorated with the M.B.E. for social, political and charitable good work. What they have done has been much appreciated. I may mention *en passant* that honourable Senator Jodoin has been President of the Deaf and Mute Institution in Montreal for 25 years.

I could continue by telling you about the sports that my colleagues indulge in; but you know them well enough to realize that they have the right spirit of sportsmanship.

I must tell my new colleagues that I am sure they will be happy in the Senate and that political considerations have little influence on the discussions in this chamber. Whether the newspapers believe it or not the Senate is an independent body and one of the last ramparts of freedom in this country. Last week the Senate was in mourning; tributes were paid to four of our colleagues who will be remembered for their independent minds, for their courage and for their sound judgment and patriotism. One of them was born in England but he had the mentality of a true Canadian. He lived in the Prairie provinces, but he was endowed with a true Canadian spirit as were the other colleagues I have mentioned, all of whom were real patriots.

My last word is: Do not be afraid to speak out, to express your personal opinion, and even if some of your colleagues disagree with your views at first, remember it is a normal occurrence. I will cite an example. Some years ago when I was a member of the House of Commons I criticized two deputy ministers. One of the daily newspapers in Ottawa thought I should be "tongue-cuffed." I said nothing. Later I was appointed to the Senate, as you were today, and then there was an editorial in the same paper to say, probably on account of the Irish love of Chubby Power, that Chubby and I were full of charm. So, do not worry about what is said about you; it has no importance at all. The only thing that will make you happy will be the satisfaction of having done your duty as senators of Canada. I wish you all a useful career as senators of Canada. I wish you the very best.

On motion of Hon. Mr. O'Leary (Antigonish-Guysborough), debate adjourned.

INTERPRETATION ACT

BILL TO REVISE—SECOND READING

The Senate resumed from Thursday, February 24, the adjourned debate on the motion of Hon. Mr. Macdonald (Brantford) for the second reading of Bill S-9, to revise and consolidate the Interpretation Act and amendments thereto, and to effect certain consequential amendments to the Canada Evidence Act and the Bills of Exchange Act.

Hon. Allister Grosart: Honourable senators, at the outset I join with the honourable senator who has just taken his seat in extending my own personal welcome to those who have been sworn in as members of this chamber this evening. I cannot presume to give them the same kind of advice that Senator Pouliot has given from his own experience, but I can say to them that I know they will find many friends here. They will have some frustrations at first, but they will get over them.

Honourable senators, when the bill now being considered was before the Senate for second reading in June last, I said that I hoped to bring certain matters to the attention of the committee to which it was to be referred. My main purpose in rising tonight is to say that I still hope to make the same suggestions. It is not necessary for me to detail them at this time, but they will be found at page 264 of the Senate *Hansard* of June 23, 1965. I say that because it may be that the committee will wish to have appropriate officials or authorities before them, as these are matters in which persons other than the members of the committee may well be interested. The two points which I have in mind—although I do not intend to deal with

them at length at this time because I am aware this is not the time to discuss the bill clause by clause—are found in subclauses 4 and 6 of clause 28.

Speaking of the general purpose of the bill, I want to add my support to those who have already indicated that this is a very important bill, which I am sure will receive long and detailed consideration in committee.

It is not for me to comment at this time on the legal or judicial importance of the revision of this act. We are told it is the first revision since Confederation. However, looking at the bill from the point of view of the layman, there are one or two points which I feel I should make. As I look over the bill as drafted, despite the fact that I have the greatest respect for the draftsmen of the Department of Justice, it seems to me that the point of view of the layman has been overlooked in a number of places.

The trend today seems to be for acts of Parliament to enter more and more into the everyday lives of businessmen. Whether we like it or not we have to be able to read and understand acts of Parliament. To indicate the kind of thing that can cause difficulties I would refer to the fact that in the bill we find a definition of "broadcasting", a definition of "radio", and a definition of "communication". Now, I feel that the average layman having read these definitions would be entitled to assume that the meaning of the term "radio communication" was perfectly clear. It so happens that that definition is the subject of a case before the courts at the present time.

If one asks why this happens, it seems fairly obvious that one of the approaches to the drafting of a bill such as this is to go through the acts that are on the statute books and pick out words and phrases from the interpretative or definition clauses, and not to go much further. I hope, therefore, that the whole subject of definitions in the important and expanding field of communications will receive the very careful consideration of the committee.

I am not a special pleader for any particular viewpoint. It so happens there is a bill before the other place to amend the Broadcasting Act, to change one of these definitions in the interests of a particular type of broadcasting. I have no personal interest one way or another in that particular matter; but I do hope the committee will look at this whole field of communications, which is obviously one of the expanding areas of everyday experience of business and the average man, to make sure we arrive at definitions with which we will be able to live.

In my opinion, the notes we are given here are not at all adequate. In one case the notes say the definition is taken from the Radio Act. It so happens it is taken from that act and another act. In another case the definition is taken from these acts, and there is no note to that effect. I am not being critical, because I am quite sure that the draftsmen were aware of what they were doing and that they made these omissions. Again, I hope there will be very careful consideration given this particular set of words and phrases in the communication field, as dealt with in the act.

The second point I wish to bring to the attention of the chamber is the definition of "Commonwealth", which is supported by the schedule found on page 22 of the bill. I will not at this time quarrel with the wording of subclause 6, although I would like to speak to that in committee. But again speaking to the generality of the approach, I suggest that the inclusion of the names of 23 countries in an interpretation act as part of the definition of the word "Commonwealth" or "Commonwealth of Nations" is much more an attempt at description than definition or interpretation.

Hon. Mr. Roebuck: Hear, hear.

Hon. Mr. Grosart: I say that for this reason. We have 23 countries whose names are to be enshrined in an act which might not be completely revised for another hundred years. Some of these countries have severed their connection with the United Kingdom. Some have now abolished their parliaments. The suggestion here is that we give some kind of permanence to this particular list of 23 countries.

I believe I am speaking to the broad principle of the bill when I say that we should avoid this kind of description which, in the future, might cause a great deal of trouble.

Perhaps I might illustrate this point with a particular example. Included in the schedule is Western Samoa. There is very grave doubt as to whether Western Samoa is in fact a member of the Commonwealth. I believe that when Canada was consulted as to whether Western Samoa might be admitted, Canada registered some reservations, which I will not deal with at this time.

Speaking further to that point, I am sure honourable senators are also aware that Canada is to be host country to the Commonwealth Parliamentary Association in September. This is another reason for being

most careful about giving this kind of permanence to the names of 23 particular countries, because I believe and hope that one of the questions that will be on the agenda for discussion at that conference will be the qualifications for membership in the Commonwealth. Until we are in a more definitive position in that matter, we should be very careful before saying that these 23 nations constitute the Commonwealth, even as of this date or the date when the act comes into force.

The Hon. the Speaker: Honourable senators, if the honourable Senator Macdonald (Brantford) speaks at this time, it will have the effect of closing the debate.

Hon. W. Ross Macdonald: Honourable senators, I do not intend to take much of your time in closing the debate. I am pleased that a number of senators have taken an interest in this bill and have spoken during the debate. Some excellent suggestions have been made which I am sure the committee will take into consideration.

All senators who have spoken have agreed that this is an important bill, and I am sure that those of us who have heard their speeches have come to the same conclusion and agree with their suggestion that the bill should receive detailed study in committee.

During the debate the Leader of the Opposition (Hon. Mr. Brooks) asked a question concerning the commission set up under authority of an Act respecting the Revised Statutes of Canada which act received Royal Assent on March 18, 1965. I have information on that subject which I would like to put on record at this time.

This commission was established on May 4, 1965, and has been working since that time. It has responsibility for revising and consolidating the Public General Statutes of Canada. Up to this time, the committee has been engaged in consolidating the statutes, and the bulk of that work is now completed. It is now beginning the process of revising, and it is in this connection that the Interpretation Act has a special bearing.

To date, the work of the commission has not been delayed by the Interpretation Act, but subsequently it could be that its work would be delayed, or subject to review, depending on the form in which the Interpretation Act passes Parliament.

I am sure honourable senators will agree with me when I say it is desirable that Parliament should give consideration to the Interpretation Act as soon as it can conveniently do so. It is my intention, as I suggested when introducing this bill, that if it receives second reading in this house I shall move that it be referred for detailed study to the Standing Committee on Banking and Commerce.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

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

Hon. Mr. Macdonald (Brantford): I move that this bill be referred to the Standing Committee on Banking and Commerce.

Hon. Mr. Hugessen: Honourable senators, the chairman of the Standing Committee on Banking and Commerce informs me that he proposes to hold a meeting of the committee at 9.30 tomorrow morning to commence consideration of this bill. As it is rather late, he asked me to make that announcement in the house this evening.

On motion of Hon. Mr. Macdonald (Brantford), bill referred to the Standing Committee on Banking and Commerce.

BANKRUPTCY ACT

BILL TO AMEND—ORDER FOR SECOND READING STANDS

On the Order:

Second reading of Bill S-17, intituled: "An Act to amend the Bankruptcy Act".

Hon. A. K. Hugessen: Honourable senators, as I informed the house on a previous occasion, Senator Hayden has kindly undertaken to explain this bill on second reading. He wants a little more time, and I ask the permission of the house to let this order stand until tomorrow. I ask also that it be placed first on the Order Paper for tomorrow.

Hon. Senators: Agreed.

Order stands.

DIVORCE

REPORTS OF COMMITTEE ADOPTED

The Senate proceeded to consideration of reports of the Standing Committee on Divorce Nos. 170 to 226, inclusive, which were presented on Thursday, February 24.

On motion of Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, reports adopted, on division.

RESOLUTIONS PRESENTED

Leave having been given to revert to Presentation of Petitions:

Hon. Mr. Roebuck, Chairman of the Standing Committee on Divorce, presented the following resolutions:

Resolution 169, for the relief of Dolores Mary Prysky Pilon.

Resolution 170, for the relief of Beya Selmi Picand.

Resolution 171, for the relief of Charlotte Barbara Cowans Rea.

Resolution 172, for the relief of Gloria Levine Roth.

Resolution 173, for the relief of Denise Chabot dit Charbonneau St. Michel.

Resolution 174, for the relief of Luisa Gerard St. Pierre.

Resolution 175, for the relief of Denyse Marie Therese Mireille Loubeyre Scultety.

Resolution 176, for the relief of David Simpson.

Resolution 177, for the relief of Lily Tangelder Simpson.

Resolution 178, for the relief of Maria Francisca Mortiaux Steenbakkers.

Resolution 179, for the relief of Gabor Szalay.

Resolution 180, for the relief of Colette Gagnon Tarnovijecki.

Resolution 181, for the relief of Karl Heinz Schmidt.

Resolution 182, for the relief of Isabel Duff Walker Walker.

Resolution 183, for the relief of Sidney Charles Warren.

Resolution 184, for the relief of Bertha Pearl Jones Warren.

Resolution 185, for the relief of Florian William.

Resolution 186, for the relief of Peter Hubert Witmeur.

Resolution 187, for the relief of Estra (Estera) Goldman Wizenberg.

Resolution 188, for the relief of Violet Bradford Worrall.

Resolution 189, for the relief of Cecil Yanovitch.

Resolution 190, for the relief of Anne Shacket Zukerman.

Resolution 191, for the relief of Eleonore Margarethe Eugenie Trolle Andresen, otherwise known as Eleonora Margrethe Trolle Andresen.

Resolution 192, for the relief of Douglas Gordon Jones.

Resolution 193, for the relief of Johanna Angelika Neuheimer Berry.

Resolution 194, for the relief of Kathleen Mounteer Betts.

Resolution 195, for the relief of Gaetan Chartrand.

Resolution 196, for the relief of Dorothy English Clarke.

Resoluiton 197, for the relief of Adam S. Hunter.

Resolution 198, for the relief of Lois Minerva Thompson Della Porta.

Resolution 199, for the relief of Gloria Goldstein Deskin.

Resolution 200, for the relief of Rose Woloz Sokoloff Deutsch.

Resolution 201, for the relief of Lieselotte Margot Irmscher Dietrich.

Resolution 202, for the relief of Marie Lucienne Rita Soucisse Dion.

Resolution 203, for the relief of Phyllis Grace Howells Dixon.

Resolution 204, for the relief of Gilberte Therese Boivin Dore.

Resolution 205, for the relief of Nora Elizabeth Jackson Finlay.

Resolution 206, for the relief of Winnifred Mulhern Gosselin.

Resolution 207, for the relief of Marcelle Raymond Hamelin.

Resolution 208, for the relief of Andree Lorraine Antaya Hayman.

Resolution 209, for the relief of Bernice Jane Dutton Hector.

Resolution 210, for the relief of Marie Marguerite Jacqueline Lapointe Handfield.

Resolution 211, for the relief of Mildred (Millie) Richtenberg Harris.

Resolution 212, for the relief of Maurice Hayman.

Resolution 213, for the relief of Norma Helen Nickles Holmes.

Resolution 214, for the relief of Daniel Hornby.

Resolution 215, for the relief of Klaus (Claude) Jacob.

Resolution 216, for the relief of Clifford William Jameson.

Resolution 217, for the relief of Fay Laurie Guss Kalina, otherwise known as Fay Laurie Guss Kalin.

Resolution 218, for the relief of Erna Juliette Szepesi Keleny.

Resolution 219, for the relief of Belita Lerner Lachovsky.

Resolution 220, for the relief of Jean Marie Lorange.

Resolution 221, for the relief of John Norman Woodhouse MacLeod.

Resolution 222, for the relief of Claire Edith Cavell Manton.

Resolution 223, for the relief of Roland Eugene Mathurin.

Resolution 224, for the relief of Jacqueline Bradley Mazerolle.

Resolution 225, for the relief of Mary Esther Hope Menzies.

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

Hon. Mr. Roebuck: Honourable senators, I move that these resolutions be considered on Thursday next.

Motion agreed to.

RESOLUTIONS ADOPTED

The Senate proceeded to consideration of Resolutions numbered 113 to 168, inclusive, which were presented on Thursday, February 24.

Hon. Mr. Roebuck, Chairman of the Standing Committee on Divorce, moved the adoption of the following resolutions:

Resolution 113, for the relief of Evelyn Meier St. Laurent.

Resolution 114, for the relief of Judith Jean Cochrane Rioux.

Resolution 115, for the relief of Robert Robitaille.

Resolution 116, for the relief of Susanna (Susan) Arlie Schattschneider.

Resolution 117, for the relief of Catherine Theresa (Therese) Dube Simard.

Resolution 118, for the relief of Irene Quinn O'Rourke Stevenson.

Resolution 119, for the relief of Cecil Mark Vineberg.

Resolution 120, for the relief of Annie Sorochinsky Visser.

Resolution 121, for the relief of Dick Vyfvinkel.

Resolution 122, for the relief of Thelma Ruth Jones Wallace.

Resolution 123, for the relief of Willis O'Neill Weatherhead.

Resolution 124, for the relief of Janina Krojewska Yakubovsky.

Resolution 125, for the relief of Martha Leah Tupie Aronovitch.

Resolution 126, for the relief of Alphonse Barbeau.

Resolution 127, for the relief of Gaetan Bissonnette.

Resolution 128, for the relief of Marilyn Sylvia Zwaig Blaukopf.

Resolution 129, for the relief of Georgette Chamberland Boies.

Resolution 130, for the relief of Francis Roy Bowers.

Resolution 131, for the relief of Remi Brault.

Resolution 132, for the relief of Dorothy Rose Gann Brown.

Resolution 133, for the relief of Clifford Brown.

Resolution 134, for the relief of Evelyn Allison Knox Buglass.

Resolution 135, for the relief of Stella Bertin Christensen.

Resolution 136, for the relief of Catherine McGuire Cooke.

Resolution 137, for the relief of Denis Paquin Crissinger.

Resolution 138, for the relief of Patricia Young Fellows.

Resolution 139, for the relief of Ghislaine Gagnon Flynn.

Resolution 140, for the relief of Nancy Godwin Buzzell Fox.

Resolution 141, for the relief of Cynthia Weiss Freedman.

Resolution 142, for the relief of Brenda Alice Nickerson Gauthier.

Resolution 143, for the relief of Sally Mamo Gerard.

Resolution 144, for the relief of Victor Francis Green.

Resolution 145, for the relief of Claudette Guay Guerin.

Resolution 146, for the relief of Maureen Holt Jones Hampson.

Resolution 147, for the relief of Carole Marlene Seidman Keses.

Resolution 148, for the relief of Agnes Kasza Klimo.

Resolution 149, for the relief of Joyce Strulovitch Kravitz.

Resolution 150, for the relief of Marie Rachel Lisette Vallieres Krushelnyski.

Resolution 151, for the relief of Herbert Kugler.

Resolution 152, for the relief of Georgina Dorothy Melanson Lazerman, otherwise known as Georgina Dorothy Melanson Lane.

Resolution 153, for the relief of Colette Bechard Letourneau.

Resolution 154, for the relief of Marie Majella Nicole Bisaillon Levis.

Resolution 155, for the relief of Henry Lewin.

Resolution 156, for the relief of Sylvia Tucker Le Messurier.

Resolution 157, for the relief of Andre Edmond Remi Mannes.

Resolution 158, for the relief of Elizabeth Verna Geroux Markovics.

Resolution 159, for the relief of Maria Hogh Muller.

Resolution 160, for the relief of Norman Henry McArthur.

Resolution 161, for the relief of Ellen Joan Lovell McGuigan.

Resolution 162, for the relief of Rosaire Nadeau.

Resolution 163, for the relief of Angelo Nardone.

Resolution 164, for the relief of Marie Albertine Huguette Fournier Ouimet.

Resolution 165, for the relief of Bessie Malen Pascal.

Resolution 166, for the relief of Helen Mary Isabel Robson Peck.

Resolution 167, for the relief of Marius Elie Peretti.

Resolution 168, for the relief of Marie Therese De Seve Piette.

Resolutions adopted, on division.

BILLS OF EXCHANGE ACT

BILL TO AMEND—MOTION FOR SECOND READING—DEBATE ADJOURNED

Hon. Eric Cook moved the second reading of Bill S-14, to amend the Bills to Exchange Act.

He said: Honourable senators, the purpose of this bill is to amend section 6 and section 43 of the Bills of Exchange Act.

Section 6, as it now stands, provides that when the time to do any thing expires on a Saturday, it is deemed to expire on the next following business day. In other words, Saturdays are not counted. Furthermore, the present section 6 provides that a bill of exchange, note or cheque cannot be presented on a Saturday, and that failure to do anything on a Saturday does not give rise to any rights. Clause 1 of this bill will amend subsection 3 of section 6 in two ways.

The first amendment is to allow all things to be done on a Saturday or a non-juridical day if, in fact, the drawee bank is open for business on that day. This amendment will allow a bank to remain open on a Saturday, if the needs and requirements of the community which the bank serves require it to be open on a Saturday. It is felt that this will be of great benefit to rural communities in particular, because Saturdays are very often, by tradition and convenience, market days, and on such days it would be of great assistance to the general public if banking facilities are readily available.

The second amendment follows naturally on the first, inasmuch as it provides that a bank may close on what would ordinarily be a business day. Therefore, a bank which opens on Saturday could close on, say, the following Monday. It is necessary in order for the banks to comply with the provisions of the Canada Labour (Standards) Code, in respect of holidays for employees, to close one day in each week. If, therefore, the bank does in fact stay open on Saturday it must close on some other day in the week. As the law now stands, all other days of the week are ordinary business days, and without the proposed amendment a bank is not permitted to close on these days.

Clause 1 of the bill further amends section 6 by adding a new subsection 4. This new subsection merely provides that if a bank exercises the privilege of closing on any day other than a Saturday, the day during which the bank is in fact actually closed is defined in the same manner as, and is substituted for, Saturday under the present act. Therefore, the day which the bank picks for its weekly holiday becomes a non-juridical day, and does not count in the same way as Saturdays now do not count, and all acts and things which normally would be done on that day are postponed until the next day on which the bank is open.

This bill also proposes to amend paragraph (a) of section 43 of the act, in such a way as to:

(1) remove Easter Monday from the list of non-juridical days, as this day is not a general holiday under the Canada Labour (Standards) Code, or in the business community generally; (2) remove Victoria Day and Dominion Day from the list of non-juridical days that are to occur on the next

Monday when they fall on a Sunday as, under the statute, these two holidays cannot fall on a Sunday; and

(3) add the birthday of the Sovereign to the list of non-juridical days that are to occur on the next following Monday, when the birthday falls on a Sunday and no other day is substituted by proclamation.

Honourable senators, if the bill receives second reading, I shall move that it be referred to the Standing Committee on Banking and Commerce.

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

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, March 2, 1966

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

Prayers.

DOCUMENT TABLED

Hon. A. K. Hugessen tabled:

Statutory Orders and Regulations published in the *Canada Gazette*, Part II, of Wednesday, February 23, 1966, pursuant to section 7 of the Regulations Act, chapter 235, R.S.C., 1952. (English and French texts).

PRIVATE BILL

THE TRUSTEE BOARD OF THE PRESBYTERIAN CHURCH IN CANADA—FIRST READING

Hon. John J. Kinley presented Bill S-20, respecting The Trustee Board of The Presbyterian Church in Canada.

Bill read first time.

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

Motion agreed to.

INTERPRETATION ACT

AUTHORITY TO PRINT COMMITTEE PROCEEDINGS

Hon. Salter A. Hayden, Chairman of the Standing Committee on Banking and Commerce, presented the following report of the committee on Bill S-9, to revise and consolidate the Interpretation Act and amendments thereto, and to effect certain consequential amendments to the Canada Evidence Act and the Bills of Exchange Act:

Your committee recommends that authority be granted for the printing of 800 copies in English and 300 copies in French of its proceedings on the said bill.

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

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

Report adopted.

DIVORCE

REPORTS OF COMMITTEE PRESENTED

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the committee's reports Nos. 283 to 337, inclusive, and moved that the said reports be taken into consideration at the next sitting.

Motion agreed to.

BUSINESS OF THE SENATE

PROGRESS OF SUPPLY LEGISLATION

Hon. A. J. Brooks: Honourable senators, before the Orders of the Day are called, I should like to ask the honourable Acting Leader of the Government a question. In view of the pending end of the financial year, what precise arrangements are being made in the other place regarding the financing of the business of government. I should like to have also any other information he can give us at this time.

Hon. A. K. Hugessen: Honourable senators, I am afraid that the answer which I can give to my honourable friend may not be altogether satisfactory. As honourable senators know, the House of Commons at the moment is trying to finalize its examination of the Estimates for the year 1965-66. I almost said that they were "desperately" trying to do so, but when I used that word recently in this chamber I was badly mauled by Senator Hollett, so I will not use it now.

Hon. Mr. Brooks: The circumstances are desperate, then?

Hon. Mr. Hugessen: I understand it is quite possible that the House of Commons will finish their consideration of the Estimates not later than Friday. If they do so, they will then pass the final supply bill for 1965-66 and send it to us. It is at least extremely desirable that that bill should pass our house and receive Royal Assent as soon as possible, because I understand the money runs out at the end of this week.

Therefore, if we do get the bill from the House of Commons not later than Friday afternoon and if my honourable friends, with their usual kindness and courtesy, will under the circumstances agree to all three readings of the bill on that day, we may get Royal Assent on Friday evening, so that the business of the Government can be carried on. Under those circumstances, it may be necessary for this house to sit on Friday. I hope to be in a better position to answer that question at the opening tomorrow afternoon.

On the other hand, if the House of Commons does not complete their work by Friday, I think they will do so not later than Monday; so if we do not sit on Friday, we will have to come back Monday to consider the final supply bill. What effect the voting of the supply bill on Monday rather than on Friday would have, I really cannot say. It may well be that members of the cabinet who wish to subscribe to the collection plates in their churches on Sunday will have to borrow the money.

Hon. Mr. Flynn: We are all in favour of that.

Hon. Mr. Hugessen: So, honourable senators, we will contemplate sitting either on Friday or Monday, depending upon how the situation develops.

Hon. Mr. Brooks: Considering the very desperate circumstances prevailing, I assure my friend that we on this side of the house will help to facilitate matters in any way we can.

Hon. Mr. Hugessen: I am grateful to my honourable friend for saying that and I can only add, after years of experience of his leadership on that side of the house, that is what I would expect him to say.

BANKRUPTCY ACT

BILL TO AMEND—SECOND READING—DEBATE ADJOURNED

Hon. Salter A. Hayden moved the second reading of Bill S-17, to amend the Bankruptcy Act.

He said: Honourable senators, the subject matter of this bill, bankruptcy, has been very much in the public eye for a fairly long period now due to the exposures, and in other cases the suggestions, of illegal and improper practices by those who participate in some form or other of bankruptcy proceedings or bankruptcy administration, or who may be principals in the sense of being the debtor, the insolvent person, or a creditor.

The bill which we are now considering is not a revision of the Bankruptcy Act; it is an interim measure designed to provide direct and immediate authority in the field of investigation and inquiry, and is also designed to tighten the procedures and requirements in other areas, as, for instance, the area of proposals which an insolvent person may make to his creditors, or which a bankrupt may make to his creditors in the course of the administration of the estate. It also deals in a very heavy way with the matter of preferences where one creditor has been preferred, within a certain period of time, over other creditors by the action of the debtor. It also incorporates into the bankruptcy law those provisions which we have had for some time in the income tax law, that is, the provisions relating to non-arm's length transactions and related persons or related corporations, and also the transactions arising by reason of those situations which are made reviewable transactions.

You will find a wealth of rules set out in the first section of the bill, starting on page 1 and going through to about line 13 of page 3.

I do not propose to go through the whole series of situations which are there described, but at various places in the bill I will refer you to instances where if the relationship of the debtor with the creditor is of the character defined in this first section of the bill, then certain consequences follow which might not otherwise follow.

In addition to these features, which I will develop in a little detail but only enough to explain the principle, there are two items in this bill which were before the Senate in 1962, when, as you will recall, we had quite lengthy committee hearings and considerable public presentation of briefs. Then, in 1963 part of what we recommended in 1962 was incorporated into the 1963 bill, and in that year we passed the amending bill but it did not pass the Commons because dissolution occurred before the bill had progressed that far. So, we have in this bill these two items which were passed by the Senate in 1963. I do not propose to do more than mention very briefly what they are and the extent of the coverage which they have in this amending bill, because we have had two runs at them now, and though the personnel of the Senate has changed, I conclude that the view of the whole might be the same; in any case, there will be an opportunity in committee, as and when the bill goes to committee, to look at it.

One of the items was the summary administration of estates. When the bill came before us in 1962 provisions in the Bankruptcy Act relating to summary administration were being repealed. There is an authoritative section in the Bankruptcy Act which provides for summary administration where the excess of realizable assets over secured claims or secured creditors is not in excess of $500. As a matter of fact, the evidence presented before us at that time showed that a great many abuses had developed in this area. One can fancy this sort of abuse as, for instance, when the trustee in a summary administration could send out with the notice of the first meeting of creditors a notice of motion for the discharge of the trustee. That is pretty fast work, when before your creditors can meet you and shake hands with your trustee, you are applying for discharge.

The Senate and the committee which considered the bill at that time thought there was a place for this summary administration, but that there should be some safeguards. We suggested what they should be,

and they appear in this bill even as they did in the 1963 bill which we passed. You will find them in section 15 on page 13 of the bill.

The other heading starts on page 17 of the bill and runs to page 28. So you can realize that when I say a few words on the proposed Part X—namely, the orderly payment of debts—we have already dealt with a substantial part of the amending bill which is before us. The new part X provides for the orderly payment of debts.

The history, as I understand it, is that in the Province of Manitoba and also, I think, in the Province of Alberta there was at one stage legislation which provided for the orderly payment of debts by a debtor. That legislation required you to appear before the Clerk of the Court, or whoever the proper officer was for the particular province, and furnish your debts within certain limitations, and other pertinent information. On completion of all steps provided in the Act, a consolidation order might be made which would provide for the orderly payment of the debts. The consolidation order, in effect, was a judgment which each creditor had against the debtor for the amount of his claim, with provision for orderly payments. If the debtor did not keep up his payments, the order fell by the boards and bankruptcy or an authorized assignment could intervene.

The Supreme Court of Canada declared that this legislation providing for the orderly payment of debts was *ultra vires* the province, and so, in 1962, and again in 1963, it was sought to incorporate this Part X into the bankruptcy law.

I have examined Part X and all the sections from 173 to 198, and I have checked the language that occurs in this bill against the language that was in the bill that this house passed in 1963. I think I am safe in saying that while there are some differences and some variations in language, there is no substantial variation in, or departure from, the intent and purpose of that bill, or in the machinery under which the orderly payment of debts will function.

As I was one of the critics of this in 1963 —the bill passed anyway—possibly I should tell you what my criticism was. With respect to the class of debts that may be the subject of this orderly payment of debts, there is a limitation of $1,000 in respect of a judgment for the payment of money. There must not be a claim in the form of a judgment in excess of $1,000, and there must not be a claim or a demand in respect of money or debt, or otherwise, in excess of $1,000. The objection I had then, and which I think is still valid, was that if a creditor devoted himself to the business of incurring debts, then as long as he kept a pretty strict account of all his debts, and did not let any particular debt within this area get above $1,000, he could have himself quite a time, and with a great accumulation of debts still go to the Clerk of the County Court and apply for a consolidation order, which he might or might not get.

Perhaps there is virtue in that. I felt it was pushing the thing too far, and that possibly in respect of this kind of orderly payment of debts there should be an overall limitation on the total amount that the debtor might accumulate by way of debts in respect of which he could move under Part X.

However, the bill passed the Senate in 1963, and here it is again with no substantial change. If there are any questions that the new senators would like to have answered I would think they could best be dealt with in committee, although I am fairly familiar with the matter.

That takes care of a little better than a third of the bill that is now before us, but before I start to deal with the other headings and the principle involved I should like to mention the concept of the bankruptcy legislation, and what it was originally designed for, because I think some of us may have lost sight of it. Circumstances change with the years. The styles of yesteryear may not be the styles of today, and similarly there may be conditions that dictate some change in this legislation.

The scheme of the bankruptcy legislation in the beginning was a statute by which there was creditor control in the administration of estates of insolvent persons and bankrupts. Following that design a Superintendent of Bankruptcy was appointed whose responsibility was in the direction of the appointment of trustees, the supervision of their administration and the proper discharge of their duties, the appointment of the official receivers and the supervision of their conduct and administration, and receiving reports from them. But, the moment you got down to a bankruptcy you had a trustee, and you then had the trustee functioning under the control of the creditors and under the control of the inspectors, who were creditors and who were appointed like a board of directors to represent the creditors. That was the scheme, and that is why you find that all the authority that is

given in the Bankruptcy Act is given to the trustee for the examination of the bankrupt into the conduct of his affairs by him even preceding the bankruptcy, the causes of the bankruptcy, and all such things, with a lot of authority for the production of documents, etcetera. Then, he must report to the official receivers and to the Superintendent of Bankruptcy.

In the original concept of the act that procedure made sense, but it created also the situation which has also magnified the area which permits illegal and improper practices. We have to take another look at, and another approach to, this matter because if the trustee functions under the direction of the creditors and the inspectors, and the money is to be provided out of the estate or by additional moneys to be contributed by the creditors, then very often the creditors will take their loss rather than contribute more money for the purpose of uncovering some fraudulent practice. That is one of the factors, I would say, that permitted so much of this undercover fraudulent practice in connection with bankruptcies. It is a fact that inquiries and investigations have not been made because the people who could start them were not prepared to authorize them, or to provide the money for them. We have now a situation which calls for a greater authority to look into these matters, and that is the public interest which, since this is federal legislation, is represented by the federal authority. Since the Superintendent of Bankruptcy is the public representative in the administration of this act, it is now proposed to give direct power and authority to the superintendent for the purpose of causing inquiries and investigations to be made. He has also the full power of examination.

If honourable senators will look at page 4 of the bill, and at the new section 3A, they will see that the power which the Superintendent of Bankruptcy is now given is a power not only to inquire into the conduct and dealings and transactions of the bankrupt, the causes of his bankruptcy and the disposition of his property, but also, and without order, he can, under this legislation, examine the bankrupt or any person reasonably thought to have knowledge of the affairs of the bankrupt, or any person who is or who has been an agent, clerk, servant, officer, director or employee of the bankrupt, and can require the production of books and documents, etcetera. Any person who is called as a witness must answer the question. He is given the protection, of course, that the answers which he makes cannot be used later except on a charge of perjury. Under this new section 3A the superintendent reports to the Deputy Attorney General or other provincial officer designated.

The procedures under the act as it exists are that the trustee and the official receiver go to the court with the materials they have obtained, and ask the court to consider in the circumstances what, if any, procedures should be followed. This has now been supplemented, as I understand it, by an understanding reached in January of this year with the provincial attorneys general at a meeting in Ottawa. It was agreed that the Superintendent of Bankruptcy would make these inquiries and investigations as authorized in this bill, and if he uncovered any information in this area—that is, this broadened area of inquiry—in relation to the bankruptcy and illegal practices and fraud that might point to violations of the law, he would turn all that information over to the provincial authority at once, who would undertake to weigh the evidence and decide whether it warranted further investigation or prosecution. That of course is getting the administration of the criminal law back on the proper basis, because while the federal authority enacts the criminal law, the provincial authorities administer it.

This additional power of direct inquiry and investigation, direct report to the proper provincial authority, is by section 3A vested in the Superintendent of Bankruptcy. It will also be found by the new section 163A, which occurs in section 20 on page 17 of the bill, that the official receiver or the trustee, if he has reason to believe that an offence under this act or the Criminal Code has been committed, there is given to the trustee and the official receiver the power of investigation in this field without going to the creditors or the inspectors for approval. The official receiver or the trustee, as the case may be, is then required to report that information to the Deputy Attorney General or other appropriate officer in the Province, and a copy of the report goes to the Superintendent of Bankruptcy.

It is hoped that by this method there will be a closer supervision and a closer and more constant examination in relation to the bankrupt and his affairs, and in areas that might uncover the illegal practices and persons that

contributed to the bankruptcy or who profited at the expense of the creditors and brought about the bankruptcy.

As I understand it, this is not intended and not put forward as being the absolute solution of this problem, but it is one very important aspect which is put forward to meet the situation until such time as there is a complete revision of the Bankruptcy Act. I understand that is in progress now, but it may be a year before we have a complete revision of the act, and shortly thereafter we shall have a look at it.

I do not want to get into the detail of sections, but there are certain rather important matters covered by this bill. One is on the question of the making of proposals.

I stated earlier that an insolvent person or bankrupt may make a proposal to his creditors, and the procedure under the act was that he would file a copy of his proposal, if he were an insolvent person, with a licensed trustee. Of course, if he were a bankrupt he filed it with whomever was administering the estate.

What apparently has developed at times, particularly in the case of insolvent persons, is that the proposal has really been a stalling tactic, I suppose, to provide time to permit more manipulation or covering up of transactions.

Under this bill, if and when it becomes law, the proposal in the case of an insolvent person is filed with a licensed trustee, but immediately there is an interim receiver appointed so that the assets of that insolvent person, who is not bankrupt at that time, are under a control so that he can no longer work with them or dissipate them. If the proposal is turned down under this bill, it is then deemed that the insolvent person has at that moment made an authorized assignment under the Bankruptcy Act, and at that moment the assets come into the possession of the interim receiver. If the proposal is accepted, then the courts approve, the order issues if the court thinks it is a proper proposal and the creditors also think so, and the order provides for the manner of payment and the security to be given. If, however, the proposal is not accepted, the debtor does not get any run at his assets; he is immediately under the Bankruptcy Act.

There are other provisions. For instance, if a creditor is related to the debtor, and related in the sense of the definitions in section 1, then at the creditors' meeting to approve the proposal the only right he has is to vote against the proposal, but he cannot vote for it.

Of course, in the case of the bankrupt, if the proposal is accepted as being satisfactory to the creditors and to the court, that operates to annul the bankruptcy, and in those circumstances the assets are revested in the debtor.

I have not given you in every detail what these sections in relation to the proposals deal with. However, I should state that in the act you will find the title "Proposals" in Part III, sections 27 to 38. Perhaps you will also refer to sections 5 to 9 inclusive found on pages 6 to 9 of the bill.

Another item of some significance deals with preferences, where a debtor prefers one creditor to another and within three months a bankruptcy intervenes.

It is provided in this bill that if the creditor who is being preferred is related to the debtor, then the three months become 12 months, and if the transaction occurred within a 12-month period antedating the bankruptcy, it is a preference which can be set aside. Such a transaction is referred to in the statute by the words "reviewable transaction".

In cases of this kind, where the trustee goes to the court and the court concludes that there has been a preference resulting in some person acquiring property from the debtor at less than its fair market value, or resulting in the debtor paying more for the property than the fair market value—in the case of services the same would apply—and the court determines the fair market value to be greater or less, as the case might be, than the consideration paid for the property or services, then the court may issue a judgment against that person benefiting for the difference.

In determining the fair market value the court is obligated to accept the statement of the trustee as to what the fair market value is, and the onus is on the creditor, who is a related person according to section 1 of the bill, to prove that the consideration that he paid is at least the fair market value of the property.

Another phase which may startle a few of the senators—I am dealing with a corporation now—is that if a company pays dividends or redeems or purchases sales for cancellation and the company is insolvent at that time, or

if the payment of the dividend or the redemption of the shares or their purchase for cancellation results in or renders the company insolvent, then the trustee may apply to the court and the court may give a judgment against the directors who participated in that payment of dividend for the amount of the dividend or, as the case may be, for the amount paid on redemption of shares, or the amount paid on purchase of shares for cancellation and the directors would be liable for the amount of such payment.

The directors would still have a right, if it were worth anything, to attempt to recover from a shareholder, and particularly a shareholder who might be related to the corporation as provided in section 1, what he received out of that payment. The only escape for a director is by virtue of the language of the Companies Act, or as it now is, the Canada Corporation Act, and there the provisions for exoneration are similar to those incorporated in this bill; but the reason for their incorporation is that in the Companies Act, these provisions about directors paying dividends and doing those other things when a company is insolvent, apply only to federal corporations. Since there are also provincial companies to be considered, it was believed necessary—actually, as a matter of law, it would be necessary—to make such provision effective against provincial companies, and that it be incorporated in the Bankruptcy Act. The only way a director can escape under the bill is, if he is present at the meeting when the dividend was declared or when these other things are done, and he protests; or, under the Companies Act, if he is not present, but protests to the officials of the company as soon as he hears about it and sends in a written protest within a certain period of time afterwards.

This may sound arbitrary, but we are dealing with a class of operation and a situation where many illegal and improper practices have occurred and where the very circumstances surrounding a bankruptcy may be fraught with all kinds of manipulation, so prevention of such must be heavy-handed.

Of course, if the directors could prove that the company was not insolvent, they would escape, but the onus is on the directors to make that proof. That is about the only way they can resist a claim for payment in those circumstances, that is, by establishing that the company was not insolvent.

Honourable senators, there is another group of headings, called "after-acquired property". Under the act, the property of a bankrupt consists of the property which he has at the time of the bankruptcy and any property that may in any way be acquired or devolve upon him before his discharge from bankruptcy. But you will find a new section, section 39A on page 9 of the bill, containing a provision dealing with other types of after-acquired property, to the extent of salaries, wages or other remuneration that the bankrupt is entitled to receive from any person employing or using his services. The trustee may apply to the court directing the payment to the estate—that is, to the trustee—of such part of the salary, etcetera, as the court may determine should be paid—it is a form of garnishee—having regard to the family responsibilities and the personal situation of the bankrupt. There are one or two exceptions to that which I do not think it is necessary for me to deal with at the moment.

Honourable senators, I should point out to you also section 17, which you will find on page 14, and under which, when this bill becomes law, no corporation can apply for its discharge from bankruptcy. In other words, the only road out for a corporation which becomes bankrupt would be to make an acceptable proposal to its creditors.

I think I understand the reasoning behind this, although I feel it is a matter which should be discussed in committee. The reasoning is that very often when a company is discharged from bankruptcy, it resumes commercial operations. In the field of activity in which that company had been engaged, there may be many who were not aware of the past history of the company. The company then may get more credit in that way and this might lead to another bankruptcy. Therefore, the idea is to prevent the revival of that company by a discharge.

We put a provision in the Income Tax Act a few years ago, if you recall, that where a company is discharged—that is, where it gets its absolute discharge from bankruptcy—it cannot have a loss carried forward in respect of the losses that it has made prior to and during the period of bankruptcy.

The desire is to protect the creditors—not only those who have actually been caught but those others who might be caught because they have not enough information—and so the use of the same name after discharge from bankruptcy is not to be open to a bankrupt corporation in this case.

It also forces those who wish to make further use of the company, after it has been put into bankruptcy, to work out an acceptable proposal. Otherwise, they sit as a company in bankruptcy, without any right to operate commercially, except such as the court may grant to liquidate the position of the creditors.

On the question of information, I should tell you that under the bill a lot more information will be required to be furnished by the trustee to the official receiver and to the superintendent. You will find that in section 18, commencing at the bottom of page 14 and going through to the middle of page 16. There is a tremendous amount of information which the trustee must furnish within two months after his appointment. In reading that you will realize how far it goes. The trustee is even invited to express his opinion, not only in connection with the operations and the control but as to who, in his opinion, was responsible for the greater proportion of the debtor's liabilities or under whose direction the greater portion of those liabilities were incurred.

There is much more information required also, but that part of the information is also to be given separately to the Superintendent of Bankruptcy and he may provide that to those information centres, etcetera, which compile creditor information.

There is a protection in this bill against any such creditor information centre disseminating that information to the trade. This is a way in which those in that part of the public area—merchants and others—may more easily get information as to who were involved in certain bankruptcies, together with the names. The next time a new company or new person is applying for credit, the name might ring a bell and they may say, "This is the man who was involved in that other bankruptcy, we had better have a close look at this." Under these provisions, every effort has been made to protect the creditor to the fullest extent possible, and maybe even to an extent that he personally is not prepared to go.

However, the practice in this field has led to such illegal acts and fraud that, as I said at the beginning, it is a matter now of protecting the public interest. When the public interest comes into it, it is a larger question; and therefore the Government responsible for the administration of the act should redesign the act in the areas in which authority is needed now, and where right of inquiry and investigation is necessary in order that they may ferret out and make the administration and operation of bankrupt estates legal, proper and fair to the particular members of the public who are involved; and, may I add, underlying it all, to teach a more wholesome respect for the law.

Honourable senators, I doubt if there are other items here which I should tell you about. I emphasize again that I have not attempted to give you any detail. For instance, I had annotated all the references in the bill to related persons and "non-arms length" transactions and reviewable transactions. But that would be merely a recital at this time and it would have more value in committee than here. The extent to which a principle is applied is something we can get out in committee.

Honourable senators, I have tried to point out to you the principle use in establishing this area of reviewable transactions and "non-arms length" transactions.

Many people, in one of these relationships to the debtor which you find in section 1 of the bill, may by virtue of that relationship, and in collusion with the debtor, pay less than what he should have for an asset, or receive more than he should for an asset or a service, or in the field of management fees, where there is a series of companies. In such a case, the management charges are in some instances very substantial, very excessive, if you measure them in terms of fair market value as to what the charge should be. These are areas to be dealt with by this bill when it passes into law. By the administration which this bill will provide and with the co-operation between the Superintendent of Bankruptcy and the provincial authorities in the manner outlined, the protection of the public interest and the elimination of fraudulent practices may more surely result.

The way of the transgressor I hope, will be harder; and I would say that a great many operators in the field of fraudulent bankruptcies, who have found a way of accumulating money and gouging creditors, should find their activities more difficult, more risky and less profitable.

When you add these two things together and attempts to continue such practices continue, they may find the shadow of the law more quickly and surely catching up with them, by virtue of this machinery and the harnessing of the provincial authorities to this combined task.

I think I have said everything that I can usefully say at this time, but if there are any questions relating to principles I would answer them. If such questions apply to the details of the bill, though I could answer them now, it would be more appropriate, I think, to do so in committee.

Hon. Mr. Flynn: May I put a question to the honourable senator in the field of generalities? He has said that this is an interim measure. Will he outline what important subject matters the complete revision of the Bankruptcy Act would deal with in addition to those contained in this bill?

Hon. Mr. Hayden: I have not sat in on the conferences in connection with this and so I have no specific information, but nobody has taken away my power of surmise and guess. I would say, from my reading of the Bankruptcy Act, that the movement to change the scope of the act from the original concept to the approach you now have, where at least it is double-barrelled with extra emphasis on checking the illegal and improper practices, results in much duplication in the language of the sections of the act. This bill does not attempt to amend the sections giving powers of examination to trustees and in certain instances to official receivers to apply to the courts. It superimposes other and broader powers with the obligation to report directly to provincial authorities.

I would say in that regard, however, following the alert study and analysis of this bill that these features could very well be combined. I would think that so much has happened and so much experience has been obtained since the last revision in, I think, 1949, when I had the privilege of being chairman of the subcommittee, that there are bound to be many ways in which this act and the effective approach to bankruptcy legislation could be improved, and I say that without reflection on anybody.

Hon. Mr. Haig: May I ask a question? Under section 3A of the new section, at what stage does the Superintendent of Bankruptcy investigate?

Hon. Mr. Hayden: The opening words, while they appear general, do say:

> "3A. (1) Where, on information supplied by an official receiver, trustee or other person, it appears to the Superintendent that there are reasonable grounds for suspecting that a person has, in connection with a bankruptcy, committed an offence under this Act or any other Act of the Parliament of Canada, whether before or after the bankruptcy—

Hon. Mr. Haig: In other words, the bankruptcy has to occur before the investigator can start to investigate what happened before or after.

Hon. Mr. Hayden: No, I think the investigation could start prior to the bankruptcy, because the language used is:

> .on information supplied by an official receiver, trustee or other person...

Therefore, the investigator may get information from one investigation which might apply to another bankruptcy, for example, where a group of companies is involved.

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

DIVORCE

REPORTS OF COMMITTEE ADOPTED

The Senate proceeded to consideration of reports of the Standing Committee on Divorce Nos. 227 to 282, inclusive, which were presented yesterday.

On motion of Hon. Mr. Roebuck, Chairman of the Standing Committee on Divorce, reports adopted.

RESOLUTIONS PRESENTED

Leave having been given to revert to Presentation of Petitions:

Hon. Mr. Roebuck, Chairman of the Standing Committee on Divorce, presented the following resolutions:

Resolution 226, for the relief of Alain Montigny.

Resolution 227, for the relief of Geraldine Dorothy Sherrill McMahon Morgan.

Resolution 228, for the relief of Arthur Francis McDonnell.

Resolution 229, for the relief of Marie Yvonne Clothilde Yolande Fortin Nadeau.

Resolution 230, for the relief of Fernand Neveu.

Resolution 231, for the relief of Jean Le Marquand Norak.

Resolution 232, for the relief of Konard Paul Emann Falk Outzen, otherwise known as Paul Emanuel Outzen.

Resolution 233, for the relief of Yvon Robert.

Resolution 234, for the relief of Paraskevi (Viola) Sarkiris Pantzaras.

Resolution 235, for the relief of Gilles Pare.

Resolution 236, for the relief of Minnie Evely Parsons.

Resolution 237, for the relief of Shirley Lefebvre Patry.

Resolution 238, for the relief of Amalia Spiratos Pavlatos.

Resolution 239, for the relief of Dorothy Mary Rose Pelley.

Resolution 240, for the relief of Joan Smith Perks.

Resolution 241, for the relief of Leo Petelle.

Resolution 242, for the relief of Dorothy Elizabeth Kent Pickering.

Resolution 243, for the relief of Daisy Earle Pilgrim.

Resolution 244, for the relief of Nicholas Pilidis.

Resolution 245, for the relief of Melvin Rose.

Resolution 246, for the relief of Joseph Luc Arsene Donat Poirier.

Resolution 247, for the relief of Marie Anna Suzanne Lemay Prevost.

Resolution 248, for the relief of James Ralph.

Resolution 249, for the relief of Maria Huebsch Reiter.

Resolution 250, for the relief of Gaston Marcel Georges Robitaille.

Resolution 251, for the relief of Gabriel Jean Gilles Rochette.

Resolution 252, for the relief of Colombe Normand Rose.

Resolution 253, for the relief of John Ernest Rowntree.

Resolution 254, for the relief of Yvan Saindon.

Resolution 255, for the relief of Sheila Dunn Sauve.

Resolution 256, for the relief of Judith Wendy Scott Scott.

Resolution 257, for the relief of Issy Shapiro.

Resolution 258, for the relief of Joseph Jean Baptiste Simard.

Resolution 259, for the relief of Sandra Rhoda Hirsch Singer.

Resolution 260, for the relief of Danielle Clamouse de la Touche Smith.

Resolution 261, for the relief of John Carter Spankie.

Resolution 262, for the relief of Virginia Eloise Guy Stikeman.

Resolution 263, for the relief of Rowney Sullivan.

Resolution 264, for the relief of Helen Claudette Tessier Taylor.

Resolution 265, for the relief of Claire Labelle Thibodeau.

Resolution 266, for the relief of Raymonde Lemire Thomas.

Resolution 267, for the relief of Andrew Hubert Anthony Tinhof.

Resolution 268, for the relief of William Tremblay.

Resolution 269, for the relief of Darlene Jean MacDonald Turner.

Resolution 270, for the relief of Marie Georgianna Huguette Giroux Valois.

Resolution 271, for the relief of Brenda Gail Lister Walsh.

Resolution 272, for the relief of Elaine Rosaline Steeris Waxman.

Resolution 273, for the relief of Barbara Winifred Murphy Wells.

Resolution 274, for the relief of Janet Louise Williams Wilson.

Resolution 275, for the relief of Annaliese Marie Ketzer Bock Abraham.

Resolution 276, for the relief of Doris Mary Royal Adam.

Resolution 277, for the relief of Anna Maria Marinovits Adams.

Resolution 278, for the relief of Khalfa Nessim Edmond Jack Attal.

Resolution 279, for the relief of Argyrios Avgoustidis.

Resolution 280, for the relief of Lena Margaretha Meurling Bambridge.

Resolution 281, for the relief of Huberte Pineau Belleau.

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

Hon. Mr. Roebuck: Honourable senators, I move that these resolutions be considered on Friday next. I understand that there is a possibility that we shall be sitting that day; if not, I would ask that they be taken into consideration on Tuesday next.

Motion agreed to.

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY—
DEBATE CONTINUED

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

Hon. Clement A. O'Leary: Honourable senators, in rising to speak to the motion for an address in reply to the Speech from the Throne, I join with those who have preceded me in congratulating His Honour the Speaker on having been wisely chosen for such a respected and distinguished role. I also congratulate the mover and seconder of the address in reply. As was to be expected, both Senator McDonald and Senator Gouin acquitted themselves in a manner befitting the honour extended to them.

I offer my public word of welcome to Senator Hamilton McDonald and Senator Bill Benidickson and to the seven honourable senators who joined our ranks just last evening. I am sure nobody will accuse me of being parochial if I extend a very special welcome to Senator Urquhart from my home province of Nova Scotia.

I extend my deepest sympathy to the widow, children and grandchildren of the late Senator Bouffard.

May I say that the business of the Senate is still in very capable hands, in the person of Senator Hugessen, who has already clearly demonstrated his diligence and competence. I compliment him.

Although in the other place the debate on the address in reply to the Speech from the Throne has been concluded for some weeks past, the Speech is still before us here and I intend to refer to a fairly large portion of it today, as briefly as possible.

I believe most of us have heard that the major criticism of the Throne Speech is that it contains a large number of items outlined in former Throne Speeches. Such criticism is undoubtedly based on the fact or the assumption that the legislation so forecast will perhaps once more not reach fruition, and this for a variety of reasons. First and foremost, even were these legislative measures already carefully planned and ready for presentation, they would face the peril inherent in a minority government, in that time might run out at an earlier date than anticipated by the Queen's representative when the Throne Speech was delivered. As we all know, such dissolution of Parliament could come about either by the action of the combined Opposition forces or by the express wish of the minority Government itself, as was the case last year.

Perhaps the next major reason for the failure of such proposed measures to come before Parliament is that the legislation is not always ready, and as a consequence it loses its priority position to other items which very often are of a highly controversial nature entailing long and protracted debate.

A third reason, allied to number two, is the failure of governments at times to establish proper priorities. They fail to see to it that the more urgent and demanding legislation is prepared well in advance of its presentation; and they fail to exercise at all times that necessary sense of priority which makes for responsible and efficient administration.

To my mind these are a few, but by no means all, of the commanding reasons why we have repetitive Throne Speeches. I could add, and I know all honourable senators appreciate, that in some instances postponement of legislation comes about by direct intent. This is understandable and certainly to be condoned, and perhaps to be commended, provided that it is in the best interest as a result of factors arising which could not be foreseen when such legislation was forecast.

Personally, I am not too disturbed that this Throne Speech is in part repetitive because, for whatever reasons certain items were not dealt with in the Twenty-sixth Parliament, if these measures are good in principle, as invariably they are, and relatively speaking rate high in priority, they certainly should be re-announced and the appropriate action taken as quickly as possible.

From a brief analysis of the Speech we immediately note and can quickly calculate that more than one-third of the measures proposed, and directly related to different segments of our economy, apply to the agricultural industry. Or to put it another way, and perhaps more correctly, emphasis has been placed on the growing and urgent need for Government to serve more adequately our rural population.

The legislation proposed would appear to aim basically at three groups and not necessarily in the following order:

Firstly, those who live on farms but do not necessarily work these farms other than to provide a few basic necessities for family use such as meat, dairy and vegetable produce;

Secondly, those who live on marginal or sub-marginal farms, attempting to secure the greater share of their livelihood income therefrom, but handicapped from doing so by reason of small uneconomic units, lack of equipment and facilities, inadequate farm buildings, poor soil, no finances to improve these conditions, and no credit services available from any source from which they can borrow money on a long, medium or short-term basis, at any interest rate;

Thirdly, those who operate recognized large and what should be economic farm units growing or producing the major portion of our agricultural products for Canadian consumers and our export markets. Depending upon the nature of their operations, some of these important producers are suffering a declining income, even with increased production, due to the burden of the constant rise in the overall cost of living and, more specifically, as it affects the instruments of production, without a proportionate and corresponding increase in the returns received for the produce marketed.

Dealing first with proposed legislation which is aimed to assist this latter group, we find several measures which appear paramount though not necessarily exclusive, namely: a further increase in the loan capital provided by the Farm Credit Corporation; an extension of unemployment insurance to full-time farm workers; crop insurance for all farmers; establishment of a national dairy commission; establishment of a feed grains agency in eastern Canada and British Columbia; and cash advances for unthreshed grain.

We could add a seventh, referred to by Senator McDonald in moving the address, namely, the proposed increase in the ceiling for long-term export financing under the Export Credits Insurance Act assisting, as it does, to move western grain into the export markets.

Thus, we see that seven of the nine measures proposed have direct application for the major farm producers of this country.

Coming now to those measures which are intended to improve the lot of the second category—namely, the marginal or submarginal farmer usually established on a small uneconomic unit and suffering under the handicaps to which I have already referred—it seems to be imperative that workable legislation be first set up adopting sound proposals for the redevelopment of such uneconomic farms, although I believe this has already been provided for under ARDA. True, some of the other measures proposed would have limited application at the present time for this group, but of themselves they would not provide any real solution. For many eastern farmers who unfortunately find themselves in this position, certainly a feed grain agency, a national dairy commission, crop insurance and unemployment insurance to full-time farm workers would be of some assistance to at least a portion of this group. I cannot see where the increase in the loan capital of the Farm Credit Corporation would be of too much benefit, because nobody lends money to farmers on an uneconomic unit.

Whether justifiably or not, I have at times in the past been critical of the Farm Credit Corporation and also of the Farm Improvement Loans Act, not so much as a result of the inactivity with this class of farmer but because of the failure to lend a hand to what might be called borderline cases. I readily accept the fact that in most instances if it can be determined that the requested loan cannot fulfil the objective sought and, as a result, cannot be repaid, then such a loan would be ill-advised. On the other hand, if, as happens certainly in some cases, the applicant feels that capital is his crying need and that any failure he may have evidenced is as a result of this lack of capital, then his application should be given serious consideration.

I would feel more satisfied with the operations of Government lending bodies of this nature if a greater degree of examination were given applications. I recall that when the last amendments to the Farm Credit Act were before the Senate's Banking and Commerce Committee—I believe in 1964—I was perhaps naïve enough to be a bit shocked to learn from questions I asked that neither the administrators of this act nor any other Government body has knowledge of the actual number of applications made for loans. If this is so, neither would they have any accurate knowledge of the reasons why certain applicants have been rejected. I do not think this is quite good enough, and I hope that some system of reporting can be set up to make this information available.

I note from the Farm Credit Corporation's last annual report that it had been decided to set up appeal boards in each province. I am informed that this has been done, and I hope

that we will have their reports, with pertinent statistics included in the next annual report of the corporation—although I fully realize this would not give us the whole picture I am seeking, but it would at least give us some information on those who applied, were rejected and did appeal.

I now return to my original premise and I repeat it—namely, that the all-important measure in the Throne Speech for farmers seeking a livelihood on uneconomic farms is that which states that "proposals will be made for redevelopment of uneconomic farms." First, these proposals must be brought forward and spelled out in some detail. After the legislation is passed the proposals must be implemented. Following that, it is then a matter of waiting to determine what degree of success such a program is achieving. I am sure we are all hopeful and give the program our close support in every way possible. On its success primarily depends the degree of assistance that will eventually be given this class of farmer by the other proposals outlined. Of necessity, this must be a long-range program; results will certainly not be evident in the immediate future. This means that other measures—"stop-gaps," if you will—must be implemented now to save this class of farmer. When we have all the farm legislation before us, perhaps we will find that it may do just that. In so far as eastern Nova Scotia is concerned, I am going to suggest—and I hope I have the support of Senator Macdonald (Cape Breton) and Senator Urquhart in this—that immediately some way should be found to assist the fluid milk producers there. As it happens, they represent the core of farming in these six eastern counties of Nova Scotia. They do not live on uneconomic units in the sense that their farms are too small or inadequately equipped, or that the operators do not have the know-how. No, it is simply a case of their requiring a more realistic price for the milk they produce in excess of fluid requirements. At present this price ranges from a low of $2 per hundredweight to a high of $2.50. It is not supported under the national dairy policy as is manufactured milk at $3.50 per hundredweight and with respect to which, as we know, the producers in this category are seeking $4 per hundredweight.

The volume of this excess or surplus milk over and above fluid requirements is not large, and yet this ridiculously low price of from $2 to $2.50 per hundredweight is such a discouraging factor that substantial numbers are in the process of attempting to liquidate their investment in the industry. As I already stated, these fluid milk producers are not subsidized in any way other than by freight assistance on imported feed grains.

It is reliably estimated that to support their present excess production at a price of $4 would cost approximately $30,000 in the first year and, if guaranteed over a period of five years as is being requested, this excess would not rise beyond a required subsidy of $90,000 in the fifth year by reason of encouraged production resulting from the guarantee of $4 per hundredweight.

We all realize that it may be very difficult to devise a means for paying a direct subsidy to a particular area with, perhaps, a unique problem. Therefore, I am not advocating that this should necessarily come under the national policy, unless several other areas of Canada are so affected, which I rather doubt. I believe instead that a special agency under ARDA, or other legislation, could meet this regional problem.

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

Hon. Mr. O'Leary (Antigonish-Guysborough): Yes.

Hon. Mr. Isnor: Do they not come under the Public Utilities Board of Nova Scotia with respect to an increase in the price to the consumer?

Hon. Mr. O'Leary (Antigonish-Guysborough): Yes they do, Senator Isnor, but the price to the producers of milk in the six eastern counties of Nova Scotia is set and established by the Cape Breton Milk Board which is made up of three members representative of the consumers, the distributors and the producers.

Hon. Mr. Isnor: But it is a local board?

Hon. Mr. O'Leary (Antigonish-Guysborough): It is a local board, that is correct.

The third group that I referred to in my three main categories comprise those living on small farms but securing most of their entire income from other than farm sources. I have suggested that many of these people grow or produce a few basic commodities for their own use, such as milk, meat, butter and vegetables. I am certainly not referring to these people as farmers, nor would I expect that farm legislation should encompass this

group which, in my province, constitutes a rather large number of people. I mention them only because they make up an important segment of our rural districts, and they play their full role in the growth and development of these communities which are part and parcel of our Canadian way of life. They too have their needs, such as adequate housing and full employment, and here other agencies of government can do much to assist. Perhaps their acreage could be put to good use in providing these families with much-needed supplementary incomes.

Honourable senators, I am not going to make any apologies for having taken up all my time discussing proposals for farm legislation. As I have already pointed out, the Government of the day has seen fit to devote over one-third of its legislative intentions to this important subject, and obviously I go along with those intentions wholeheartedly. In conclusion, I simply say that if it is the primary objective of the Government in its proposals in the Speech from the Throne to attack the problem of rural poverty, then those proposals which have a direct bearing on the uneconomic farm units will be successful only if they are implemented aggressively with funds, personnel and the co-operation of governments at all levels.

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

BILLS OF EXCHANGE ACT

BILL TO AMEND—SECOND READING

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Cook for the second reading of Bill S-14, to amend the Bills of Exchange Act.

Hon. Gunnar S. Thorvaldson: Honourable senators, it is my intention to comment only briefly on this bill which, although short, is nevertheless of considerable importance to the business community of this country.

First of all I should like to commend the honourable Leader of the Government for his good judgment in arranging to have bills such as this introduced in this chamber. The bill to amend the Bankruptcy Act, which was introduced here, and spoken to this afternoon, is another example. This shows that while the other place talks about various other matters, some of more and some of less consequence, the main business of Parliament, which is legislation, can be proceeded with here in a very businesslike manner.

Hon. Mr. Roebuck: Hear, hear.

Hon. Mr. Thorvaldson: Senator Cook has explained the provisions of this bill, the main one of which makes Saturday a juridical day for banking purposes if a bank is open on that day. The practical consequence of this is that banks are enabled to become more responsive to the needs of the business community and the public generally—that is, more responsive to the requirements of business than heretofore.

Another provision enables a bank to close on a week day, which may be necessary in order for it to comply with the provisions of the Canadian Labour (Standards) Code which was enacted last year. The technical banking problem to be faced in this event is: what happens when a bill or note falls due on such a day? This bill provides that all rights are preserved by the presentation of the bill or note on the next business day.

The final provision of the bill is that certain holidays are juridical days for banks.

To my mind this bill, by and large, is important as it removes some of the present rigidities in banking, and gives the banks a greater opportunity for serving the public need. I am sure every member of this house will support it.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Cook, bill referred to the Standing Committee on Banking and Commerce.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, March 3, 1966

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

Prayers.

BUSINESS OF THE SENATE

PROGRESS OF SUPPLY LEGISLATION

Hon. A. K. Hugessen: Honourable senators, I think I should advise my colleagues of the situation in regard to our prospective sittings for the next day or two, as promised yesterday afternoon.

I am advised that the House of Commons is still considering some of the Estimates for the year 1965-66. The latest information I have is that the members are all determined to complete their consideration of the Estimates not later than tomorrow, and to pass the final supply bill so that we may receive it at some hour tomorrow.

I would therefore ask honourable senators to agree to sit tomorrow. When that time arrives we will see what we can do with a view to finalizing the interim supply bill and perhaps having Royal Assent later in the day. If that happens, I will suggest tomorrow evening that we adjourn until Tuesday next.

May I remind honourable senators that it is advisable to have a reasonable number of senators present at the Royal Assent. I would ask senators to be good enough, if their convenience allows, to be present in as great numbers as possible tomorrow, both for the sitting in the afternoon and for the Royal Assent later.

DOCUMENTS TABLED

Hon. A. K. Hugessen tabled:

Report of the Superintendent of Insurance for Canada—Volume III, Annual Statements of Life Insurance Companies and Fraternal Benefit Societies, for the year ended December 31, 1964, pursuant to section 9 of the Department of Insurance Act, chapter 70, R.S.C., 1952. (English and French texts).

Copies of a telegram and letter dated February 15 and February 18, 1966, exchanged between the Prime Minister of Canada and the Premier of British Columbia with reference to federal subsidies to the ship-building industry. (English text).

MILLTOWN BRIDGE BILL

AUTHORITY TO PRINT COMMITTEE PROCEEDINGS

Hon. A. K. Hugessen, Chairman of the Standing Committee on Transport and Communications, presented the following report of the committee on Bill S-15, to authorize the construction of a bridge across the St. Croix River between the Province of New Brunswick and the State of Maine:

> Your committee recommends that authority be granted for the printing of 800 copies in English and 300 copies in French of their proceedings on the said bill.

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

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

Report adopted.

REPORT OF COMMITTEE

Hon. Mr. Hugessen, Chairman of the Standing Committee on Transport and Communications, reported that the committee had considered Bill S-15, to authorize the construction of a bridge across the St. Croix River between the Province of New Brunswick and the State of Maine, and had directed that the bill be reported without amendment.

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

Hon. Mr. Rattenbury: With leave of the Senate, I move that the bill be read the third time now.

An Hon. Senator: No.

Hon. Mr. Rattenbury moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

REDISTRIBUTION

OBJECTIONS FILED BY MEMBERS OF PARLIAMENT PURSUANT TO ELECTORAL BOUNDARIES READJUSTMENT ACT—INQUIRY AND ANSWER

Hon. A. K. Hugessen: Honorable senators, I have the answers to an inquiry by honourable Senator Pouliot. He asked:

> 1. How many Members of Parliament have filed objections during the present

session of Parliament with Mr. Speaker of the House of Commons, pursuant to the Electoral Boundaries Readjustment Act?

Answer: 158.

2. What is their political affiliation?

Answer: (a) 60 Liberals, including two former cabinet ministers.

(b) 72 Progressive Conservatives, including eight former cabinet ministers.

(c) Mr. T. C. Douglas, M.P., and ten other New Democratic Party members.

(d) Mr. Real Caouette, M.P., and eight Ralliement Créditiste members.

(e) Mr. Robert N. Thompson, M.P., and two Social Credit members.

(f) One Independent Liberal.

(g) One Independent Conservative.

Hon. Mr. Pouliot: I thank the honourable leader for these answers. I note that the department has been very diligent in answering my questions. Thank you.

BANKRUPTCY ACT

BILL TO AMEND—SECOND READING—DEBATE CONTINUED

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Hayden for the second reading of Bill S-17, to amend the Bankruptcy Act.

Hon. Gunnar S. Thorvaldson: Honourable senators, I adjourned this debate yesterday afternoon, but my friend the honourable Senator Walker, by virtue of the exigencies of time, would like to speak now in my place. I would ask leave of the house accordingly, and that I might enter the debate at a later stage.

Hon. Senators: Agreed.

Hon. David J. Walker: I thank the honourable senator for yielding to me at this time, and I would like to commend, for all of us, the honourable Senator Hayden who made such a logical, comprehensive and lucid explanation of Bill S-17 yesterday. After all, he was the chairman of the committee years ago that went into this matter, and he did his work very well.

This is a most important bill because, I suppose, there is no piece of federal legislation which has been more often breached or contravened than the Bankruptcy Act —nothing, at least, since the days of prohibition; and, although Bill S-17 goes a long way in regard to certain branches of the bankruptcy jurisdiction, nevertheless, it does not go far enough and the inevitable result will be that we shall have to have a new and comprehensive Bankruptcy Act.

Just as this house so carefully passed the Canada Corporations Act, we require similar legislation with regard to the Bankruptcy Act. However, one must give credit for this interim piece of legislation for plugging many of the loopholes that are presently glaringly evident in the Bankruptcy Act. For instance, in the old act we find no distinction whatsoever between insolvency situations for transactions between a debtor and his creditors with whom he deals at arm's length, or where they are strangers to one another, and transactions between a debtor and creditors whom the debtor really controls, or what are called transactions at non-arm's length. It is a fact in bankruptcy, aside from theft or misappropriation of funds, that most of the frauds committed by debtors are the result of collusion between a debtor and creditors with whom the debtor does not deal at arm's length. For example, take the case of two or more corporations which are owned by one shareholder, and one corporation manages to get all the liabilities and another corporation gets all the assets, and then the corporation with all the liabilities goes into bankruptcy—a thing that is very common. There is also no question about this, that it is obvious where a person or corporation does not deal at arm's length with a debtor, such a person or corporation can establish a very substantial claim against the debtor by way of exorbitant charges or some other form of fraud to the detriment of the bona fide creditor. Honourable senators can see how people related by blood or marriage, or by joint association, can have a creditor build up exorbitant claims to the detriment of the bona fide creditors.

Clause 1 of this bill, which I think is the most important part of it, will make reviewable by the Superintendent of Bankruptcy all such transactions not made at arm's length. This will apply to all related groups. Whoever drafted this bill has gone into that aspect very fully in covering groups related by blood or marriage and those with corporate connections. No longer will any related group be permitted to enter into such transactions, free from the possibility of review by the Superintendent of Bankruptcy.

As I have said, clause 1 does put teeth into the act, and if properly administered the teeth could cut pretty fine. It is my understanding that we have now a new Superintendent of Bankruptcy, and this clause will

give him a tremendous opportunity of fearlessly enforcing the act. I trust he will do so, and in doing so will have the backing of the government of the day without any fear or favour.

Clause 2, which honourable senators will find on page 3 of the bill, contains another very important change. It gives to the superintendent very wide powers by way of seizing property and banking the funds with the Receiver General, where, as so often happens, a trustee has died or has ceased to operate or is under investigation. This is a very important change and should afford protection to the bankrupt estate.

Honourable senators will notice how the draftsmen of this legislation are trying to close the gaps, and block the loopholes that have so flagrantly existed up to the present time.

Clause 3, which is on page 4, gives to the superintendent broad powers to investigate any person not only after a bankruptcy but—and this is very important—before a bankruptcy where there are reasonable grounds for suspicion. That is going a long way. I am not saying that I approve or do not approve the wording of that clause, but it does show that it is an effort towards blocking out the kind of fraud that has been so rampant under the act.

Honourable senators, clauses 7, 8 and 9 appear on pages 7 and 8 of the bill. I am reviewing these in order to illustrate the principle of the bill. These clauses provide for the efficient dealing with of approval or non-approval by creditors or by a court of a proposal by an insolvent person. Up to the present time this procedure has been very hazy and haphazard in the manner of its working.

Turning to page 9, I refer you to clause 10, which expands the power of the trustee to force the bankrupt to hand over newly-acquired assets after his bankruptcy, at least a portion of his income, to the trustee for the benefit of the creditors.

At page 10 we have clauses 11 and 12 which extend from three months to twelve months—and this is very important—the time prior to a bankruptcy during which any conveyance or transfer of property may be investigated, set aside or recovered. In other words, when a person is going into bankruptcy you often see that he starts getting rid of his assets a year before. At the present time you may go back three months; now this period is to be extended to twelve months. It is, quite properly, a step in the right direction.

In clause 13 on page 12 we find that a creditor not dealing at arm's length is to be prevented from voting as a creditor under certain circumstances. Honourable senators can imagine what a fraud it can be to have creditors who are friends of the debtor, and who might have built up fraudulent claims, sitting in and voting with the bona fide creditors. This prevents such creditors not dealing at arm's length from voting under certain circumstances.

Clause 14 provides that a creditor who has entered into a reviewable transaction—and I have gone into the transactions which are reviewable—prior to the bankruptcy shall not be paid until the other creditors are paid, unless, of course, the court finds the transaction to be a bona fide one.

Clause 15 was in the 1963 bill. It has been reviewed and already passed in this house, and therefore needs no comment from me or any other speaker.

Clause 16 gives the official receiver very wide powers of inquiry which he never had before; those powers are tremendously wide in scope.

Clause 18 which is also important, requires the trustee within two months of his appointment to give a report to the Superintendent of Bankruptcy—not just a haphazard report. He is obliged to answer categorically in full detail certain questions of the bankrupt estate which he is administering.

Clause 19 prevents anyone from soliciting another person to go into bankruptcy. In the past it has prevented trustees from doing so, but the trustee can get around that by having someone else solicit on his behalf. You can see the folly of not having such an amendment as we have here.

The provision also prevents such person from receiving any gift while acting as a trustee. One would have thought that would be understood by everyone, but it requires legislation to bring this to the attention of certain trustees, that they are not to accept gifts from the debtors or anybody else while the bankruptcy is under administration.

Clause 20 makes it obligatory on the official receiver or trustee to report to the Deputy Attorney General where he suspects any offence which might be contrary to the criminal Code. One might also expect that would have been provided in the old act, but it was not. Many trustees not only suspected but knew about crimes but would just say nothing about it. Now it becomes obligatory to report.

Clause 21 inserts into the Bankruptcy Act very detailed provisions, which my friend the honourable Senator Hayden dealt with so ably yesterday—provisions relating to the orderly payment of debts, similar to those which have heretofore been passed in certain of the western provinces and found to be *ultra vires* because bankruptcy is a dominion-wide matter.

Honourable senators, I could continue, but I simply take those clauses from the bill to illustrate how the principle here of widening the authority of the Superintendent of Bankruptcy and the trustees can make for a great improvement in the elimination of fraud.

In conclusion, the Bankruptcy Act, as we know so well, has been for so long thwarted and transgressed in so many devious ways in the past, that I for one cannot say that Bill S-17 plugs up all the loopholes, or even a goodly portion, in the present act. However, it is at least a step in the right direction. It is an interim bill.

I do not think that anyone would be in a position to pass final judgment on the bill at this time. However, in all conscience I do feel it is absolutely necessary to approve this bill in principle, subject to specific objections which I may have, and which certain others will have, when it reaches the committee stage. It would be advisable for this bill to be referred to the Banking and Commerce Committee, and I am sure that the honourable chairman of that committee (Hon. Mr. Hayden) will give every opportunity to those who would like to be heard on this extremely important subject.

May I also add that I am happy to note that the drafters of the bill have incorporated in it many submissions of the Board of Trade of Metropolitan Toronto, which laboured very hard on this subject for many years.

However, such provisions as are now outlined in this bill are useless unless they are zealously enforced under the penalty clauses. I think such clauses may be changed later in the Bankruptcy Act, and certainly under the Criminal Code, particularly for fraud. The provisions must be zealously enforced or else the Bankruptcy Act will continue as a mockery.

The new superintendent is a lawyer. One perhaps cannot always commend that, but it is a mighty fine thing to have an able lawyer at the head of this particular branch. I sincerely trust that he may not only be aggressive in his efforts but zealous to enforce this act, and that the Government will stand behind him without fear or favour, because the public are behind anything which will improve the present situation. I hope the Superintendent of Bankruptcy will be given not only all the power but all the manpower which he requires to enforce this act.

Honourable senators, this legislation is long overdue.

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

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY— DEBATE CONTINUED

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

Hon. John B. Aird: Honourable senators, before I proceed with the main body of my remarks, I would like to congratulate both the mover (Hon. Mr. McDonald) and the seconder (Hon. Mr. Gouin) of the motion for an address in reply to the Speech from the Throne. Senator Gouin is, of course, one of the most distinguished members of this house and his address has enhanced that reputation. Senator Hamilton McDonald is also to be congratulated on his speech. I am sure that he will make a fine contribution to this place and, as he has already demonstrated, his legislative experience will be of assistance in its deliberations.

Most sincerely I would also like to congratulate the Honourable Sydney Smith on his appointment as Speaker. I am confident that I speak on behalf of all senators when I say that he is most worthy of our continued support and respect.

I also wish to record my sense of deep shock at the tragic loss of Senator Bouffard who, in the very regrettable absence of Senator John Connolly, had just assumed the role of Deputy Leader of the Government in the Senate and was so ably performing his duties in his usual competent and pleasant manner. His death is a great loss to us here, and, in my opinion, a great loss to the country as well. He will be sadly missed.

It is a matter of some personal pleasure to me to extend to the new members of the Senate a warm word of welcome. Several of them are close personal friends of mine, but I feel that I speak on behalf of all honourable senators when I say that they are most welcome arrivals.

Honourable senators, I would like to develop for your consideration some thoughts that present themselves to me as a result of the Speech from the Throne and the remarks made on that speech by Senators Gouin and McDonald and by subsequent speakers. These thoughts relate in particular to the present performance of the Canadian economy and the activities of the Economic Council of Canada, together with some comments on federalism as I believe it should exist in our country today.

Following its excellent initial report of a year ago, the Economic Council of Canada in its second Annual Review has provided a good deal more useful direction towards the development of appropriate economic strategy for Canada over the next few years.

Once again the report has concentrated on longer-run considerations and has sought in particular to define ways in which the productivity of the Canadian economy could be significantly improved. However, much more so than in its first report, the council has also taken a close look at the recent performance of the economy; and, even though some important aspects of its analysis have been rather quickly out-dated by subsequent events, its attempt to partly bridge the difficult gap between the objectives of the longer run and the practicalities of immediate policy decisions is to be commended.

In its review of Canada's economic performance through to the later part of 1965, the key point brought out by the council is the heartening return towards full utilization of the country's productive potential which has occurred over the past five years.

Based on the council's careful calculations, the total economy, which had dropped from an operating level of 102 per cent of capacity in 1956 to 91 per cent in 1961, had improved to 97 per cent in 1965. In fact, with the sustained strength of expansion in late 1965 and into the present year, the calculated operating level now would be a little higher still and, having in mind the inevitable difficulties in making such calculations, it is clear that the economy has now entered a much different set of conditions from that which prevailed for the past several years. With a previous high rate of unemployment and much unused productive capacity, it was obviously appropriate to give primary emphasis to expansion and to the removal of slack in the economy. But now that the slack has been greatly reduced, the problem has become the much more complex one of how to sustain a somewhat more moderate but still substantial rate of expansion, an expansion that is roughly in line with the steady growth in the country's productive potential.

In this situation—as the Economic Council, the Bank of Canada and others have been pointing out—there are important new risks confronting the Canadian economy. Most important, undoubtedly, is the danger that continued rapid expansion, spurred on by the growing U.S. commitments in Vietnam, will seriously increase the strains on the economy that began to emerge in 1965. Undue pressure on resources can lead only to undesirable increases in prices and costs, to adverse tendencies in our international trading position, and to growing financial strains. Even moderate pressures, indeed, may still encourage the kind of distortions and instabilities that undermine the country's ability to maintain a healthy and adequate growth over the longer term.

Fortunately, a number of measures have been taken which will be working to hold demands within sustainable bounds during the year ahead. Here, I would include the deferral of some Government construction projects, the move to a less expansive monetary policy, and the initial impact of contributory payments into the Canada Pension Plan. But what we should be prepared for, I believe, are even further steps of this kind, should demand pressures continue to wax as strongly as they have in the past few months.

Most of the time, as I am sure you would agree, the arguments for measures of economic restraint are couched in the defensive sense of protecting the economy from the obvious damage and danger of inflationary conditions. But what I should like to suggest is the more positive view that, if only we can keep the economy on the path of vigorous but not excessive expansion, we have a much better chance to move ahead effectively on many of the longer-run objectives which the Economic Council has outlined for us. One of the most important lessons of postwar experience, in Europe as well as on this continent, is the way in which productivity gains are encouraged by sustained but non-inflationary growth. In this regard, too little expansion may be just as detrimental as too much expansion, but the dangers of excessive demands are still clear.

Moreover, it is obvious that many of the special steps which the Economic Council recommends for the longer-run improvement of Canadian productivity will be easier to achieve in conditions of healthy expansion.

The council lays great importance on the need for improving "the quality of productive input," and particularly of course on the crucial importance of education and training. But efforts in this direction require a considerable expenditure of resources, as well as a good deal of thought as to the best means of achieving the desired ends. In the first regard, at least, the maintenance of a vigorous economy can be very helpful. It can clearly be helpful also in such other matters as the enlargement of industrial research and development, in the supporting of longer-run trade and tariff negotiations designed to open up wider markets for efficient and lower-cost production, and in the development of more effective methods of promoting labour mobility.

In all of these matters, however, there are still a great many questions to be answered, and particularly with respect to determining appropriate priorities. In the area of education and training, for example, it is obvious that our total requirements for the next few years will be exceedingly great, not only because of the importance of raising our standards of knowledge and skill but also because of the sheer weight of numbers in the 10-to-20 year age group. Yet, in sorting out the kinds of education facilities that are most needed, and in organizing the types of educational and training arrangements that would be most helpful, I am sure that we need a lot more analysis, study and discussion than we have managed to date. Under the inescapable pressures that have already developed, decisions are of course being made, and many of them may turn out for the best; but there is enough in the way of unbalanced programs with resulting indecision and outright confusion to give any serious observer a good deal of cause for concern. In this regard, it is to be remembered that the Bladen Commission included a recommendation that one of the federal ministers of the Crown be given as one of his duties the responsibility of co-ordinating assistance to the universities and that he should appoint a small committee to advise him.

In relation to this specific situation, and in a broader sense as well, I have been very much impressed by an article I came across recently in *Fortune* magazine, in the January 1966 issue, to be exact. This article presents a most illuminating insight into what Mr. Max Ways, the author and one of the editors of the magazine, sees as a new "creative federalism" in the United States. It seems to me that this concept of "creative federalism" has obvious implications for Canada. And what is particularly striking about the article, apart from its obvious implications for Canada, is the degree to which it points up the parallel problems of management in present-day business and management in a federal governmental system. In both cases, the question of centralization versus decentralization has come up as a major issue. Yet more and more the realization has been growing that the real art of modern-day management lies in neither of these directions by itself, but rather in discovering what things to centralize and what things to decentralize and then in constructing the channels through which information and decision, generated at many levels, are to flow. Such thinking clearly has had its origin in large business organizations and has been spreading, the author suggests, by a process of osmosis into the U.S. governmental sphere.

Honourable senators, I do not believe there is any wide gulf between the requirements of effective management in government and in business. In fact, I believe that if there is any place that Canadians need to have good management it is in government. As a recent member of the Senate Committee on Finance—and this was demonstrated very clearly once again this morning—I have been most impressed by the calibre and dedication of the senior civil servants who have appeared before it, as each has reviewed the implementation of the Glassco Report as it pertained to the respective governmental departments. These are first-class men and Canada should be proud of them. I believe that, because of the Glassco Commission, certain business criteria and disciplines are being put to good use in the administration of government. Together with others, I would like to see this program accelerated.

Now, of course, there is no exact analogy between business and government, because governments do not operate on the profit motive; but I do believe that the revenues received from the taxpayer should be invested by the Government in those areas and programs which will be most effective and rewarding to all Canadians.

I believe that the same type of criteria and discipline that are now being introduced and implemented in government administration should also apply to government policy. A successful example of the kind of policy and action that I am speaking about has been the integration of Canada's defence program. In this program, action was taken to solve a large-scale and long-standing problem; the

"politics" of integration was worried about only after the solution had been worked out.

If I may be permitted to quote one particularly revealing portion of Mr. Ways' argument, he points out that what "federalism" means is:

> a relationship, both co-operative and competitive, between a limited central power and other powers that are essentially independent of it. In the long American dialogue over states' rights, it has been tacitly assumed that the total amount of power was constant and, therefore, any increase in federal power diminished the power of the states and/or "the people". "Creative federalism" starts from the contrary belief that total power—private and public, individual and organizational—is expanding very rapidly. As the range of conscious choice widens, it is possible to think of vast increases of federal government power that do not encroach upon or diminish any other power. Simultaneously, the power of states and local governments will increase; the power of private organizations, including businesses, will increase; and the power of individuals will increase. "Creative federalism" as it is now developing emphasizes relationships between Washington and many other independent centers of decision in state and local government, in new public bodies, in universities, in professional organizations, and in business.
>
> This characteristic of the new programs is part of a rather belated application to government of the organizational habits developed by modern business. While everyone has been watching the influence of government policies on the economy, the impact of the economy's strength and its mode of organization have been quietly altering the way the government works. Tens of thousands of professional and managerial types, in and out of government service, are shaping and executing federal Government programs. This is as it should be, for professional and managerial men are oriented toward direction-choosing and problem-solving within a complex framework of many centres of decision.

Now, even with such a view of "creative federalism", there remain many difficulties in preparing public programs, determining priorities, and so on. But instead of wasting time and energy in fruitless theoretical debates about over-all degrees of centralization and decentralization, it is possible to concentrate more usefully on the practical questions of deciding in particular yet constantly-evolving situations which functions are best to centralize and which ones are best to decentralize.

Out of several specific examples which Mr. Ways uses to illustrate his general view, one of the most interesting is in the area of education, to which I referred earlier. For the U.S. problems in this area, which in many respects are similar to our own, Mr. Ways agrees that the federal Government has no pat solutions, or even any particular competence for finding solutions. Nor has it any set educational philosophy or policy to sell, whatever might be thought either by those who fear, or those who hope, that the federal Government is about to "take over" what has traditionally been considered as a local or regional responsibility. What is expected by the persons most actively involved, however, is that a heavy infusion of federal funds into the education sphere will stimulate innovation and improvement at the specific points where such progress can best be made, nearly all of which in fact are outside the federal organization itself. Analysis of common needs, together with more basic research and experimental activities which in the long run will clearly be in the general national interest, can thus be fostered by the federal Government, even though most of the use and control of the funds involved will in fact be delegated to local or regional authorities, or even to individual university or private research groups. Here, then, we can get at least some glimpse of the "constructive possibilities" contained in the processes of a creative federalism.

It has occurred to me, as perhaps it has to many of you also, that adaptation of this approach could be very helpful to this country in its long-festering concern about development of Canadian resources by Canadians rather than through heavy dependence on foreign-controlled enterprises. One of the oft-expressed concerns about the Government's controversial proposal for a Canada Development Corporation has been the fear that the federal Government by this means would intrude both obstructively and ineffectively into what is the proper sphere for private enterprise. Yet there is no immutable need for this to be so. The national need for more effective economic development by Canadian entities is widely recognized, and is thus an appropriate concern for federal Government strategy. But development is also an even

more direct concern of various provincial government agencies, of private financial institutions, and of course of existing business enterprises. Why should it not be possible to harness all of these interests under a federal program which would set out the national objectives but which would delegate to the other interested entities appropriate responsibilities which they are particularly fitted to carry out? Here, to my mind, is one of the biggest challenges I can imagine to those who are seriously interested in a positive and creative federalism in the Canada of today. Even modest action along these lines would speak more loudly than any million words of good intention.

I am the first to recognize that most Canadians like to consider themselves rugged individualists, and I sincerely believe that a common Canadian characteristic is the desire to "compete," in every sense of the word. In fact, I believe that competition is basic to the Canadian way of life. In a country where we are still meeting the challenges of unexplored frontiers, it would be disastrous to stifle the individual spirit and competitive desires. But I do say that the ability of every Canadian to compete individually is a privilege; and, as with all enjoyed privileges worth their salt, there is a price to pay. In Canada's case, the price tag is a certain necessary amount of government involvement in the social and economic affairs of the country. I believe that this responsible, creative, government involvement is necessary to Canada's full development.

Needless to say, I do not believe in the absolute power of the state to resolve Canada's dilemma. But I do believe that the responsible use of the capacity of a unifying central authority can be a tremendous force and can achieve a strong national purpose; this, I believe, is the key factor in Canada's future development and success.

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

DIVORCE

REPORTS OF COMMITTEE ADOPTED

The Senate proceeded to consideration of reports of the Standing Committee on Divorce Nos. 283 to 337, inclusive, which were presented on Wednesday, March 2.

On motion of Hon. Mr. Roebuck, Chairman of the Standing Committee on Divorce, reports adopted.

RESOLUTIONS PRESENTED

Leave having been given to revert to Presentation of Petitions:

Hon. Mr. Roebuck, Chairman of the Standing Committee on Divorce, presented the following resolutions:

Resolution 282, for the relief of Armand Bessette.

Resolution 283, for the relief of Barbara Rhea Besner Blanshay.

Resolution 284, for the relief of Carol Elena Klein Bloom.

Resolution 285, for the relief of Joan Elaine Rolbin Bloom.

Resolution 286, for the relief of Cecile Belanger Bordeleau.

Resolution 287, for the relief of Stephanos Botsis.

Resolution 288, for the relief of Martha Laurin Boucher.

Resolution 289, for the relief of Joseph Roch Aurele Brault.

Resolution 290, for the relief of Ena Marie Pompa (Sumner) Bremm.

Resolution 291, for the relief of Marie Therese Estelle Jeannine Bachand Brown.

Resolution 292, for the relief of Barbara Joy Legere Brown.

Resolution 293, for the relief of Patricia Ann Watson Burwash.

Resolution 294, for the relief of Conrad Choiniere.

Resolution 295, for the relief of Sally Wright Collins.

Resolution 296, for the relief of Judith Gail Elger Cooke.

Resolution 297, for the relief of Sylvio Corriveau.

Resolution 298, for the relief of Clyde Benjamin Dalton.

Resolution 299, for the relief of Leopold Deslandes.

Resolution 300, for the relief of Margaret Evelyn Ferguson Deuel.

Resolution 301, for the relief of Yvonne Beland Diamond, otherwise known as Yvonne Beland Diamont.

Resolution 302, for the relief of Mary Rita Beverley Ann Kent Dickson.

Resolution 303, for the relief of Helen Grace Ferguson Doane.

Resolution 304, for the relief of Joan Margaret Horrell Dunwoodie.

Resolution 305, for the relief of Marie Lucienne Vivianne Charron English.

Resolution 306, for the relief of Henry Filsinger.

Resolution 307, for the relief of Edouard (Eddy) Yves Filteau.

Resolution 308, for the relief of Norma Ann Taylor Gallant.

Resolution 309, for the relief of Rose Zwerling Vineberg Garber.

Resolution 310, for the relief of Pierrette De Roberval Gauthier.

Resolution 311, for the relief of Carlyle Herbert Gearey.

Resolution 312, for the relief of Mary Marcia Taggart Gibb-Carsley.

Resolution 313, for the relief of Herta Rosika Gast Gnuchwitz.

Resolution 314, for the relief of Jacques Godin.

Resolution 315, for the relief of Joseph Noel Jean Claude Gosselin.

Resolution 316, for the relief of Florence Agnes Losey Griffith.

Resolution 317, for the relief of François Grignon.

Resolution 318 for the relief of Mariette Anna Matthys Halfyard.

Resolution 319, for the relief of Sylvia Strominger Herscovitch.

Resolution 320, for the relief of Albert Arthur Hinds.

Resolution 321, for the relief of Irene Davies Jones.

Resolution 322, for the relief of Irma Bernice Cameron Kontowt.

Resolution 323, for the relief of Marie Germaine Denyse Bechard Lalonde.

Resolution 324, for the relief of Jeannine Gourre Larouche.

Resolution 325, for the relief of Armando Lazzara.

Resolution 326, for the relief of Robert Lean.

Resolution 327, for the relief of Marc Leboeuf.

Resolution 328, for the relief of Madeleine Arbour Lebel.

Resolution 329, for the relief of Marie Ida Clementine Raymonde Longpre Lefebvre.

Resolution 330, for the relief of Eva Desjardins Lessard.

Resolution 331, for the relief of Eva Szoke Lord.

Resolution 332, for the relief of Marie Edna Chevrier McLaughlin.

Resolution 333, for the relief of Evangelia Pantelakou Maltezos.

Resolution 334, for the relief of Marianne Veronika Gosztonyi Marton.

Resolution 335, for the relief of Marie Pierrette Celine Legare Michaud.

Resolution 336, for the relief of Eleanor Finegold Miller.

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

Hon. Mr. Roebuck: Honourable senators, I move that these resolutions be considered on Tuesday next.

Motion agreed to.

RESOLUTIONS ADOPTED

The Senate proceeded to consideration of Resolutions numbered 169 to 225, inclusive, which were presented on Tuesday, March 1.

Hon. Mr. Roebuck, Chairman of the Standing Committee on Divorce, moved the adoption of the following resolutions:

Resolution 169, for the relief of Dolores Mary Prysky Pilon.

Resolution 170, for the relief of Beya Selmi Picand.

Resolution 171, for the relief of Charlotte Barbara Cowans Rea.

Resolution 172, for the relief of Gloria Levine Roth.

Resolution 173, for the relief of Denise Chabot dit Charbonneau St. Michel.

Resolution 174, for the relief of Luisa Gerard St. Pierre.

Resolution 175, for the relief of Denyse Marie Therese Mireille Loubeyre Scultety.

Resolution 176, for the relief of David Simpson.

Resolution 177, for the relief of Lily Tangelder Simpson.

Resolution 178, for the relief of Maria Francisca Mortiaux Steenbakkers.

Resolution 179, for the relief of Gabor Szalay.

Resolution 180, for the relief of Colette Gagnon Tarnovijecki.

Resolution 181, for the relief of Karl Heinz Schmidt.

Resolution 182, for the relief of Isabel Duff Walker Walker.

Resolution 183, for the relief of Sidney Charles Warren.

Resolution 184, for the relief of Bertha Pearl Jones Warren.

Resolution 185, for the relief of Florian William.

Resolution 186, for the relief of Peter Hubert Witmeur.

Resolution 187, for the relief of Estra (Estera) Goldman Wizenberg.

Resolution 188, for the relief of Violet Bradford Worrall.

Resolution 189, for the relief of Cecil Yanovitch.

Resolution 190, for the relief of Anne Shacket Zukerman.

Resolution 191, for the relief of Eleonore Margarethe Eugenie Trolle Andresen, otherwise known as Eleonora Margrethe Trolle Andresen.

Resolution 192, for the relief of Douglas Gordon Jones.

Resolution 193, for the relief of Johanna Angelika Neuheimer Berry.

Resolution 194, for the relief of Kathleen Mounteer Betts.

Resolution 195, for the relief of Gaetan Chartrand.

Resolution 196, for the relief of Dorothy English Clarke.

Resolution 197, for the relief of Adam S. Hunter.

Resolution 198, for the relief of Lois Minerva Thompson Della Porta.

Resolution 199, for the relief of Gloria Goldstein Deskin.

Resolution 200, for the relief of Rose Woloz Sokoloff Deutsch.

Resolution 201, for the relief of Lieselotte Margot Irmscher Dietrich.

Resolution 202, for the relief of Marie Lucienne Rita Soucisse Dion.

Resolution 203, for the relief of Phyllis Grace Howells Dixon.

Resolution 204, for the relief of Gilberte Therese Boivin Dore.

Resolution 205, for the relief of Nora Elizabeth Jackson Finlay.

Resolution 206, for the relief of Winnifred Mulhern Gosselin.

Resolution 207, for the relief of Marcelle Raymond Hamelin.

Resolution 208, for the relief of Andree Lorraine Antaya Hayman.

Resolution 209, for the relief of Bernice Jane Dutton Hector.

Resolution 210, for the relief of Marie Marguerite Jacqueline Lapointe Handfield.

Resolution 211, for the relief of Mildred (Millie) Richtenberg Harris.

Resolution 212, for the relief of Maurice Hayman.

Resolution 213, for the relief of Norma Helen Nickles Holmes.

Resolution 214, for the relief of Daniel Hornby.

Resolution 215, for the relief of Klaus (Claude) Jacob.

Resolution 216, for the relief of Clifford William Jameson.

Resolution 217, for the relief of Fay Laurie Guss Kalina, otherwise known as Fay Laurie Guss Kalin.

Resolution 218, for the relief of Erna Juliette Szepesi Keleny.

Resolution 219, for the relief of Belita Lerner Lachovsky.

Resolution 220, for the relief of Jean Marie Lorange.

Resolution 221, for the relief of John Norman Woodhouse MacLeod.

Resolution 222, for the relief of Claire Edith Cavell Manton.

Resolution 223, for the relief of Roland Eugene Mathurin.

Resolution 224, for the relief of Jacqueline Bradley Mazerolle.

Resolution 225, for the relief of Mary Esther Hope Menzies.

Resolutions adopted, on division.

DIVORCE (EXTENSION OF GROUNDS) BILL

SECOND READING—DEBATE ADJOURNED

Hon. Arthur W. Roebuck moved the second reading of Bill S-19, to extend the grounds upon which courts now having jurisdiction to grant divorce *a vinculo matrimonii* may grant such relief.

He said: Honourable senators, at the outset may I have your indulgence to say a word of welcome to the new senators who have joined us recently, and to express the hope that they will find satisfaction in the duties they have undertaken and pleasure in the good fellowship which they will find in this chamber. I wish them long life and success in their sojourn among us in their new environment, the Senate of Canada.

In addressing myself to the bill now under consideration, I would point out that this is not the first time an effort has been made in the Senate of Canada to widen the grounds upon which the courts of Canada may grant dissolution of marriage.

Hon. Mr. Reid: Would you mind explaining what *a vinculo matrimonii* means?

Hon. Mr. Roebuck: The Latin word *vinculum* singular, or *vinculo* plural, means bonds, ties—I suppose in modern language we call it "handcuffs." So *vinculo matrimonii* are the bonds of matrimony or, more accurately, the bonds of marriage. There are two types of decrees of courts, one from bed and board and the other from the bonds themselves. This is complete divorce in other words, *a vinculo matrimonii*.

I was going to say that as long ago as 1938 the late Senator McMeans introduced a bill entitled the Divorce and Matrimonial Causes Bill, and the debate on that bill you will find commencing at page 84 in the *Debates of the Senate* of that year. You may accept my assurance that it is well worth reading.

Senator Aseltine will remember that occasion, for he had the honour of seconding that bill as long ago as 1938, and he made an address in support of the bill—and, I need not add, an excellent one. Senator Farris spoke on that occasion, and my deskmate, Senator Hugessen, was a member of the committee that considered the bill. If my information is correct, they not only reported it but did so unanimously. Perhaps Senator Hugessen will correct me if my information is incorrect. The bill was passed by this house. What happened to it thereafter, I am not sure, but I think it probably died on the Commons Order Paper, for there seems to be no further record of it. Had I been a member of this chamber at that time I would, of course, have voted for that bill. However, I did not enter the Senate until 1945, some 21 years ago.

That bill was followed by another introduced in 1955 by Senator Aseltine, which was also entitled the Divorce and Matrimonial Causes Bill. It went a little further than the bill introduced by Senator McMeans, but it really was a similar bill. The debate on that bill you will find commencing at page 210 of the *Debates of Senate* of that year, 1955. I trust my colleagues will pardon me if I give a good many references as I go along so that the research I have done will be of use to those who may wish to read the material which I have read.

The motion for second reading of that bill was, of course, led by Senator Aseltine and in a masterly address. I have read what he said on that occasion and I am impressed with the mass of information he had marshalled and the breadth of his knowledge of the subject.

You will note the bill I have the honour to introduce is entitled the Divorce (Extension of Grounds) Act, 1966. It is not a matrimonial causes act, in the sense that it does not intend to enact a comprehensive matrimonial or divorce or marriage law for application in all Canada, as did those bills of my distinguished predecessors. Senator Aseltine's bill covered seven and a half pages, and it dealt with many phases of matrimonial relationships, such as the presumption of death, judicial separation, avoidance for non-consummation, and legitimacy; all, by the way, subject of consideration which I rather fancy we will later take up some time.

Mine, on the contrary, is a simple bill. It would not affect the law of Canada on divorce or other matrimonial matters as they exist today, with the exception only that it would extend the grounds upon which the courts now having jurisdiction to grant divorces *a vinculo matrimonii* to three further grounds: desertion for three years, cruelty, and of unsound mind, which I will describe later. And note, please, it has no application in the provinces of Quebec and Newfoundland.

I believe there is yet another difference between the bill which I have now laid before you and those introduced by my predecessors. Senator McMeans and Senator Aseltine produced a great deal of evidence of public opinion in favour of divorce reform, and there was undoubtedly considerable public support for it at that time, but it would seem from what later happened in Parliament, that they were in advance of their times. I am not so surprised at Senator Aseltine, for I have found him way out in front on many occasions.

Hon. Senators: Hear, hear.

Hon. Mr. Roebuck: And ably so. I hope that times now have caught up to me in the introduction of this bill because, honourable senators, it seems to me that public opinion, as I find it in Canada, is now such that the time has come for extending the grounds upon which the courts may grant divorces, and also that restricting the ground to this one item of adultery is archaic, that it produces many evil consequences, and that it denies to many suffering from broken marriages for which they are not responsible

the relief they so greatly require; further, that it leads to many immoral practices, such as "common law" marriages, adultery for court purposes, and the fabrication of evidence—and I think I could add other things besides those.

Hon. Mr. Choquette: Perjury and collusion.

Hon. Mr. Roebuck: Yes, thank you for the addition—and a good many other things.

How many "common law" marriages there are in Canada I, of course, do not know, and I think no one else does. There are no D.B.S. statistics on the matter.

When he was speaking in support of his bill Senator Aseltine estimated that there were 20,000, and someone in the Ontario Legislature quite recently, in a report published in the *Star* of February 23 last, estimated the number to be 250,000. Well, there are only four million marriages in Canada, so it seems to me that estimate is high.

Hon. Mr. Aseltine: I think 50,000 is about correct.

Hon. Mr. Roebuck: Perhaps so; 50,000 is a substantial figure. It is impossible for us actually to know because we have taken no surveys of that nature. Fifty thousand "common law" marriages is something that should stop us for a moment to consider what it means from the human standpoint. Fifty thousand "common law" marriages in the dominion of Canada—I do not know how many there are in fact, but certainly there are very many, and very many too many.

I know from my own personal experience that there are simply thousands of people in this country who have been faced with living celibate for the rest of their lives, or the rest of the life of their opposite spouse, or, alternatively, firstly, of seeking divorce in the United States which is, of course, in almost all instances not recognized in this country, is very unsatisfactory, is illegal without question and, although in some respects socially recognized, is to be avoided; secondly, of bringing about in some way an act of adultery on the part of the opposite spouse, or waiting to take advantage of such immorality on his or her part, or, as was just suggested to me a moment ago, fabricating the evidence; thirdly, of living themselves in adultery in what is euphoniously known as a "common law" relationship. I have not mentioned a possible fourth alternative—I do not know whether it is an alternative or not—of free love or promiscuous intercourse, for those who have a taste for that sort of thing.

I suggest to you that this is an intolerable condition of law in this country. It is what this bill attempts in a modest way to correct, at least to some extent, by adding to this ground of adultery the further grounds of cruelty, desertion for three years, or five years of insanity while confined in an institution which I will define a little more fully later on. As I say, it will have effect in all provinces other than Quebec and Newfoundland.

I have in my hand a book entitled *Marriage Breakdown, Divorce, Remarriage—A Christian Understanding* in which, if you turn to page 113, you will read this passage:

> It is agreed:
> That this General Council—

That is, the General Council of the United Church of Canada.

> —urge the Federal Government to appoint a Royal Commission on Divorce to consider (a) Such grounds for divorce, in addition to adultery, as wilful desertion for three years, gross cruelty (both physical and mental, carefully defined), and insanity that fails to respond after five years of treatment in an institution.

I might tell you that I did not read that paragraph until after I had drawn this bill, but it does show a remarkable similarity of thought between myself and the General Council of the United Church of Canada.

Hon. Mr. Choquette: Except for mental cruelty. I was going to ask my honourable friend about paragraph (b) of clause 2(1), which reads:

> has since the celebration of the marriage treated the petitioner with cruelty.

I was wondering there if it should not say "physical or mental, or both".

Hon. Mr. Roebuck: May I leave the answering of that question to the time when I shall be discussing these particular features of the bill itself? A quick reply is that the added words are not necessary, because this clause is phrased in the very words of the English act, and we have a great mass of judicial decisions awaiting us that would apply in the interpretation of this clause. I might tell you that in the English Act and in the English administration both physical and mental cruelty are prohibited.

I have another book here that is perhaps not as impressive, but it is certainly well done. It is entitled *Canada's need for Divorce Reform*, by Reverend C. Bernard Reynolds, M.A., B.D. of Victoria. I would prefer to leave

a description of this book to Senator Farris who comes from that part of Canada and who, no doubt, knows Reverend Reynolds well. This book makes a most powerful case for reforming the situation as it now exists in Canada.

A somewhat similar resolution to that of the General Council of the United Church was passed recently by the Canadian Bar Association. There have also been many, many editorials on the subject in the newspapers. I have one here from the Toronto *Daily Star* which is headed: "Bring Divorce Laws out of Victorian Age." I will not go into it further because there are so many newspapers all over Canada which have expressed similar opinions.

The Toronto *Daily Star* reported—this is not an editorial but a report—on February 24, 1966 in these words:

> Justice Minister Lucien Cardin told a reporter that he had detected a new "climate of religious and social tolerance" towards divorce which would enable Parliament to liberalize the law.

I hope he is correct in that statement.

I have said that this bill will not change the law of divorce or of matrimonial causes other than in the additions which, up to this moment, I have only outlined. I think it would be useful in our consideration of the bill for me to say something as to what the law is now in the Dominion of Canada, because it is complex and not without difficulty in both discovering it and understanding it. Let me commence, then, with the Province of Nova Scotia.

The law of Nova Scotia on divorce is expressed in two pre-Confederation statutes passed in 1864 and 1866. Honourable senators will find them set out, if they wish more detailed information, in *The Law and Practice of Divorce in Canada* by Cartwright and Lovekin at page 469. This is a well-known textbook on divorce, and is an authority on the subject. You may take from the act cited there this phrase granting power to the courts of Nova Scotia prior to Confederation:

> The court shall have jurisdiction over all matters relating to prohibited marriages and divorce, and may declare any marriage null and void for impotence, adultery, cruelty, pre-contract, or kindred within the degrees prohibited in an Act made in the thirty-second year of King Henry the Eighth—

I do not wonder that somebody smiles to discover that the law of Canada relates back to an act passed in the reign of King Henry VIII.

Hon. Mr. Benidickson: On divorce.

Hon. Mr. Roebuck: Yes, on divorce at that. Well, he ought to know about it, of course.

Nova Scotia is the only province in Canada in which cruelty is a ground for dissolution of marriage. New Brunswick, British Columbia and Prince Edward Island all rely on pre-Confederation law which continues in force by virtue of section 129 of the British North America Act.

Manitoba, Saskatchewan and Alberta operate under acts which were passed for their incorporation as provinces, and they all give authority to their courts in accordance with the law of England as it existed on the 15th day of July 1870.

An Ontario act was passed by the dominion Parliament enabling the Supreme Court of Ontario to annul or dissolve marriages in accordance with the law of England as of the 15th day of July 1870. That may be found in the Statutes of Canada passed in 1930. On the other hand, the courts of Quebec and Newfoundland have no jurisdiction whatsoever.

The law of England with regard to divorce, as it existed in July 1870, was enacted in the Matrimonial Causes Act of 1857, 20-21 Victoria, Chapter 85. It is set out practically in full in *The Law and Practice of Divorce in Canada,* by Cartwright and Lovekin, at page 540. It allows a wife to apply for a divorce against her husband on the following grounds: incestuous adultery, bigamy with adultery, rape, sodomy and bestiality. That is the law so far as the statutes are concerned which we read into the law of Canada.

We have not hesitated, honourable senators, to amend the Imperial Act of 1870, to remedy in part the barbarity of those times.

In 1925 Parliament passed the Marriage and Divorce Act, to be found in the Revised Statutes of Canada 1952, chapter 176, which allows a wife to sue her husband for divorce on the grounds of simple adultery, and not adultery mixed with some other cause, in those courts in Canada having jurisdiction to dissolve marriages *a vinculo matrimonii*; and it places the husband and wife on pretty much the same grounds in basic law.

By the way, that act also removed the marriage disability of brothers and sisters of deceased wives and husbands.

Now, while clause 26 of section 91 of the British North America Act gives jurisdiction to the dominion Parliament on marriage and divorce, yet Parliament has for the past 99

years refrained from passing any comprehensive legislation with respect to divorce. There are four acts, and four only, dealing with this subject of divorce in all that time. The first of these Acts is that already quoted, the Marriage and Divorce Act of 1925, Revised Statutes of Canada, 1952, chapter 176. The second Act is the Divorce Jurisdiction Act, Statutes of Canada 1930, chapter 15, to be found in the Revised Statutes of Canada 1952, chapter 84.

That is an important act which we have used frequently in the Divorce Committee, and which is now being used here and elsewhere. It permits a married woman after two years of desertion by her husband to apply to the courts of her province on the ground of adultery, notwithstanding that her husband since the desertion has moved his domicile elsewhere. It is a humane and useful act.

The third act is the Divorce Act of Ontario, Statutes of Canada 1930, chapter 14, or Revised Statutes of Canada 1952, chapter 85, giving to the Supreme Court of Ontario power to dissolve or annul marriages in accordance with the law of England as it existed on the 15th day of July 1870.

Finally, there is a British Columbia Divorce Appeals Act, Statutes of Canada 1937, chapter 4, or Revised Statutes of Canada 1952, chapter 21, which gives to the Court of Appeal of the Province of British Columbia authority over the provincial courts of that province in divorce and matrimonial causes.

That is all; and does it not indicate hesitancy on the part of Parliament, having such broad powers to deal with a subject of such grave importance in the lives of our people?

Perhaps I may summarize in this way: There are four provinces that rely on pre-Confederation statutes—British Columbia, New Brunswick, Nova Scotia and Prince Edward Island; three that rely on provisions in the act of their own incorporation —Manitoba, Alberta and Saskatchewan; one, a special act, that of the Province of Ontario; then there are two where there is no jurisdiction.

Honourable senators, before turning to the bill itself, I should say that the bill was drawn in collaboration with Senator Croll—and it is unfortunate that he is absent from the chamber—who seconds the bill. He is entitled to the credit of initiating the present effort of the Senate to bring to many suffering souls in Canada marital peace and a measure of common sense and humanity.

I understand that Senator Croll worked on this subject for two years, without my knowledge, notwithstanding the burden which he has borne as Chairman of the Special Committee on Aging. This was before I had determined that the time was ripe for Senate action.

The bill was also drawn in collaboration with Mr. Robert McCleave, M.P., who until the change of Government in 1963 was Chairman of the Private Bills Committee in the Commons, having charge of divorce bills. I worked in closest association with him in those difficult times, and I owe a debt of gratitude for the co-operation he gave us in the Senate. Mr. McCleave has introduced in the Commons a bill similar in all respects to mine, and he has described it as such.

Hon. Mr. Brooks: How many bills of this nature have been introduced in the Commons this session?

Hon. Mr. Roebuck: Eight—and this is the ninth. I will come to that in a moment.

Let me now turn to the bill itself. You will note that the title as I have described it is, "Divorce (Extension of Grounds) Act, 1966". It is not a matrimonial causes act, changing in a comprehensive way the law of marriage and divorce throughout Canada. It is not that and is not intended to be that.

Honourable senators, you will observe that clause 2 affects only those courts having jurisdiction to grant divorce *a vinculo matrimonii,* that is, those provinces other than Quebec and Newfoundland.

Hon. Mr. Deschatelets: Would the honourable senator permit me a question?

Hon. Mr. Roebuck: Yes.

Hon. Mr. Deschatelets: It has to do with the Provinces of Quebec and Newfoundland. Those provinces have no courts with jurisdiction to deal with divorce matters. If this bill passes, will a citizen from Quebec or Newfoundland be able to take advantage of these new grounds through a private bill, as is done now?

Hon. Mr. Roebuck: No. I think the answer is no, but it must be a qualified no. You will understand that a bill of divorce passed by the Parliament of Canada may be on any grounds, or no grounds at all, limited only by the practice which we have observed. We have complete power to do as we please in this matter, because the British North America Act gave us that power. So far we have exercised the power only in accordance with the law of England as it was on the 15th day of July 1870. We have seldom, if ever, stepped aside from those grounds; that is, nullity because of non-consummation caused

by the inability of one or other of the parties, and divorce on the grounds of adultery, sodomy, bestiality. We have never yet, as far as I know, passed a bill on the grounds of desertion or cruelty.

Hon. Lionel Choquette: May I intervene? I do not think my honourable friend has grasped the question of the honourable Senator Deschatelets. What he wants to know is this, as I gather from his question: If this bill passes both houses, will anyone from the Province of Quebec or the Province of Newfoundland be able to avail himself of any of those four grounds? I think the answer would be "yes".

Hon. Mr. Roebuck: The answer is no. As far as the bill is concerned, and as far as the new act, if the bill becomes an act, is concerned, they will not be able to avail themselves of it, except in this way, that I do hope that the widening of the grounds to a more reasonable extent will result in honourable senators, such as the honourable senator who asked me the question, taking action on behalf of their provinces amending this bill to extend it to those provinces.

We in this chamber, and in the Commons as well, have been careful in the years gone by never to pass laws which seem to be oppressive to the Province of Quebec. It is not our desire to force anything on any province. I am fairly confident that we have public opinion with us in the common law provinces. I hope we have it with us also in the provinces of Quebec and Newfoundland. I am anticipating some action on behalf of the representatives of those provinces in connection with this matter. Does that answer the question?

Hon. Mr. Deschatelets: Yes.

Hon. Mr. Choquette: Not to my satisfaction, I must say.

Hon. Mr. Roebuck: Where have I lapsed?

Hon. Mr. Thorvaldson: Honourable senators, so as to clarify this somewhat further, may I ask a supplementary question? Supposing this bill passes Parliament and supposing Quebec and Newfoundland continue to apply to Parliament for divorces, will these grounds apply to those two provinces?

Hon. Mr. Roebuck: No.

Hon. Mr. Hollett: Why not?

Hon. Mr. Benidickson: May I ask the honourable Senator Roebuck this question: would the Senate Standing Committee on Divorce not be influenced by the passage of this bill?

Hon. Mr. Roebuck: I think the answer is no. The committee so far and, as I forecast, in the future, will grant divorces according to law and according to the practice of the past. That is what we have tried to do over the years. Observe this, that these resolutions which I have been laying before you in such great numbers of late are passed in accordance with the Act of Parliament passed in 1963, the Dissolution and Annulment of Marriages Act, which limits us to the causes expressed in the English act of 1870, and in the Canadian act which I have already referred to, which however adds no grounds to the English act. All those cases that you see here are limited, and all within the four corners of the law of England of 1870, and we have no power to go beyond that. We have the power, as I have just said, to pass a bill on any grounds that we see fit, because we are supreme in the Parliament of Canada; but so far we have restrained ourselves in that respect and have observed our limitations carefully and rigidly, as we have with regard to the resolution powers provided in the act of 1963.

Hon. Mr. Aseltine: Would it not clarify the whole problem if the word "now" were inserted after the word "court", to make it read "in any court now having jurisdiction"? It could not possibly apply to Quebec and Newfoundland.

Hon. Mr. Roebuck: No, it does not apply to those provinces because of the insertion of the word "now".

Hon. Mr. Aseltine: That is the question that has been asked—does it apply to Quebec or Newfoundland? It would put it beyond all question if in the first line of paragraph 2 the word "now" were inserted after the word "court".

Hon. Mr. Roebuck: So as to read "In any court now having jurisdiction to grant divorce *a vinculo matrimonii*"?

Hon. Mr. Aseltine: Yes.

Hon. Mr. Roebuck: That would make it still more sure that it did not apply to the Provinces of Quebec and Newfoundland, which I think a complete reading of the clause also makes clear.

Hon. Mr. Aseltine: In the bill that you mentioned which I had something to do with, it was described that way. It did not apply to Quebec or Newfoundland either.

Hon. Mr. Roebuck: Let me read the clause:

> In any court having jurisdiction to grant divorce *a vinculo matrimonii* any husband or wife may commence an action praying that the marriage may be dissolved, on the following grounds in addition to any ground upon which the marriage may now be dissolved, namely—

Hon. Mr. Choquette: That does not include the Senate. We decided some time ago that the Senate committee hearing divorce petitions is considered as a court; and I say that it is absolutely useless to pass this measure if we have only in mind to say to the provinces which are already dealing with divorces: "We are giving you the privilege of accepting these grounds"—such as we said in 1930 in the case of Ontario, for instance. We can delegate our power to Ontario courts to deal with divorces. Now, is that the procedure you intend to follow for those who are interested in this bill, to pass these grounds and offer them wholesale to the provinces who are already dissolving marriages?

Hon. Mr. Roebuck: Yes.

Hon. Mr. Choquette: I think the people are under the impression that we want to add to the grounds right here in the Senate to start with.

Hon. Mr. Benidickson: For Newfoundland and Quebec.

Hon. Mr. Choquette: Yes. That would be the purpose. May I add one more word? I am sure that my friend has already explained that the Senate has unlimited powers, and surely they will accept these four additional grounds. What is the use of saying no?

Hon. Mr. Roebuck: I intend to move later on that this bill be referred to a committee, and if my friend will move in that committee to extend these grounds to Quebec and Newfoundland, and if I feel that there is public opinion in those provinces which justifies my action, I would be delighted to vote for it.

It is not included in this bill because I am very careful not to do anything that looks like coercion with respect to those two great provinces. Now, let me go on.

Hon. Mr. Grosart: Could I ask the honourable senator one question in that connection? I have understood him to say many times in the Senate that the basis of the granting of a divorce by the Senate, to take a short cut, is the right of the individual to petition the Crown. Does the honourable senator suggest that by the passage of this measure we will be in the situation where a petitioner from Newfoundland or Quebec petitioning the Crown will be told, "We have a different law for the rest of the country and a different law for you"?

Hon. Mr. Roebuck: That is what we have now and have had since Confederation.

Hon. Mr. Grosart: My understanding is that the petitioner from Newfoundland or Quebec now petitioning the Crown is being put in the same position in respect to the right to dissolve a marriage as any other Canadian. Is that not the situation now?

Hon. Mr. Roebuck: You mean that there is a public opinion in these provinces that desires to be placed on the same grounds as the rest of Canada? Is that what you are asking me?

Hon. Mr. Grosart: No. I am suggesting that that is the situation now, that a petitioner from Quebec or Newfoundland proceeding by way of petition to the Senate is actually obtaining the same rights with regard to the dissolution of marriage as any other Canadian citizen.

Hon. Mr. Roebuck: He is not on the same ground at all. The citizen of Ontario goes to the courts of Ontario and, while the rules are much the same, his right to divorce is just as it was in England in July 1870. If he is domiciled in these other two provinces he may come to the Senate and get pretty much the same decision.

Hon. Mr. Grosart: May I try to make my question clear. Are we not at the present time by our procedures in the Senate granting to these petitioners the right to be treated exactly the same as any other Canadian? Is not that the present situation?

Hon. Mr. Roebuck: Yes, from one point of view that is right. In all these provinces divorce is granted only on the grounds of adultery, with the exception only of the Province of Nova Scotia.

Hon. Mr. Brooks: And we in the Senate cannot deal with questions relating to children.

Hon. Mr. Roebuck: We can. We have not done so up to this time. I am perfectly satisfied that the care of children, the division of property between the parties and alimony are ancillary to divorce. We have never exercised that power for the reason that the courts of the provinces in question have been dealing with this subject satisfactorily, and

there is no need for us to go into it. Furthermore, we have no machinery here for enforcing our decrees. Therefore, in common sense, we have left these matters to the courts of the provinces.

Hon. Mr. Hollett: Could we not include a definition of the word "court" to include the Senate of Canada? After all a citizen of Newfoundland should be able to get a divorce on these particular grounds as well as a citizen of Ontario. Why not include the Divorce Committee of the Senate of Canada in the definition of the word "court"?

Hon. Mr. Roebuck: I would be delighted to do so if there is a demand for it from your province.

Hon. Mr. Walker: I think the honourable Senator Roebuck is very wise in refraining from including Quebec in his bill at this time. They have their own feelings there in this matter and I am glad that they have not been included in this bill.

Hon. Mr. Roebuck: Thank you.

Hon. Mr. Grosart: May I continue to try to clarify my question. Would the effect of this bill not be that the Crown, acting through the Senate Committee on Divorce, would be almost obliged to grant these petitions on the same grounds as govern divorce in the other provinces? Would not that be the effect? I should make clear that I am not opposing the bill, but I want to be clear in my own mind that the consequences of this would be that petitioners from Quebec and Newfoundland would, in effect, be getting dissolution of marriages on the same ground. Would that be the effect?

Hon. Mr. Roebuck: I hope it will be the effect, but it would require an amendment to the act. We are not doing that now, but we may have to amend it, and perhaps before we conclude this debate.

Section 2 of the bill sets forth three additional grounds. These words are taken holusbolus, almost verbatim, from the Act of the Imperial Parliament as it is now in force in England and as it was in force back in 1870. It is the act which has been in force in England since 1937 when Colonel A. P. Herbert, whom some of you may recognize as the author of the book *Holy Deadlock*, introduced his Matrimonial Causes Act. The substance of Colonel Herbert's bill is now embodied in the Matrimonial Causes Act of 1950, which is to be found in *Rayden on Divorce*, ninth edition, page 1381.

The purpose of using the wording of the English act is twofold. First, we in Canada have learned by long experience the wisdom of following the British draftsmen. They have proved themselves very skilful in the choice of words, and they have produced much wise and effective legislation. Secondly, there has developed in the United Kingdom since 1937 a vast body of jurisprudence interpreting and applying this legislation. Drawing this legislation in the same wording, we feel will be of great assistance to our courts which will use and undoubtedly follow the English jurisprudence on this question, both in the interpretation of the words and in the administration of the act.

Honourable senators, let us look now at the grounds themselves. The first is:

> (a) has deserted the petitioner without cause for a period of at least three years immediately preceding the presentation of the petition.

There is no difficulty in understanding what desertion means and it does not require much interpretation. It has been held in the leading case of *Froud v. Froud* (1904) Probate 177, that "desertion" and "desertion without cause" are the same offence. I recall when we were discussing Senator Aseltine's bill he agreed that that meant unjustified desertion. There is no difficulty in applying that phrase. The second ground is

> (b) has since the celebration of the marriage treated the petitioner with cruelty;

Now, *Rayden on Divorce* says that the law of cruelty is comprehensively defined by the House of Lords in *Collins v. Collins* (1963) 2 *All England Reports,* 966, and *Williams v. Williams* (1963) 2 *All England Reports,* 994.

As I read these cases I picked this statement made by Lord Reid, one of the distinguished members of the Court of Appeal in England at that time. In *Collins v. Collins,* at page 969, Lord Reid said—

Hon. Mr. Hugessen: Is he interpreting the word "cruelty" under the English bill?

Hon. Mr. Roebuck: Under the same wording as in the English act. He said:

> No one has ever attempted to give a comprehensive definition of cruelty, and I do not intend to try to do so . . . if one spouse sets out to hurt the other and causes injury to health, the means whereby that happens can hardly matter.

He adds that it is something "well beyond the ordinary wear and tear of married life."

He says further that "you cannot define cruelty; but you can recognize it when you see it." In this case "a husband fully responsible for his conduct, knowing that it was injuring his wife's health and yet persisted in it, not because he wished to injure her but because he was so selfish and lazy in his habits that he closed his mind to the consequences."

This is a borderline case, and there are many, of course, but I submit that any Canadian judge of normal intelligence would find no difficulty in recognizing conduct which would fall within this definition of "cruelty" on the part of one spouse which is intolerable to the other spouse and which makes continued cohabitation reasonably impossible.

The last ground is unsound mind, and I shall read it:

> (c) is intractably of unsound mind and has been continuously under care and treatment for a period of at least five years immediately preceding the presentation of the petition.

I will read the next clause in a moment.

The Oxford Dictionary in volume 1 at page 1035 defines "intractably" as: "Uncontrollable, refractory, an unmanageable person." The Imperial Act says: "Incurably of unsound mind."

But it seems to me that this is pledging the future. Who can say what medical science will produce in the years to come and what may be accomplished? Five years in a mental institution in an intractable condition of mind should, I think, be sufficient to release the bonds of an unfortunate marriage.

Subsection 2 defines the care and detention required by the act:

> For the purposes of this section a person of unsound mind shall be deemed to be under care and treatment only while he is
>
> (a) detained in pursuance of an order or inquisition completely made or had under authority of a statute in force in the province concerned or as a criminal lunatic; or
>
> (b) receiving treatment as a voluntary patient pursuant to any statute in force in the province concerned, being treatment which follows without any interval a period of such detention as aforesaid.

It seems to me if any person is detained for five years as an intractable lunatic, that should be sufficient for us to act without trying to forecast the future.

Hon. Mr. Pearson: May I ask a question?

Hon. Mr. Roebuck: Yes, senator.

Hon. Mr. Pearson: Does that mean at least five years?

Hon. Mr. Roebuck: Yes, at least five years.

Hon. Mr. Walker: May I ask a question of the honourable senator? Dealing with clause 2, subsection (1) (b), "cruelty", is the definition which you read from Lord Justice Reid's judgment, to be considered under the circumstances to include habitual drunkenness?

Hon. Mr. Roebuck: I do not know.

Hon. Mr. Walker: Because that is not included in the English act, is it?

Hon. Mr. Choquette: It would open the door to many such things, I suppose. It would open up the door to incompatibility, as far as that goes.

Hon. Mr. Roebuck: I said I did not know. If a drunken man abused his wife, the fact that he was drunk would not influence any judge in deciding that he was guilty of cruelty. If he just becomes a sot, it might be something different, but I do not know. However, you will notice there are many causes expressed in the newspapers and elsewhere that are not included in this bill, for obvious reasons. I have tried to make it a simple bill. If we can pass this bill the time may come when amendments may be made to it intelligently, modifying or extending it. In the meantime, it is the English act as simply as it can be expressed.

Of course, it is necessary to provide the opposite pleas. Section 3—which, by the way, is taken directly from the English act—says:

> If the court is satisfied by the evidence that the case of the petitioner has been proved on any of the grounds added by section 1, and, where the ground of the petition is cruelty, the petitioner has not in any manner condoned the cruelty, and that the petition is not presented or prosecuted in collusion with the respondent, the court shall pronounce a decree of divorce, but if the court is not satisfied with respect to any of the aforesaid matters, it shall dismiss the petition: Provided that the court shall not be bound to pronounce a decree of divorce and may dismiss the petition if it finds that the petitioner has during the marriage been guilty of adultery, or if, in the opinion of the court, the petitioner has been guilty
>
> (a) of unreasonable delay in presenting or prosecuting the petition; or

(b) of cruelty towards the other party to the marriage; or

(c) where the ground of the petition is cruelty, of having without reasonable excuse deserted, or having without reasonable excuse wilfully separated himself or herself from, the other party before the cruelty complained of; or

(d) where the ground of the petition is unsoundness of mind or desertion, of such wilful neglect or misconduct as has conduced to the unsoundness of mind or desertion.

These are quite close to the pleas that are well established in petitions based on adultery.

Hon. Mr. Brooks: May I interrupt the honourable senator?

Hon. Mr. Roebuck: Certainly.

Hon. Mr. Brooks: This is very interesting, and I know all honourable senators are very much interested in it, but it seems to me there is considerable further explanation the honourable senator would like to make. I know there is a previously arranged meeting some honourable senators wish to attend shortly after 5 p.m., and it occurred to me that the honourable senator might adjourn the debate.

Hon. Mr. Roebuck: Far be it from me to stand on any rights under such circumstances.

Hon. Mr. Brooks: It is a very important matter, I may say.

Hon. Mr. Roebuck: I do not like to divide an argument, but if this item could be placed first on the Order Paper tomorrow, I will move the adjournment of the debate.

Hon. Mr. Brooks: Thank you.

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

FINANCE CHARGES (DISCLOSURE) BILL

ORDER FOR SECOND READING STANDS

On the Order:

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

Hon. Mr. Benidickson: Honourable senators, on behalf of Senator Croll I ask that this debate be adjourned until Tuesday next.

Hon. Senators: Agreed.

Order stands.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Friday, March 4, 1966

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

Prayers.

BUSINESS OF THE SENATE

Hon. A. K. Hugessen: Honourable senators, I think my colleagues would like to know what is the present situation with respect to the progress of the supply legislation.

It is still doubtful whether the House of Commons will have completed the Estimates for last year in time to submit the final supply bill to us this afternoon. Under those circumstances, the only course that I can suggest to honourable senators is that, when we have finished our Orders of the Day this afternoon, I move that we adjourn until the call of the bell at approximately half-past five. At that time, I think we will know definitely whether or not the House of Commons can finish the Estimates in time for us to act and for the Royal Assent tonight. If they do finish in time, then we will have the supply bill and the Royal Assent will, we hope, take place tonight. If that is the result, I will then ask the Senate to adjourn until Tuesday evening next at 8 o'clock. If, unfortunately, the House of Commons does not finalize its discussions today and goes over to Monday, then in the interests of the country and of the certainty that we will be able to deal with the supply bill when it is ready, I shall have to ask the Senate to adjourn until Monday evening next at 8 o'clock. That decision can only be taken when the Senate reconvenes about half-past five this afternoon.

Hon. A. J. Brooks: If we do not receive the supply bill today, is there any limit to the time required to carry out the provisions of the bill?

Hon. Mr. Hugessen: I am not clear as to what the situation is in that regard. I am told that unless the supply bill is passed today there may be some difficulty in issuing salary cheques to some civil servants next week. That is why the attempt is being made to get the supply bill through by this evening. If passage of this bill should be protracted until Monday or Tuesday, it may mean that some civil servants will have to wait for payment of their salaries.

Hon. Mr. Brooks: My understanding is that the cheques are usually prepared in advance, that it is not necessary to wait for authority before preparing them.

Hon. Mr. Hugessen: It is more a question of sending them out to the recipients than merely having them prepared.

DIVORCE (EXTENSION OF GROUNDS) BILL

SECOND READING—DEBATE CONTINUED

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Roebuck for the second reading of Bill S-19, to extend the grounds upon which courts now having jurisdiction to grant divorces *a vinculo matrimonii* may grant such relief.

Hon. Arthur W. Roebuck: Honourable senators—

Hon. Lionel Choquette: Honourable senators, before my friend resumes his explanation of the bill he so ably commenced yesterday, I would like to ask a question that was asked in various forms yesterday by several honourable senators.

Clause 2(1) of the bill reads in part:

> In any court having jurisdiction to grant divorce *a vinculo matrimonii*

That expression was explained quite well by the sponsor of the bill.

I recall that a few years ago there was a case heard before the Senate Standing Committee on Divorce in which two private detectives were alleged to have committed perjury. Subsequently, they appeared before Magistrate Strike in the City Magistrate's Court, and he had no difficulty in finding them guilty of perjury. Then their solicitor appealed to the Court of Appeal of Ontario, and that court decided that these witnesses had not committed perjury in the sense that they had not been before a tribunal or properly constituted court; therefore, the appeal was allowed and the action dismissed.

Then my friend, the sponsor of the bill now before us, decided to remedy that situation by introducing a bill, which was subsequently passed, to the effect that henceforth the Standing Committee on Divorce would be considered a court and a tribunal for every purpose.

That bill of some 12 or 13 years ago, providing that thereafter the committee would be considered a court in which someone who gave false evidence could be found

guilty of perjury, having been passed, I ask this question: Does the Senate committee—and the more so now that a judge of the Exchequer Court is appointed the Commissioner—hearing divorce actions constitute a court? If it does, then I say the phrase "in any court having jurisdiction" will include the Senate Divorce Committee and all petitions that are heard by that committee or by the Commissioner may invoke any of the new grounds proposed in this bill.

If that is not so, then I suggest that this bill should be amended to read:

> In any provincial court having jurisdiction to grant divorce . . .

In the light of the facts I have outlined, it would be most ambiguous to say "in any court".

It is my opinion that the Senate Committee on Divorce has been constituted and recognized as a court for some 12 or 13 years, and that this bill would entitle people in the two provinces that are excluded to come to the Senate and ask for a divorce on these extended grounds. My question is, am I correct in so thinking? I hope I have made myself clear.

Hon. Mr. Roebuck: The honourable senator has made himself very clear, and I think he has a point.

It is true that the amending act, which amended the Criminal Code, described the Senate as a court for the purposes of the code. I must admit that my honourable friend has made a point and that there is a possibility of confusion in this matter. When this bill goes before the committee, if it ever does, my offhand opinion is—and I reserve the right to consider it further—that we should insert, as has been suggested, the word "provincial".

I assure the honourable senator it was not the intention of the drafters of the bill to include the Senate, or the "court" which we are presently operating in connection with the Senate. It was not the intention to do that, and I thank my friend for the skill with which he has analyzed the situation and has revealed that possible confusion. I am sure the committee will take care of the matter thoroughly.

While I am answering this question let me say something more with respect to this particular clause. Senator Aseltine suggested yesterday—this will be found at page 238 of *Hansard*—that we should insert the word "now" in that clause, so that it would read:

> In any court now having jurisdiction to grant divorce *a vinculo matrimonii* . . .

He said that that word was in the bill he introduced in 1955. I have not put the word "now" in this bill, and my reason is that if we made that clause read:

> In any court now having jurisdiction to grant divorce *a vinculo matrimonii* . . .

we would fix it to those provinces that are now possessed of that type of court. I think I have reason to hope—just hope—that the time will come, be it sooner or later, when one or other or both of the provinces of Quebec and Newfoundland will constitute a court having such powers. In that case I would wish this bill to apply to such courts and I have no doubt that if the province went the distance of constituting such a court the province would not wish the court to be restricted to the ground of adultery only, but would wish the provisions of this bill to apply.

Therefore, I think the words "In any court having jurisdiction" should remain as they now stand. The clause would then apply to those provinces, should they take the action I have described.

Honourable senators, before I adjourned the debate yesterday I was reviewing the grounds of desertion, cruelty and unsound mind, and I need not repeat what I said then about my proposal to add the new grounds to those already established. Some senators were not present in the chamber yesterday and therefore did not suffer at my hands. As it would be quite impossible for me to review what was said in an hour or more of debate, I would ask those senators who were absent yesterday, but are present today, to read in yesterday's *Debates of the Senate* what was said by myself and others, and in consequence I shall be able to proceed as though all senators present knew all that was discussed yesterday.

I concluded my remarks yesterday by reading section 3 of the bill. All I wish to add now is that the statutory defences described in section 3, that is, collusion, condonation, cruelty, desertion and undue delay, are quite similar to those which have long been established in connection with petitions for divorce based on adultery.

I can conclude quickly, therefore, by saying that section 4 gives authority to the courts to make rules. That of course would involve adding to the rules already made, should that be deemed necessary. I know that in the Province of Ontario, for instance, there are quite extensive rules made by the courts with regard to matters of divorce.

Section 5 provides that the act shall come into force on a day or days to be fixed by proclamation. The purpose of that possible delay is to give the courts of the province the time and opportunity necessary to make the revision of the rules, or make new rules if they so desire.

May I conclude with some general remarks.

Hon. Mr. Hollett: May I be permitted to ask the honourable gentleman a question before he continues?

Hon. Mr. Roebuck: Yes.

Hon. Mr. Hollett: I am from Newfoundland, and of course the honourable senator knows how the law applies in that province. What would have to be done in order that Newfoundland might get the benefit of this bill now before us? Is the bill an amendment to the British North America Act of 1949?

Hon. Mr. Roebuck: No. I am quite sure that if the honourable senator could lay before the committee information to the effect that the Province of Newfoundland is in favour of this bill being applied to Newfoundland, the committee would be delighted to extend its provisions to that province. Just how he could establish that to the satisfaction of the committee is for him to decide and for the committee to judge. However, I think he will appreciate the diffidence of the committee members and myself, and later this house, should this bill become law, not to do anything to which the Province of Newfoundland might object. If we have any real grounds for believing that the Province of Newfoundland would like to have desertion, cruelty and unsound mind as described added to the grounds for dissolution of marriage within that province, I am sure we would all be very glad to act accordingly. There is no need for any amendment of the British North America Act. We will amend the bill as the province desires.

Hon. Mr. Hollett: I asked the question because I know quite a number of cases in Newfoundland where there is desertion and the parties cannot remarry. In other words, one of the parties is undergoing a hardship, and I think this should be taken into consideration in regard to my province.

Hon. Mr. Roebuck: Yes. Not only so, but we have a long experience in regard to Newfoundland, and we know of the difficulties encountered by petitioners from that province. Because of the distance between Ottawa and Newfoundland there is considerable difficulty and expense in bringing cases from that province before us. We have done everything in our power to facilitate the handling of divorce cases from that province. For instance, we accept affidavits from both Newfoundland and British Columbia, whereas in other cases we would require the parties to appear in person. We have readily granted to the defence the money necessary to prove a defence when one is desired. We have done what we can.

Hon. Mr. Choquette: While we are on the question of Newfoundland, may I ask my honourable friend a question? In 1949, when Newfoundland joined Confederation, was an offer made by the federal Government to authorize the provincial courts of that province to hear divorce actions? If such an offer was not made, why was it not made? If it was made, did Newfoundland give any reason for its decision? I know that in the Province of Quebec there are objections on religious grounds to provincial divorce courts. That is their right and privilege. Although there are but a few cases a year from Newfoundland that come to the Senate, why, if the offer was made, did that province not accept divorce jurisdiction for its provincial courts.

Hon. Mr. Roebuck: Of course, I did not negotiate the agreement and I was not present at the negotiations. I cannot answer the question as to whether an offer was made. I can only state that in the Act of Confederation of that province the right was not extended to those courts, and we have acted in accordance with the act ever since. Why it was not offered, I cannot say. I simply know that it was not, and such is the situation now. Newfoundland has no courts so constituted.

Honourable senators, in conclusion, I wish to set myself straight with all those wonderfully happily married people, my fellow citizens all over Canada, by saying that while I have acted as the Chairman of the Senate Standing Committee on Divorce for the past 12 years and have had some hand in the passing of many hundreds of cases, and am now sponsoring a bill to extend the powers of the courts to grant divorce, nevertheless, I am all for marriage and I am opposed to divorce.

Marriage is an institution about which the sweetest and noblest sentiments cluster, and divorce is a choice between evils arising

when the marriage is broken by human failure, human faults, by human weakness, and not infrequently human viciousness, immorality and sometimes criminality.

This bill will not detract from the sanctity of marriage. It will apply only when marriages are dead and gone. In many instances the bill would open the way to successful, decent, wholesome marriage and the consequent care of the children of the former marriage as well as those of the second marriage. It does not affect the principle of divorce, because divorce has been established since time immemorial—in Israel, Greece, Rome, England, and in Canada both prior to and after Confederation.

This bill does not interfere with the sanctity of marriage or the principle of divorce: it is simply an effort to make the law of divorce more just, more reasonable, more humane and more honest. It is an effort to remedy some glaring defects in the administration of the divorce law as now constituted.

Honourable senators, that is all I have to say in connection with this matter, with this one exception. Eight bills have been introduced in the Commons by private members, and the substance thereof has been referred to a committee for study and report. Does it seem reasonable that the Commons should proceed to consider the subject of divorce in the absence of the Senate, which has administered the divorce law since 1867 and is administering it now, and is administering the more recent law as provided in the Dissolution and Annulment of Marriages Act of 1963?

Senator Aseltine and I have dealt with this subject of divorce as chairmen of the committee for the last 22 years. He served for 10 years and I took it over from him 12 years ago. I do not think we are claiming too much when I say that in those years we, and our fellow members on the committee, have acquired a vast experience in this field. I may add, sir, that we and the members of the committee have acquired a knowledge second to none on Parliament Hill. Would it not be disrespect of the Senate—perhaps not intended—for the Commons to proceed in our subject in our absence?

If the Commons committee reports, it will of course refer the subject matter to a committee. The committee may call evidence and report. Then, if the Commons sends its bill to us, we will refer it to a committee and we may call evidence and we will make a report. On the other hand, if we pass this bill after it has been referred to a committee and after we have received the report, it will then be sent to the House of Commons and that house will probably send it to a committee and also get a report.

That does not seem very reasonable, does it? Would not the sensible procedure at this point be for both houses to refer the substance of these bills—not only mine but all of them—to a joint committee of both houses? We would then receive one consideration and, I hope, co-operative action in coming to a final decision.

This seems to me to be the sensible procedure, and I call now for a joint committee of the two houses. I shall very gladly accept my friend the leader's action in this matter should he refer the substance of this bill, of which I have the carriage, to such a joint committee.

Hon. Mr. Choquette: Is not the bill introduced by Mr. McCleave identical to the one before us today?

Hon. Mr. Roebuck: Yes. He really introduced my bill, with my consent. I am sure you can all understand the reasons why a member on the other side of the house—

Hon. Mr. Aseltine: That would not be collusion, would it?

Hon. Mr. Roebuck: No, that is connivance.

Hon. Mr. Hugessen: At any rate it is not cruelty.

Hon. Mr. Roebuck: I have discussed this proposal with our leader, and he has no objection to the course of action proposed. When we hear from him, he may go further than that. But at present I have his approval in calling for this joint committee. While this debate continues, I shall continue my negotiations in the hope of achieving a decision along these lines.

Hon. Mr. Aseltine: I see by yesterday's press that a committee of the other place has already been set up under the chairmanship of Mr. Cameron.

Hon. Mr. Roebuck: Yes; and he was reported in the *Gazette* of the day before yesterday as saying that they were going to get down to work at the earliest possible moment. I would point out, however, that the reference of the bill to that committee is not irrevocable. The personnel of that committee may form part of

a joint committee. I do know that the suggestion I have made has been favourably received by the powers that be. I think it is our duty and our right, as well as being proper procedure, for us to require a joint committee of both houses to consider this legislation.

Hon. Mr. Reid: I read in the newspapers a few days ago that a military officer was getting his fifth divorce. Is it limited in Canada, or can a person obtain divorce after divorce?

Hon. Mr. Roebuck: I have never yet heard of a fifth divorce being applied for or granted by us. However, it could be so. There is no statutory limitation and none in common law.

Hon. Mr. Choquette: Some are incorrigible.

Hon. Mr. Roebuck: While I know of no such case as that mentioned by my friend Senator Reid, I have known of several cases where previously divorced and remarried people have come here for relief. And I have known some cases in which petitioners have sought divorce from spouses who have been divorced and remarried.

Honourable senators, I have no further comments to make at this time.

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

MILLTOWN BRIDGE BILL

THIRD READING

Hon. J. Harper Prowse, for Hon. Mr. Rattenbury, moved the third reading of Bill S-15, to authorize the construction of a bridge across the St. Croix River between the Province of New Brunswick and the State of Maine.

Motion agreed to and bill read third time and passed.

BANKRUPTCY ACT

BILL TO AMEND—SECOND READING
DEBATE CONTINUED

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Hayden for the second reading of Bill S-17, to amend the Bankruptcy Act.

Hon. Gunnar S. Thorvaldson: Honourable senators, at the outset let me express my satisfaction, as others have done, that this legislation has at last come before Parliament, and also that it has been introduced in the Senate. I say that because I believe that the Senate is peculiarly fitted to study and perhaps improve, if improvement is possible, legislation of this kind. I have no doubt that when this bill goes to committee every effort will be made to improve it in any way possible, and to put even stronger teeth into the legislation so that enforcement of our bankruptcy laws can be further strengthened.

The provisions of the bill have been clearly and lucidly expressed by Senator Hayden and Senator Walker, and in consequence, rather than dealing with any details of the bill, it is my intention to direct my remarks to the very serious problem of bankruptcy in Canada, and the enforcement or lack of enforcement of our bankruptcy laws.

Honourable senators, this bill has been introduced for the purpose of dealing with some of the very grave abuses which have been discovered in bankruptcy matters in this country over many years. Consequently, what I say about the administration of bankruptcy laws will not apply to any particular government or to any particular Minister of Justice; it will apply equally to all governments of the past 10 or 15 years.

In my view, this legislation is long overdue. Having said that, I want to add that this legislation will be of no value whatever to this country unless something is done, and done effectively, to strengthen the administration of our bankruptcy law. That is the key to the whole issue. I think the same point of view was expressed by Senator Walker in his speech yesterday: that this bill is of no value unless zealousness is exercised in the administration of this legislation and of our bankruptcy law generally.

For many years past, the people of Canada, the newspapers of Canada, and innumerable organizations in this country, have been screaming at government to improve our bankruptcy administration. It is unquestioned that in this field there has been a lamentable breakdown in business morality. There have also resulted enormous losses to the business community of this country and to its people generally. The criminal element in matters concerning bankruptcy is at an all-time high, and has been for some years. What is more serious is the fact that there has been a complete blackout in the punishment of bankruptcy offenders during recent years. There has been a fantastic number of frauds committed in this country. Not only have there been frauds, but there have been murders. Not only have there been one or two murders, but the last figure I saw in that regard was eight.

Honourable senators all know these facts; I am merely reviewing what you all have personal knowledge of from what you have read in the newspapers and heard on the radio and seen on television. Not only have there been murders, bodies have been buried in shallow graves in remote places and have been mutilated and burned in order to prevent identification.

Probably what is worst of all is that there have been repeated warnings to governments during the last few years that something must be done in regard to the bankruptcy laws of this country; not just to merely amend the bankruptcy laws, but more particularly in regard to their proper administration. There have been briefs submitted to the Government and to the Department of Justice by many institutions and individuals. In particular, I cite the fact that there have been very well-thought-out briefs presented to the Department of Justice by the Canadian Construction Association, the Canadian Lumbermen's Association, the Canadian Credit Men's Association and the Canadian Institute of Chartered Accountants. Presumably, all these briefs have been considered, but so far as I know, nothing whatsoever has been done to correct the terrible abuses that undoubtedly have crept into the administration of our bankruptcy laws.

I have here a copy of one of these briefs. This brief was presented to the Minister of Justice in October 1963, by the Canadian Institute of Chartered Accountants. I would like to read a few excerpts from it because this and others presented to the department and to the Government, many of them several years ago, have pleaded for the type of legislation that is now contained in Bill S-17. That is why I say we are happy to be considering this bill, but it is years overdue, as is also the proper administration of the act many years overdue.

There is reference in this brief to an editorial that appeared in the *Globe and Mail* of June 14, 1963. I will just recite one phrase contained in it:

> Twentieth century highway robbery on a grand scale—

That is how the *Globe and Mail* referred to these bankruptcy matters nearly three years ago.

Then, after dealing with some of the facts of the situation at that time, the accountants' brief continues:

> These facts, when examined in terms of the Bankruptcy Act, revealed that, while the Act needed certain amendments, one of the principal areas requiring corrective action was in the field of administration.

So, honourable senators, the two things go hand in hand now, as they did three, six or ten years ago, namely, a good law and the forceful administration of it.

Allow me to quote just a few more sentences from that brief. In regard to administration, it states on page 26:

> Appropriate steps are seldom, if ever, taken to bring dishonest debtors and other parties involved to justice.

That statement is as true now as it was three years ago.

On page 27 the brief states:

> For many reasons this system is unsatisfactory as:
>
> (i) The Superintendent of Bankruptcy seldom takes part in investigations of alleged fraudulent actions relating to bankruptcies.
>
> (ii) In fraudulent cases, one or a number of creditors may themselves be involved in the fraudulent action.
>
> (iii) In fraudulent cases, by the time secured creditors are paid, there is often nothing left to finance an investigation and creditors are loath to "throw good money after bad".

The brief goes on to indicate a series of improper transactions which were generally known in every part of this country many years ago, and even prior thereto; but, in particular, I refer to this brief to indicate that the problem is not only one of legislation; it is also one of enforcement. Consequently, I for one plead for the full and effective enforcement of the bankruptcy laws.

It might seem peculiar. But despite the fact that the Bankruptcy Act is federal legislation, it was a provincial government that a year and a half ago took the initiative in regard to this matter and launched an investigation into bankruptcy frauds. It was taken by the Government of the Province of Quebec—in which province these frauds have been so prevalent. They have been prevalent not only there, but in other parts of Canada as well, although they have not perhaps made the headlines to the same extent in other parts of Canada.

However, let me first indicate to the house the size and extent of this bankruptcy problem in Canada. I have here the report of the

Commission of Inquiry in the Province of Quebec. The Order in Council appointing the commission is dated October 16, 1964, and it was directed to Mr. Lucien Mercier, C.A., to act as a commissioner under the Inquiries Act of that province.

Incidentally, in regard to that commission, the Province of Quebec could not legally hold a full-scale investigation into all aspects of bankruptcy by virtue of the fact that the Bankruptcy Act is federal legislation. However, it was apparent to the Government of Quebec that it lost tremendous revenues because of frauds committed in bankruptcies. So, the royal commission was appointed to investigate the effect of these frauds on the revenues of that province.

Hon. Mr. Roebuck: And the criminal law. They administer the criminal law.

Hon. Mr. Thorvaldson: That is quite right. Although the first Order in Council was only directed to the revenue aspects, a few months later the terms of the Order in Council were expanded. In any event, there was a complete investigation made by Mr. Mercier and he reported in July 1965.

However, in order to give you the extent of the problem I should like to cite the annual amounts of liabilities in commercial bankruptcies in Canada in millions of dollars starting with the year 1956:

Year	Liabilities
1956	$ 64 million
1957	79 "
1958	72 "
1959	95 "
1960	174 "
1961	116 "
1962	149 "
1963	195 "
1964	208 "

The figures for 1965 are not yet available, but I observed recently in the press an estimate that they might be as high as $500 million. It is to be pointed out, of course, that that figure includes an amount in respect of the rather fantastic failure of Atlantic Acceptance Corporation. In any event, it would appear that the figure of $208 million for the year 1964 is going to be greatly exceeded in 1965, apart entirely from the default of Atlantic Acceptance Corporation.

I have cited these figures, honourable senators, to indicate the magnitude of this problem. I do not know whether the problem exists with the same severity in other countries or whether the figure is anything like what it is in Canada in, say, the United Kingdom or the United States. I do not believe it is. I think this is a situation which is, at the moment, peculiarly Canadian in its magnitude in relation to our population and wealth, and that it is the greatest scourge facing our people at the present time.

I should like now to quote some of the findings of the Mercier Commission of Inquiry. This commission, as I have said, considered this problem for a period of approximately nine months, from October 1964 until its report was issued in July 1965. Under the heading of "General Remarks" on page 4 of the report, I quote the following:

> The inquiry directed by this Commission revealed a very deplorable if not alarming situation which existed in bankruptcy and liquidation matters in Quebec and more particularly in the judicial district of Montreal.

Honourable senators, I repeat, it is true that this report refers only to the Province of Quebec. It is my opinion that the government of that province should be highly commended for having taken these steps. I believe that the Government of Canada should have appointed a commission to investigate these matters many years ago. It should have appointed it when these frauds first became prevalent and known to the authorities in charge of bankruptcy matters.

On page 7 of the report, under the heading of "Bankrupts, bankruptcy rings and fraudulent dealings" there is this:

> To illustrate to what point certain bankrupts mocked the law with impunity, let us notice the failure to keep proper books even when operating under the cover of a proposal allowed for by the Bankruptcy Act.

The importance of that, honourable senators, is that even when acting under the eye of officials, appointed by the Minister of Justice through the Superintendent of Bankruptcy, these frauds were apparent. This is only a general statement, but I shall read more detail later on.

Then, continuing on page 7:

> The inquiry revealed, more particularly, the existence of fraudulent bankruptcy rings, that is to say a direct or indirect connection of many persons or

companies whose sole aim is to appropriate funds, merchandise or other benefits, and to have recourse to the Bankruptcy Act to completely dissolve their business.

I read another paragraph which says:

> These adventurers proceed usually by incorporating a series of many companies—we traced as many as sixty companies in one ring—the operations of each company usually lasting only a few months. By astute means, the first company buys on credit all that it is possible to acquire. These goods are sold at minimum prices to other companies in the ring and these specialists in fraud appropriate the receipts in different ways as soon as they are paid in. When the sources of supply are exhausted, just enough goods are left with the company to pay the costs of the trustee, thereby leaving the creditors without the necessary funds to open an inquiry.

On the same page contains the words:

> The inquiry of the Commission also uncovered the game of cunning profiteers who, in fact, form a clandestine partnership, buying for a good price a flourishing business, acquiring from unaware suppliers all the goods possible, disposing of them and disappearing with the money, leaving the helpless creditors to search and to take recourses against these defrauders.
>
> There are also well organized rings of bankruptcy specialists for whom the principal occupation is to locate debtors, for the purpose of suggesting bankruptcy to them as an easy means of liquidating their debts. The inquiry established that in many of these instances, the proofs of claim supporting the petitions are often false.

I have read these excerpts to indicate that these were frauds against the Bankruptcy Act without amendment, and that although the purpose of the amendments contained in Bill S-17 is to put additional teeth into the act, the facts referred to by the commission were fraudulent and should have been prosecuted, and could have been prosecuted under the Criminal Code. Although Bill B-17 puts additional strength into the Bankruptcy Act, it is also true that the act has some strength now. After all, it has been in effect for many years, and it should have been enforced. But there has been lamentable failure in that regard.

Hon. Mr. Burchill: Whose duty would it have been to prosecute—the provincial government's or the federal government's?

Hon. Mr. Thorvaldson: That is one of the problems, and I shall have something to say about it. That is one of the difficulties in bankruptcy matters, and one that we shall have to look at. I would suggest that when this bill goes before committee we will have to look at this very difficult problem of enforcement.

Hon. Mr. Roebuck: The administration of the Criminal Code is surely in the hands of the provinces, but it being dominion legislation, a prosecution could have been instituted by anybody, including representatives of the dominion Government administering the Bankruptcy Act. Is not that the answer to the question?

Hon. Mr. Thorvaldson: I agree with that. There is the other problem, however, that traditionally, and in most fields, the administration of the Criminal Code is in the hands of the provinces.

Hon. Mr. Roebuck: That is so under the provisions of the British North America Act.

Hon. Mr. Thorvaldson: The office of the Superintendent of Bankruptcy is a federal organization, and it is in duty bound to execute the laws of the federal Government. The honourable senator is quite right. It is a divided jurisdiction, but nevertheless that is one of the problems in the whole field.

The report of this Commission of Inquiry also says:

> The inquiry further established that the specialists of one of these rings operated with the knowledge of the trustee allowing him to hire one of them regularly at the taking of the inventory.

When reference is made to the knowledge of the trustee, let us not forget that the trustee is an appointee of the Minister of Justice, through the Superintendent of Bankruptcy.

Then, here is a whole section, covering nearly two pages, devoted to the trustees. Let me read just a few excerpts from it:

> In a general way, the suspect activities of many trustees in the execution of their mandates particularly preoccupied this Commission.

Then, again:

> Because of their extensive knowledge in bankruptcy matters, they usually

manoeuvre the unsuspecting inspectors as if they were puppets. In many instances, it was established that certain trustees had cleverly arranged the appointment of one or more of the inspectors. It is all so easy that the creditors and the inspectors in good faith showed a disinterest that the Commission has already brought to light.

I read now from page 8:

> Amongst the many grievances lodged against the trustees during the inquiry, the Commission held the following: To begin with, there is the conflict of interest. On this point, it seems necessary to remember that in many instances of assignment or proposal, a conflict of interest is found between the trustee, who acts for the bankrupt and who is in fact his client, and the creditors whom he has the obligation to protect. In a number of cases, the trustee was paid his fees in advance from the bankrupt or obtained a bond; this situation presents itself particularly in summary matters where there are practically no assets. There is a real conflict since, for the trustee, it is no longer a question of protecting the creditors but of liberating a debtor.

The report then refers to conniving with some inspectors, who could be called professional inspectors. It says, at page 9:

> ...some trustees were given fees well in excess of those provided for by the Bankruptcy Act.

And from the same page:

> Testimonies, including one by a member of the Bar, revealed that it is current practice, for certain trustees, to require and receive hush-money from lawyers representing the interests of secured creditors or of bidders promising in return not to oppose proceedings taken by the latter.

Another section deals with the inspectors. In some cases, inspectors are found to be just as fraudulent as the trustees. Page 10 of the report says:

> The inquiry has also revealed serious conflicts of interest in many instances where former directors of bankrupt companies served as inspectors: The appointment of the auditor or of the solicitor of the bankrupt as inspector has not always been fortunate; too often, in such cases, the inspectors were trying to give protection to the bankrupt rather than serving the creditors' interest.

Then a little farther on:

> Unfortunately, in this field as in many others "The tares grow amongst the wheat." It has been established that some of these inspectors were paid under-the-table gratuities at the rate of twenty per cent of the trustee's fees; we must add that this is a usual and not exceptional practice.

Hon. Mr. Roebuck: That is bribery, and an offence under the Criminal Code.

Hon. Mr. Thorvaldson: Yes, that is bribery —absolute out-and-out bribery.

Another section of the report referring to the purchasers says, at page 10:

> In its scrutiny of the affairs of reputed fraudulent bankruptcies, the Commission discovered that the purchasers of assets of persons under bankruptcy proceedings or of assets of bankruptcies or liquidations are not above suspicion of complicity to defraud.

Mr. Mercier, the Commissioner, then mentioned the craftiness of the parties involved and their experience in this nefarious business of defrauding creditors.

I now read a paragraph under the heading "Judicial Administration," at page 11:

> If, as a general rule, the Commission was far from being satisfied with the management of bankruptcies and liquidations by certain trustees and inspectors, it was surprised to find such a great disorder in the records of the Bankruptcy Court of the District of Montreal. In all fairness, we must add, however, that since several months, praiseworthy efforts have been made to correct this state of affairs and one can already notice an appreciable improvement.

Honourable senators, I have read these excerpts to illustrate the gravity of this problem, and particularly to indicate that something ought to be done by the federal Government, and done right away, in regard to the investigation of these bankruptcy matters.

These are official disclosures resulting from a nine-month investigation, obviously made by competent people in the Province of Quebec. This report came out in July 1965. Surely the Department of Justice, surely the Superintendent of Bankruptcy, must have

seen the report. I ask what, if anything, has been done by the Government of Canada, by the Department of Justice, to inquire into and investigate this problem? Why, for instance, have the names of these fraudulent trustees and inspectors not been published, and why have proceedings not been taken against these people?

There must be a transcript of the evidence which was heard before this commission—I have no doubt there is. All I say is that I hope that the investigations that even might be made in a preliminary way by the Banking and Commerce Committee of the Senate might have some influence, some effect, in ensuring that the federal Government acts in this situation with determination to destroy this evil.

The fact is, honourable senators, that these matters are no longer screaming headlines in newspapers; they are no longer the subjects of credit grantors' associations, which present briefs to the Government. Now we have an official report indicating what the problem amounts to and of the nefarious trade that has been carried on by these people under the very eye of the Department of Justice of this country.

I say again that this is a matter which transcends party considerations. It has been going on for a long time, and we have facts before us which have now become official.

May I conclude by saying that if one thing in Canada indicates the need for the appointment of a commission to investigate crime, this situation under the bankruptcy laws is that one thing.

I was interested in an article which appeared in the Montreal *Gazette* this morning, entitled, "Cabinet Undecided on Study of Crime." I hope the Cabinet does not remain undecided in regard to the study of crime, for people throughout Canada are crying aloud for these things to be investigated. I would certainly want to add my voice, and I hope the Senate will add its voice too, and its influence, to have a commission appointed for the study of crime in this country.

The Minister of Justice of the Province of Quebec, Mr. Wagner, has already requested that such a federal commission be appointed. I shall read the last paragraph from the article in the *Gazette* to which I have already referred:

> Mr. Wagner said in Quebec City Wednesday that he believes the Federal Government eventually will set up a Royal Commission but he assailed its position now as timid.

Two or three days earlier he pleaded in the Quebec legislature for the appointment of such a commission by the Government of Canada.

Another report from this morning's Montreal *Gazette* indicates that the government of the Province of Quebec is really wrought up more than ever about the situation. The caption reads, "Bankruptcy Investigation Continuing, says Wagner." The articles refers to the investigation into the bankruptcy of the Rec-Stone Company, in Ville d'Anjou in these words:

> The Rec-Stone Company in Ville d'Anjou declared a $1,800,000 bankruptcy in 1964 after having borrowed $1,075,000 from the city through the Industrial Development Fund.

I read also a report from the *Globe and Mail* of March 1. Its heading is, "Quebec opens offices to study bankruptcies." Then it gives details of the offices which that province has opened for the purpose of studying bankruptcies. I believe that the purpose of this investigation is essentially to protect the revenue of the province, but let us recall that the Bankruptcy Act is a federal statute and the first responsibility in regard to investigation of the operations under that act lies with the federal Government.

Honourable senators, as I have said, there is urgent need for the appointment of a federal commission on crime. Bill S-17, which we have before us, is worthless without a strengthening of the administrative process of the Bankruptcy Act. In that regard, and without any criticism of the former superintendent, it is heartening to know that there has recently been appointed a new Superintendent of Bankruptcy. One hopes that he will be a broom that sweeps clean. I for one would offer hope and encouragement to the new superintendent, that he may begin clearing up the deplorable mess which exists in regard to the administration of the bankruptcy laws in Canada.

On motion of Hon. Mr. Macdonald (Cape Breton), for Hon. Mr. Flynn, debate adjourned.

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY—DEBATE CONTINUED

The Senate resumed from yesterday consideration of His Excellency the Governor

General's speech at the opening of the session, and the motion of Hon. Mr. McDonald, seconded by Hon. Mr. Gouin, for an address in reply thereto.

Hon. Josie D. Quart: Honourable senators, in being repetitious, I take comfort in the fact that we are all anxious to express our congratulations and best wishes to our new senators. It was indeed heartwarming to see our seven new colleagues greeting old friends and new acquaintances after they were sworn in. It was a happy occasion, and the Senate was in a joyful mood. I trust their role in the Senate will be full of activities, and I am sure they will make a great contribution to the debates.

Honourable senators, among the marvels of technology which human genius has discovered and which have a tremendous effect on men's minds and morals, are the inventions which facilitate the communication of news, knowledge and learning. The most important of these are the media of press, radio and television. They reach multitudes in minutes, even in seconds, and their power and impact are such as to mould society as a whole and influence people for good or bad.

It is of great concern to parents and those responsible for our young people that the television and radio can prove detrimental to their morals. Indeed, the social evils which too frequently result from the corrupt use of television and radio are the greatest dangers of our present-day society, and contribute to the breakdown of morality.

On the other hand, great benefits can accrue to all our citizens through the wise and moral use of TV and radio, and here one should include moving pictures. But my concern today is about television and radio.

The proper use of TV and radio depends greatly on the program planners and their sponsors, for despite the ordinary caution, the public, young and old, can be taken unawares, and if the program is presented in a convincing manner they can scarcely reject its influence to some degree. Hence, the danger, especially to the unsuspecting young people, particularly when such questionable programs are shown at an early hour when even the very young are captive audiences of our TV age.

And again, certain major social problems are debated frequently which require, on the part of the viewers, a special adult knowledge of the ethics involved and are a danger to the youthful mind. I am not endeavouring to deprive anyone—young or old—the right to information and entertainment, or to the imparting of news items. But there is a difference between what are called "rights" and the "norms of morality" and common decency. Let us not subscribe to false ideas of ethics. Complete respect at all times should be shown for moral laws, especially if the subject matter is such as to demand reverence.

However, effective support must likewise be given to good TV and radio programs, especially those programs which are suitable for the entire family. Many programs of the C.B.C. television and radio measure up to a high standard, and are to be congratulated. But it is utterly disgraceful that our good people stand idly by and do not protest when undesirable programs are shown.

It is not my intention to storm the gates of C.B.C., nor heap adverse criticism on all C.B.C. programs for, goodness knows, in recent months a great deal of criticism has been levelled at our national network. In fact, I would like to put on record how much over the years I have enjoyed the majority of programs. And, incidentally, I wish to give full marks to the afternoon programs, such as "Take Thirty", which is doing an excellent job on a limited budget, helping to educate John Q. Public in many areas. Also "Password", "To Tell the Truth" and other programs that are greatly appreciated by the older people, the shut-ins and the patients in hospitals. These programs are instructive and interesting; they provide good clean entertainment for all ages.

But there are other programs produced by blasé, decadent but clever people who should not be permitted to use our tax dollars to spread their negative and harmful philosophies. There are enough forces of evil at work in the world without our subsidizing others; and, to add insult to injury, the objectionable programs seem to have a much larger budget to put across their damaging propaganda. Now, I fully realize that in producing plays, the C.B.C. cannot be expected to meet with 100 per cent popular approval on all counts.

However, there is a fundamental difference between the publicly-owned C.B.C. and the privately-owned broadcasting stations. The private stations cannot afford unfavourable audience reactions if they wish to survive. Now, we are told, "You can shut off the TV or radio programs if they offend." Sure you can, but as a taxpayer we cannot stop paying

for them. If you do not like what is published in a newspaper or magazine, you can cancel your subscription. If you do not approve of a movie or stage play you cannot be forced to buy a ticket; but the C.B.C. goes on its own way, spending public money, regardless of praise or criticism.

Honourable senators, I am sure you have heard about a clean-up TV campaign called "The Declaration of Women", and the delegation of six women who presented a brief to Prime Minister Pearson and the Honourable Maurice Lamontagne on March 24, 1965. These women wheeled a supermarket grocery cart stacked with bulky volumes containing over 76,000 signatures of Canadian women from every province who endorsed the declaration. From east to west of Canada we received so many letters that we probably could have brought this number up to a million.

The brief requested Parliament to end the domination of a minority who misuse the C.B.C. to spread propaganda for perversion, pornography, free love, blasphemy, narcotics, violence and crime. I was indeed honoured to have been chosen to act as chairman of the delegation. Mrs. J. E. Houck of Toronto, a former member of the Board of Directors of the C.B.C., was a member of the delegation, and she told the Prime Minister that the support for the declaration was a spontaneous effort, with information about it being passed merely by word of mouth to women across the country.

Mrs. O. J. McNeill of Regina, a member of the national executive of the Dominion Drama Festival, said that the C.B.C. had tried to create the impression that the sponsors of the Declaration of Women were witch hunters and prudes. She told the Prime Minister that: "We do not expect the C.B.C. to sermonize or to engage in explicit moral platitudes, neither do we expect the C.B.C. to wallow in pornography and vulgarity."

Mrs. J. R. Hoag, chairman of the City Planning Commission of Regina, told the Prime Minister that "fortunately our criticism did not apply to all departments of the C.B.C. but to some objectionable programs." She said that Mr. Lusher of the Canadian Broadcasting Corporation stated "that the C.B.C. welcomed public expression of opinion"—"yet", Mrs. Hoag continued, "the evidence does not bear this out." The C.B.C. has been flooded with protests and it has all been to no avail! In fact, she continued, "the C.B.C. has used its privileged position to label those like ourselves who would dare to criticize them as crackpots, narrow-minded, ignorant and prudish."

Madame Guy Lepage, of Levis, and Madame Maurice Marchand, of Montreal, the other two members of the delegation said there are programs on the C.B.C.'s French television network which they would like to see "cleaned up."

We had an excellent meeting with the Prime Minister and the Honourable Maurice Lamontagne, the minister in charge of the C.B.C. at that time. The exchanges were frank but friendly, and Mr. Pearson was visibly and agreeably surprised at the quality of the submission and the sincerity of those presenting the brief. He seemed impressed by the signatures endorsing the brief. In fact, when the Prime Minister read some of the names he commented: "My wife would sign this." Mr. Pearson requested Monsieur Lamontagne to arrange a meeting for us with the Fowler Commission for the next morning. Mr. Fowler was in Vancouver, but we had a most satisfactory two-hour meeting with Mr. Steele, the vice-chairman of the Fowler Commission, and Mr. Shepherd, at which we gave details as to the objectionable programs. Mr. Steele questioned us at length on various aspects of how to retain artistic freedom and yet protect the public against offensive programs. Mr. Steele was most sympathetic.

We then met with Mr. Diefenbaker, Mr. T. C. Douglas and Mr. Robert Thompson and, in the absence of Monsieur Réal Caouette, with Monsieur Gilles Grégoire. Each was most helpful and courteous, and all agreed that something had to be done. We talked with many members of Parliament, and it was indeed gratifying to know that all those to whom we talked were concerned about current programming trends and how to change them without using political interference. Mr. Pearson felt that we should wait until the Fowler Report was made public before taking any further action.

Well, the Fowler Report has now been released for some time. It needs to be studied carefully, and guidance given to our representatives as to its strength and weaknesses. Rest assured, as one of our sponsors said, "that tremendous pressure will be exerted by the broadcaster, both private and public, to destroy or mitigate its recommendations." So, for the present we are following a course of watchful waiting.

The national sponsoring committee of the Declaration of Women is composed of 35

women from many geographic regions in Canada. They belong to a variety of religious faiths and support varying political philosophies. They are knowledgeable, responsible, community-minded women with a very high degree of prestige in their own areas. The sponsors had no idea when launching our TV "clean-up" campaign that support would be so spontaneous or widespread. We are not an organized group—have no financial resources, and thus it was impossible to do a publicity or saturation campaign. But the results were beyond all expectations.

I am sure, honourable senators, that you read countless articles and editorials in newspapers from coast to coast, written by men, which prove that the responsible male is not any happier with some programming habits of the C.B.C. than we are. And we have a huge scrapbook with hundreds of editorials and letters of protest to the C.B.C.

We were very encouraged by a report of an address by Dr. Wilder Penfield, President of the Vanier Institute of the Family, who sharply criticized the C.B.C. for a November program entitled: "The New Morality." In an address to the Men's Canadian Club in Vancouver, Dr. Penfield stated that "to preach such a doctrine over our nation-wide hookup is an anti-social act in Canada." The program in question was an interview with Dr. Albert Ellis, who, Dr. Penfield says, "is what is called a practising psychologist, a counsellor in matters of sex." Dr. Penfield said that Dr. Ellis stated that "religion does more harm than good, and pre-marital and extra-marital sex relations are often desirable and proper." Dr. Penfield noted that such sentiments "endanger the integrity of the Canadian family", and called the program "ill-advised on the part of someone associated with the C.B.C., to invite this man to speak." Dr. Penfield added that "Morals are not old-fashioned, and young people must be taught the meaning of honour and discipline, and must be given a working religion whether orthodox or not."

And here, I would like to refresh our memories as to Senator Vaillancourt's speech of protest about the biased manner of the coverage by the C.B.C. of the Queen's visit to Quebec. Those of us who were in Quebec at the time know how false and unjust that was; the coverage hit a very low degree in both commentary and presentation.

And once again, our simmering discontent reached the boiling point when "This Hour Has Seven Days" presented that horrible skit on the October visit of His Holiness Pope Paul VI to the United Nations. The C.B.C. had to admit that their Toronto and Montreal switchboard operators answered hundreds of calls of protest—and finally the C.B.C. published an apology.

We also object to the disparaging and revolting satire of those in the highest public offices. These offices are symbolic of our democratic institutions and should transcend personalities. They represent the contributions and sacrifices of countless Canadians. Such juvenile exhibitionism as has been portrayed in some of these programs and interviews is no credit to the producers.

In concluding, on behalf of the sponsors of our Declaration of Women I wish to repeat that we have no desire to interfere with the free and full dissemination of news information. We do object, however, when it is done without dignity and good taste.

News and information is one thing, but entertainment is another matter. Surely it is not too much to expect that, when so many these days are exposed to the stress of financial, social and administrative pressures, our entertainment should be of the kind to inspire, amuse, inform and prepare us for our daily tasks. More and more of our people are becoming neurotics, and little wonder! For we are constantly being subjected to the most emotionally devastating diet of crime, sex and insubordination in the news, and now it is being fed to us as entertainment! We are getting too much of the same thing.

Surely in this country of 20,000,000 people we have some creative souls who can produce good family drama and honest-to-goodness clever comedy that can be enjoyed by the whole family, regardless of age. We have produced outstanding musical and dramatic talent, and we believe there is also good creative talent if the C.B.C. will give them the opportunity to produce it. Our national network must set the standard and it should be a high one.

The Declaration of Women is an honest and carefully considered effort to persuade our publicly-owned C.B.C. to perform its democratic function, that of serving the Canadian people, not dominating them!

If the general public is as deeply concerned as we are by the decline in national morals and in national pride, let them speak out before it is too late.

On Motion of Hon. Mr. Beaubien (Provencher), for Hon. Mr. Rattenbury, debate adjourned.

DIVORCE

RESOLUTIONS ADOPTED

The Senate proceeded to consideration of Resolutions numbered 226 to 281, inclusive, which were presented on Wednesday, March 2.

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, moved the adoption of the following resolutions:

Resolution 226, for the relief of Alain Montigny.

Resolution 227, for the relief of Geraldine Dorothy Sherrill McMahon Morgan.

Resolution 228, for the relief of Arthur Francis McDonnell.

Resolution 229, for the relief of Marie Yvonne Clothilde Yolande Fortin Nadeau.

Resolution 230, for the relief of Fernand Neveu.

Resolution 231, for the relief of Jean Le Marquand Norak.

Resolution 232, for the relief of Konard Paul Emann Falk Outzen, otherwise known as Paul Emanuel Outzen.

Resolution 233, for the relief of Yvon Robert.

Resolution 234, for the relief of Paraskevi (Viola) Sarkiris Pantzaras.

Resolution 235, for the relief of Gilles Pare.

Resolution 236, for the relief of Minnie Evely Parsons.

Resolution 237, for the relief of Shirley Lefebvre Patry.

Resolution 238, for the relief of Amalia Spiratos Pavlatos.

Resolution 239, for the relief of Dorothy Mary Rose Pelley.

Resolution 240, for the relief of Joan Smith Perks.

Resolution 241, for the relief of Leo Petelle.

Resolution 242, for the relief of Dorothy Elizabeth Kent Pickering.

Resolution 243, for the relief of Daisy Earle Pilgrim.

Resolution 244, for the relief of Nicholas Pilidis.

Resolution 245, for the relief of Melvin Rose.

Resolution 246, for the relief of Joseph Luc Arsene Donat Poirier.

Resolution 247, for the relief of Marie Anna Suzanne Lemay Prevost.

Resolution 248, for the relief of James Ralph.

Resolution 249, for the relief of Maria Huebsch Reiter.

Resolution 250, for the relief of Gaston Marcel Georges Robitaille.

Resolution 251, for the relief of Gabriel Jean Gilles Rochette.

Resolution 252, for the relief of Colombe Normand Rose.

Resolution 253, for the relief of John Ernest Rowntree.

Resolution 254, for the relief of Yvan Saindon.

Resolution 255, for the relief of Sheila Dunn Sauve.

Resolution 256, for the relief of Judith Wendy Scott Scott.

Resolution 257, for the relief of Issy Shapiro.

Resolution 258, for the relief of Joseph Jean Baptiste Simard.

Resolution 259, for the relief of Sandra Rhoda Hirsch Singer.

Resolution 260, for the relief of Danielle Clamouse de la Touche Smith.

Resolution 261, for the relief of John Carter Spankie.

Resolution 262, for the relief of Virginia Eloise Guy Stikeman.

Resolution 263, for the relief of Rowney Sullivan.

Resolution 264, for the relief of Helen Claudette Tessier Taylor.

Resolution 265, for the relief of Claire Labelle Thibodeau.

Resolution 266, for the relief of Raymonde Lemire Thomas.

Resolution 267, for the relief of Andrew Hubert Anthony Tinhof.

Resolution 268, for the relief of William Tremblay.

Resolution 269, for the relief of Darlene Jean MacDonald Turner.

Resolution 270, for the relief of Marie Georgianna Huguette Giroux Valois.

Resolution 271, for the relief of Brenda Gail Lister Walsh.

Resolution 272, for the relief of Elaine Rosaline Steeris Waxman.

Resolution 273, for the relief of Barbara Winifred Murphy Wells.

Resolution 274, for the relief of Janet Louise Williams Wilson.

Resolution 275, for the relief of Annaliese Marie Ketzer Bock Abraham.

Resolution 276, for the relief of Doris Mary Royal Adam.

Resolution 277, for the relief of Anna Maria Marinovits Adams.

Resolution 278, for the relief of Khalfa Nessim Edmond Jack Attal.

Resolution 279, for the relief of Argyrios Avgoustidis.

Resolution 280, for the relief of Lena Margaretha Meurling Bambridge.

Resolution 281, for the relief of Huberte Pineau Belleau.

Resolutions adopted, on division.

BUSINESS OF THE SENATE

Hon. A. K. Hugessen: Honourable senators, having come to the conclusion of the Orders of the Day, I can add little to what I said at the beginning of the sitting. Apparently the House of Commons have been discussing the Department of Justice estimates practically all afternoon, and I do not know whether or not they have completed their considerations. It may be that they will agree upon some method of concluding their consideration of the Estimates. Normally, private members' hour begins at 5 p.m., and were it dispensed with they could continue. In the meantime all I can do is move that the Senate do adjourn during pleasure, to reassemble at the call of the bell at approximately half-past five.

Hon. Mr. Aseltine: Why stipulate an hour? Why not just say, at the call of the bell?

Hon. Mr. Hugessen: At the call of the bell, at approximately half-past five.

Hon. Mr. Aseltine: If the bell rings earlier we should commence our consideration of the estimates immediately.

Hon. Mr. Hugessen: Yes.

The Senate adjourned during pleasure.

At 5.20 the sitting was resumed.

ADJOURNMENT

Hon. A. K. Hugessen: Honourable senators, I regret to inform the Senate that the House of Commons has been completely unable to reach agreement as to completing the Estimates tonight, so there is no possibility of our receiving the supply bill today.

In those circumstances I move, with leave of the Senate, that when the Senate adjourns today it do stand adjourned until Tuesday, March 8, at 8 o'clock in the evening.

Motion agreed to.

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

THE SENATE

Tuesday, March 8, 1966

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

Prayers.

NEW SENATORS

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

Hon. Harry William Hays, P.C.

Charles Robert McElman, Esquire

NEW SENATORS INTRODUCED

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

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

Hon. Harry William Hays, P.C., of Calgary, Alberta, introduced between Hon. Mr. Hugessen and Hon. Mr. Gershaw.

Hon. Charles Robert McElman, of Fredericton, New Brunswick, introduced between Hon. Mr. Hugessen and Hon. Mr. Rattenbury.

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

DOCUMENTS TABLED

Hon. A. K. Hugessen tabled:

Report of The Canada Council, including the report of the Auditor General on the Financial Statements of the Council, for the fiscal year ended March 31, 1965, pursuant to section 23 of the Canada Council Act, chapter 3, Statutes of Canada, 1957. (English and French texts).

Order in Council P.C. 1966-392, dated March 3, 1966, authorizing the Export Credits Insurance Corporation pursuant to section 21A (2) of the Export Credits Insurance Act, to guarantee the Dominion Road Machinery Co. Limited, Goderich, Ontario, the payment of promissory notes made by the Province of La Pampa, Argentina, for the export from Canada of fifteen Road Graders and Spare Parts, pursuant to section 21(B) of the said Act, chapter 105, R.S.C., 1952, as amended 1960-61. (English text).

Report of the Department of Citizenship and Immigration for the fiscal year ended March 31, 1965, pursuant to section 7 of the Department of Citizenship and Immigration Act, chapter 67, R.S.C., 1952. (English and French texts).

STANDING COMMITTEE ON BANKING AND COMMERCE

ADDITION TO MEMBERSHIP

Hon. Arthur L. Beaubien, with leave of the Senate, moved:

That the names of the Honourable Senators Aird, Benidickson and Macdonald (Cape Breton) be added to the list of senators serving on the Standing Committee on Banking and Commerce.

Motion agreed to.

STANDING COMMITTEE ON MISCELLANEOUS PRIVATE BILLS

ADDITION TO MEMBERSHIP

Hon. Arthur L. Beaubien, with leave of the Senate, moved:

That the names of the Honourable Senators Bourget, Deschatelets, Nichol, Prowse and Urquhart be added to the list of senators serving on the Standing Committee on Miscellaneous Private Bills.

Motion agreed to.

DIVORCE (EXTENSION OF GROUNDS) BILL

SECOND READING—DEBATE CONTINUED

The Senate resumed from Friday, March 4, the adjourned debate on the motion of Hon. Mr. Roebuck for the second reading of Bill S-19, to extend the grounds upon which courts now having jurisdiction to grant divorces *a vinculo matrimonii* may grant such relief.

Hon. Walter M. Aseltine: Honourable senators, I wish to make a few remarks with respect to this bill. which was sponsored by the honourable Senator Roebuck and dealt

with quite fully by him on Thursday and Friday last.

Whenever I speak on divorce I am reminded of an old Arab proverb which says that marriage is like a besieged fortress: those outside are desirous of getting in, while those inside want to get out. However, like many proverbs, this is partly true and partly false. It is true that most single persons would like to be married, but it is quite untrue that most married people desire to become single again.

Honourable senators, I made those remarks in almost the same words about ten years ago when I addressed a meeting of the Toronto Divorce Reform Association. I have in my hand the notes I used on that occasion, and they contain a summary of the history of marriage and divorce from time immemorial up to that time. I assure honourable senators that I do not intend to repeat that speech. However, I delivered a similar address in either 1936 or 1937 in the Senate.

Honourable senators, I welcome Bill S-19, because for many years I have been intensely interested in matters respecting divorce, and particularly in having our antiquated divorce laws modernized.

Before coming to the Senate I had considerable experience in the Saskatchewan courts in the conduct of actions for divorce. Perhaps that is why almost immediately after I was sworn in I became a member of the Senate Standing Committee on Divorce and was active on that committee for many years thereafter. Indeed, I remained a member until the beginning of this session, at which time I asked to be relieved of those duties. Since I relinquished the chairmanship of the Senate Committee on Divorce about the year 1953, and those duties were taken over by Senator Roebuck, I have not been as active on the committee.

Naturally, honourable senators, I intend to support this measure, for the reason that when the law of England was amended in 1937 and certain grounds for divorce were added, Senator McMeans, who was then Chairman of the Standing Committee on Divorce in the Senate, and I in the following year, 1938, were instrumental in bringing forward a bill which, if passed, would have resulted in amending our law by adding several grounds to that of adultery.

Before introducing that bill, we consulted the Law Clerk of the Senate, Mr. W. F. O'Connor, a distinguished constitutional lawyer. I also wrote to Mr. A. P. Herbert, a member of Parliament in England, whose private bill for divorce was finally passed. He had his secretary send me a copy of the 1937 English bill. He also sent me certain other documents, and some of the debates which were delivered on the question. Following that, Senator McMeans had Mr. O'Connor prepare the 1938 divorce bill, which became known as the "McMeans' Bill", but actually was Bill B in the Senate, an Act respecting Divorce and Matrimonial Causes.

In addition to enlarging the grounds for divorce, that bill, had it passed, would have constituted the divorce law of the Dominion of Canada, and instead of relying upon and adopting the law of England in regard to divorce, as we had been doing and are still doing, we would have had a measure that went considerably further than does the present Bill S-19.

Senator Roebuck, in giving his explanation of Bill S-19 was kind enough to refer to Bill B, and also to another bill which I introduced on the same subject in 1955. I thank him for the kind remarks he made about me.

Bill B went considerably further than does Bill S-19. In addition to the three new grounds for divorce—desertion, extreme cruelty, incurable insanity—Bill B provided for other matters. Senator Roebuck briefly explained the difference, but as these are important differences I should like to put them on the record in more detail.

Bill B provided that no petition for a divorce could be considered until after the lapse of three years after the date of marriage, except on the ground of adultery. That was included in Bill B to discourage hasty marriages.

That bill provided also for a petition by a wife on the ground of rape, sodomy or bestiality committed by the husband. The bill also dealt with laws with respect to the presumption of death and with respect to judicial separation. That bill also dealt with grounds for avoidance of a marriage, such as non-consummation, unsoundness of mind of the respondent at the time of the marriage, the respondent being affected by venereal disease, or pregnancy of the respondent by some other person at the time of marriage.

That 1938 bill also dealt with alimony, domicile of the wife when deserted by the husband, and certain procedural rules and regulations.

Honourable senators, if that bill had become law, it would have given us our own law of divorce. I trust I will be pardoned if I say it was a better bill than that before us now.

Should this question of the divorce law be referred to a committee, a joint committee or a royal commission, I hope all these points will be taken into consideration.

Before dealing with what happened to Bill B, I believe it would be interesting and informative to place on the record the explanatory notes which appeared opposite page 1 of Bill B when it was presented for second reading in 1938. Those notes were explained briefly by Senator Roebuck, but honourable senators would find it more satisfactory to have those notes before them when they are making a decision in this matter.

The explanatory notes are as follows:

> Dissolution of marriage is of statutory origin.
>
> The other familiar matrimonial causes had not statutory origin. Any court in Canada which has jurisdiction in divorce has jurisdiction also in the other matrimonial causes.
>
> The only courts in Canada to which this act applies—

And I am referring to Bill B.

> —are courts which *now* have jurisdiction to decree divorce.

That *now* refers to the time that Bill B was presented.

> A court in Prince Edward Island has had that right since 1835 as the term "divorce" was then understood.
>
> A court in Nova Scotia has had that right since 1758.
>
> A court in New Brunswick has had that right since 1791.
>
> No court has that right in Quebec.
>
> A court in Ontario has had that right since 1930.

I am reading these notes, honourable senators, because the copy of Bill B which I have in my hand is the only copy known to be in existence at the present time.

> A court in Manitoba has had that right since 1870.
>
> Courts in Saskatchewan and Alberta have had that right since 1905. Before then the right was inchoate in the N.W. Territories. Hence the right of Saskatchewan and Alberta although these provinces were only formed in 1905 is to the divorce law of England as of 1870.
>
> A court in British Columbia has had that right since 1858.
>
> Prince Edward Island may now *exercise* its right under its own act of 1835....by virtue of section 129, B.N.A. Act.
>
> Nova Scotia, under the same authority, now exercises its right under its own act of 1866.
>
> New Brunswick also operates under its own preconfederation act of 1860.
>
> Ontario operates under Dominion Act, chapter 14 of the statutes of 1930.
>
> Manitoba, Saskatchewan and Alberta operate under the terms of the respective acts of 1870 and 1905 which erected them into provinces. The Judicial Committee of the Privy Council has confirmed their right, which extends to the divorce law of England as of 1870.
>
> British Columbia yet operates under a proclamation of Governor Douglas made in 1858, which, it has been held, extends to that province the divorce law of England as in force in 1858.

I might say that this information which I have just given also appears in the 1955 bill.

I wish to deal briefly with the point raised by honourable Senator Choquette on Friday last. In that regard I would point out that the 1938 bill and also the 1955 bill respecting divorce for matrimonial causes contain this definition of "court" in paragraph 2 of those bills:

> "court" means any of the courts described in section three and includes a judge of such court.

That compels me to read section 3 which is as follows:

> (1) This Act shall apply to and in those provinces of Canada wherein there are now constituted and maintained courts of divorce and matrimonial causes having jurisdiction to decree dissolution of marriage, and to and in such provinces only.

Subsection (2) reads as follows:

> In each of such provinces this Act shall apply to and confer jurisdiction upon the court described in subsection one of this section (subsequently in this Act termed "the court") and to and upon that court only.

Now after the question was asked by Senator Choquette on Friday as to whether or not the Standing Committee of the Senate on Divorce was in the nature of a court, I looked up the 1964 edition of Crankshaw's *Criminal Code* to find out, if I could, just what a court was. I found that section 99 of the Code, subsection (c) reads as follows:

In this Part,

(c) "judicial proceeding" means a proceeding

(i) in or under the authority of a court of justice or before a grand jury,

(ii) before the Senate or House of Commons of Canada or a committee of the Senate or House of Commons, or before a legislative council, legislative assembly or house of assembly or a committee thereof that is authorized by law to administer an oath,

(iii) before a court, judge, justice, magistrate or coroner,

(iv) before an arbitrator or umpire, or a person or body of persons authorized by law to make an inquiry and take evidence therein under oath, or

(v) before a tribunal by which a legal right of legal liability may be established,

whether or not the proceeding is invalid for want of jurisdiction or for any other reason.

Then I read further to see what was the definition of "perjury". "Perjury" is defined in section 112 of the Code as follows:

Every one commits perjury who, being a witness in a judicial proceeding, with intent to misleed gives false evidence, knowing that the evidence is false.

So I have come to the conclusion that the Senate Divorce Committee is not a court. The proceedings of that committee are and have been judicial proceedings, made so by this section on Interpretation which I have read from the Criminal Code. However, be that as it may, the whole question could be discussed at greater length when this bill receives second reading and is referred to a committee of the Senate or to a joint committee of both houses.

I would like now to deal with Bill B of 1938, that is the McMeans bill. It was read the first time on March 8 of that year, and in addition to speeches made by Senator McMeans and myself, 20 other senators took advantage of the opportunity and spoke on second reading, all of whom, I am sorry to say, are now deceased.

I shall just take a moment to name those who participated in the debate. Senator Dandurand, the Leader of the Government in the Senate at the time, and the Right Honourable Arthur Meighen, the then Leader of the Opposition in the Senate, spoke at length, as did Senators Coté, Horsey, Hughes, Quinn, E. D. Smith, Bourgeois, Pope, Beaubien, Tanner, McRae, Calder, Leger, Little, Lacasse, Horner, Rainville and Ballantyne.

At the conclusion of the debate on second reading the bill was endorsed in principle by a vote of 40 to 29. As the honourable Senator Roebuck said, it was then referred to a special committee, which committee reported the bill without any amendment. Further discussion then ensued in the chamber, and the bill was referred back to the special committee for further consideration. That committee reported the bill again, with one or two minor amendments. Then there followed a further debate, during which the bill was referred to the Committee of the Whole House. If I remember correctly, Senator Murdock was the chairman, and I presented certain amendments which were adopted. The report was then adopted. On third reading Senator Hugessen and Senator Farris made what I considered outstanding speeches. They had not spoken on second reading, but they spoke eloquently and to the point on third reading. The bill was given third reading by a vote of 33 to 29, not a large majority, and was passed.

The bill was then sent to the Commons for consideration. It was then very late in the session, sometime towards the end of May, and that year Parliament prorogued on July 1—we did not sit the year round then. It received first reading in the other place, and there followed a short debate on second reading. Then a motion was made and passed that the bill be not read a second time at that stage but that it be read a second time six months hence, and Bill B died. That was the end of Bill B.

I thought this information might be of interest to honourable senators, particularly as we appear to have plenty of time at our disposal. In a moment I shall deal with Bill 0-6, which I eventually introduced in 1955.

When Bill B was defeated in 1938 I intended the following year, and possibly each ensuing year for some years, to introduce a similar bill—just as Senator Croll has been doing in connection with Consumer Credit. But, as honourable senators will recall, World War II intervened in 1939, and things did not get back to normal, in so far as the introduction of a bill of this kind was concerned, until some time after hostilities ceased in 1945, at which time there were perhaps other more important matters than amending the divorce laws to be considered.

However, I had not abandoned the idea of introducing another bill. In fact, I was in England in 1953 and during my stay in London I spent several days in the divorce courts listening to cases being tried. I talked to the officials and was even able to visit several barristers in the Inns of Court. We discussed the whole question of divorce, particularly with respect to how the amendments made in 1937 were working out. I was told there was no difficulty whatever, and that they had another royal commission sitting even then. I have in my hand a copy of the report of the Royal Commission on Marriage and Divorce of 1951-55, in which one of the recommendations was that there be no change in the law which had been put on the statute books in 1937. Of course they made several other recommendations. So, honourable senators, I returned from England with my mind made up that I would introduce another bill as soon as possible.

In 1954 I went to the Canadian Bar Association convention which was held in Calgary that year. Towards the end of the convention the question of divorce arose and was debated on the floor for some time. I happened to make the last speech, and I told the delegates that if they would pass a resolution on divorce along the lines I had outlined, I would promise to introduce a bill in the Senate the following year, which I did. I refer to Bill O-6 of 1955.

I may say that before introducing the bill I wrote to several important people. At that time there was a Divorce Reform League in Toronto. There was another such League in Vancouver, of which the Reverend C. Bernard Reynolds was president. He is the gentleman to whom Senator Roebuck referred, and I read his book of 1953 and also received some letters from him. There was also a Divorce Reform League in Edmonton and other places. I obtained all the information I could from all these sources before introducing Bill O-6, which was almost identical to Bill B, introduced in 1938.

The honourable Senator Gershaw seconded that bill, and he spoke following me in the debate on second reading. Twenty-three senators took part in that debate, nine of whom are still living. However, there was still much opposition, I am sorry to say, in spite of the fact that public opinion was behind me; the bill was well advertised in all the newspapers of Canada, and I received hundreds of letters expressing support for the bill. When the vote was taken, the motion for second reading was defeated by 37 to 20. Needless to say, I was quite discouraged and I threw in the towel for the time being.

In 1956 I sponsored another bill, which had nothing to do with the subject matter of this bill. That was a bill to amend the Exchequer Court Act, to give that court jurisdiction in divorce, and it met the same fate. Had it passed, it would have done away with Parliamentary Divorce.

I am indeed pleased that we have now this bill before us, with the likelihood that we shall make some progress with respect to it. Senator Roebuck has said that there are seven or eight bills before the other place that have been referred to a special committee, and that he is doing everything in his power to have the whole matter dealt with by a joint committee of the Senate and the House of Commons.

I have in my hand an article which appeared in the Brantford *Expositor*, entitled "Divorce Reform", and which reads:

> After Parliament's years of evasion, hypocrisy and political poltroonery about divorce law reform, it is as astonishing as it is encouraging that the Commons took only five minutes the other day to authorize the first inquiry in nearly a century into Canada's cruel and obsolete divorce laws. Equally welcome to enlightened citizens, a majority we believe, will be the vote for a parallel inquiry into the birth control and abortion sections of the Criminal Code.

I noticed also a report in the Ottawa *Journal* of March 3 last with respect to the committee of the House of Commons, which said that a committee composed almost entirely of lawyers has been set up in that house. I do not think such a committee should have so many lawyers among its members. Lawyers are supposed to understand divorce matters because most of them have appeared in such cases before the provincial courts, but I do think there should be some laymen on the joint committee, if and when it is set up, as there are on the Standing Committee on Divorce of the Senate.

Honourable senators, I support this bill completely. It is a step in the right direction. As I said before, I do not think it is as good a bill as was Bill B or Bill 0-6, but by bringing forward all these bills and so stirring up public opinion we are going to get somewhere. It is my hope that many honourable senators will speak in this debate, that the bill will eventually receive the endorsement in principle of this house, and that a joint

committee of both Houses of Parliament, a royal commission or some other form of enquiry will be instituted to deal with the whole subject.

Before resuming my seat, I would like to take this opportunity of welcoming the new senators who have recently been summoned to this chamber. I know that they are well able to make a valuable contribution to this branch of government. They will find the work interesting and rewarding in many ways. I hesitate to use the word "rewarding" in view of the fact that the newspapers recently have been mentioning almost nothing else but the financial reward that senators receive. I assure the new senators that after the Department of National Revenue has deducted 50 per cent of their indemnities for income taxes and after paying their other expenses they will not have much left. On the other hand, they will have the satisfaction and honour of having been appointed senators, and a sincere desire to carry out their duties.

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

[*Translation*]

BANKRUPTCY ACT

BILL TO AMEND—SECOND READING DEBATE CONTINUED

The Senate resumed from Friday, March 4, the adjourned debate on the motion of Hon. Mr. Hayden for the second reading of Bill S-17, to amend the Bankruptcy Act.

Hon. Jacques Flynn: Honourable senators, as a preface to my remarks may I use a truism in saying that this legislation, considering the many frauds exposed recently in the field of bankruptcy, is important and urgent. The object of this act is to meet the most pressing needs first. As the sponsor of the bill, Senator Hayden, said, this is only a partial revision of the Bankruptcy Act; it is not a complete revision. It is obvious to everyone who knows this legislation, that many other provisions of the 1949 act need correction, precision and changes.

I say that the object of this bill is to provide for the most urgent needs. It is true, except that the part which concerns the orderly payment of debts is, substantially, the same as the legislation we passed here a few years ago, but which was not adopted in the other place. This part of the act is intended only to rectify a situation which concerns particularly the province of Manitoba, as pointed out by Senator Hayden.

Besides, I want to congratulate him for his clear explanation to which we have grown accustomed.

The purpose of the act is to try to correct what is most apparent in the faults that were brought to light following the exposure of those frauds. To prevent frauds, certain transactions between what the act calls "related persons" are annulled. A transaction can be annulled if it is made *autrement qu'au mieux des intérêts des parties.* That is the French translation of "at arm's length". In my opinion, the translation in inadequate for the simple reason that the expression "at arm's length" cannot be translated.

Surely, we need such provisions to prevent transactions like those, which could not be annulled under the 1949 legislation, from continuing to be the source of frauds which often achieve monumental proportions.

The object of the bill is also to extend the authority of the superintendent or his representative in the distribution of the bankrupt estate by the official receiver, by allowing them to sequestrate the bankrupt's property and books while the trustee is being investigated or while an investigation concerning offences under the Bankruptcy Act or the Criminal Code is being carried out.

In the area of proposals we suggest some rules which would give more adequate protection to creditors. In particular, I agree with the principle under which a proposal under the Bankruptcy Act is an assignment of property held in abeyance. If the person making the proposal does not abide by his proposal, the latter is cancelled forthwith and he is considered as having made an assignment. Thus bankruptcy becomes automatic in the case of a petitioner who does not respect his commitments.

It has also been provided, or made clear if you wish, that the bankrupt is obliged to give the trustee an adequate portion of the property he might acquire after the bankruptcy for the benefit of his creditors.

The new machinery proposed by the legislation, and which I received, will be studied by the Banking and Commerce Committee. I think that this committee is well qualified to make a thorough and efficient study of the matter.

We already know that a number of people, groups or corporations will come before that committee to express their views. The first one that comes to my mind is the Canadian Institute of Chartered Accountants which, a few years ago, submitted to the Government

recommendations about the Bankruptcy Act, several of which are incorporated in the bill under consideration.

In addition—I mention this because it is a recent occurrence—the judges of the Superior Court of the Province of Quebec met in a plenary session Friday and Saturday last and studied the bill; they indicated that it was their intention to make representations.

At this point, what I wish to ask above all, is whether the provisions of the bill intended to prevent fraud are fundamentally broad enough under the present circumstances. I should answer, in all simplicity and frankness, that I am not at all sure of this, that in fact I doubt it very much.

What is the source of frauds in bankruptcies? Essentially, I think it lies in the lack of interest shown by the creditors.

Let us remember that the purpose of the Bankruptcy Act is twofold: first, to distribute fairly the assets of an insolvent person among creditors according to the rights of each of them; secondly, to free the bankrupt who has become insolvent for reasons more or less beyond his control.

This is the twofold purpose of the Bankruptcy Act.

In the past, bankruptcies were much more scarce, because only tradesmen could use the act. Anyway, they were the only ones, in practice, who could obtain credit. Nowadays the act applies to everybody. Besides, anybody can obtain credit. Just think about the increase in consumer loans by various finance companies in the last 10 or 20 years. Their volume is fantastic. As a result, the bankruptcy problem does not arise only in the case of large enterprises, of big business, but also of lots of people who are, in many cases, wage-earners. If large corporations experience substantial losses when bankruptcies occur, in the case of some individuals you find that some people who suffer are perhaps poorer than the bankrupt. We must not only think about large bankruptcies but about all bankruptcies.

Therefore, the problem does not arise solely out of transactions between related persons. I am of course very happy that the bill suggests corrective measures in this respect. But I think the problem is much wider than the one suggested by the amendments respecting transactions between related persons.

I said that bankruptcies stem from the lack of interest shown by creditors. Generally, bankruptcies bring in almost nothing because a dividend higher than 10 per cent is very seldom declared. In addition, although I have not looked up the statistics in this respect, in a great number of cases, for that reason, there is no dividend left for the creditors. The creditor then says: I shall not throw good money after bad. He loses all interest and, as a result, the debtor is tempted to defraud his creditors and to remove from the estate what he can, knowing that no investigation will be carried out and that no one will take the trouble to try to recover the property which rightfully belongs to the creditors. It must be pointed out that even though many trustees are very honest, they can hardly resist temptation in such circumstances, precisely because of this lack of interest on the part of the creditors. The trustees are tempted beyond their power to resist.

What then is to be done? I submit we have reached the point where Parliament must recognize the change that has taken place in the field of bankruptcy. We now have an act, simultaneously civil, administrative and penal, but mainly based on the principle that the problem between the debtor and the creditors is of a private nature. The problem is to settle equitably a situation between a debtor and his creditors. This is civil law. The administration and penal aspect is secondary. But when the creditor shows a lack of interest, the problem is no longer a private or civil matter, but a problem of public order. Similarly, as in some provinces there is a public trustee or other similar institutions to protect those who are disqualified, we must also consider the creditors in cases of bankruptcy as unable to look after their own interests or having no interest whatsoever. Consequently, the state must protect them since they do not want to look after themselves. If not, the state would be encouraging fraud.

Therefore, I say that eventually, and the sooner the better, we will have to take away from the trustee the care of property; the trustee will no longer be able to hold the bankrupt's property in trust—the Government will have to do it instead—so that the bankrupt, the trustee and all those who have anything to do with the bankruptcy will feel the constant presence and supervision of the government. I think there is no other solution. We are getting nearer and nearer to it.

I might add also that the bill seems to be guilty of sins of omission with regard to the discharge of the bankrupt, which can be obtained too easily in some respects and not easily enough in other respects.

The divergent jurisprudence which varies from one place to another suggests the need for certain amendments. However, the most pressing need is to recognize that the Government must protect the interests of creditors by taking charge of the assets of a person who goes bankrupt, since the creditor himself is unable to take care of them.

Anyway, we shall be able to study the bill more closely in committee, for I see a noticeable improvement in the basic idea of some of these amendments. I hope that next session the Government will suggest that Parliament make a thorough revision of the Bankruptcy Act. It has attended to the most pressing things first. I think that it should have gone further. There is much more to be done, even though the amendments to this act are most welcome.

[*Text*]

On motion of Hon. Mr. Benidickson, for Hon. Mr. Croll, debate adjourned.

PRIVATE BILL

THE TRUSTEE BOARD OF THE PRESBYTERIAN CHURCH IN CANADA—SECOND READING

Hon. John J. Kinley moved the second reading of Bill S-20, respecting The Trustee Board of The Presbyterian Church in Canada.

He said: Honourable senators, this bill is brought to us by petition of the Trustee Board of the church and the Administrative Council. The subject matter of the bill arises from resolutions passed by the General Assembly of The Presbyterian Church in Canada.

The purpose of subsection (1) of the proposed new section 2A is to enable the General Assembly to fix the membership of the Trustee Board at from seven to fifteen members, with the membership fixed at nine until the General Assembly otherwise determines. At present the board consists of seven members, the number established under its act of incorporation, but it is now considered desirable, because of the increasing work of the board, to make provision for its enlargement to a maximum of fifteen.

The purpose of subsection (2) of the proposed new section 2A is to make mandatory what has hitherto been the practice, namely, to provide that the chairman of the Administrative Council and the treasurer of the church shall be appointed to the board. However, it is possible that the position of treasurer might become at some future time a permanent paid position, or that it might cease to exist under that name. In either of these events, the chairman of the finance committee of the Administrative Council, by whatever name he is called, is to be appointed to the board in place of the treasurer, but only if and so long as the position of chairman is unpaid.

The purpose of clause 2, which adds paragraphs (g) and (h) to section 15 of the act of incorporation, is to empower the board to consolidate such of the investments of the church as may be consolidated under the terms of the instruments creating them, so that a greater income may be derived therefrom. The board, while retaining overriding control, is also empowered, by paragraph (h), to employ professional advisers to assist in the making of its investments.

The purposes of clause 3, which amends section 21 of the act of incorporation, are twofold. Subsection (1) brings section 21 in line with the amendments made in the proposed new section 2A, and incorporates reference to the new regulations for the government and control of the board recently approved by the General Assembly. Subsection (2) authorizes the delegation by the General Assembly of its powers and jurisdiction over the board to the Administrative Council of the church, or the executive thereof, between sessions of the General Assembly. The General Assembly meets only once each year and decisions are required to be made concerning the board's work when the General Assembly is not in session. The General Assembly has the power to revoke any such delegation at any time.

Honourable senators, this bill was passed by the Senate last year but the dissolution of Parliament intervened before it could become law. Since that time the General Assembly has made it more in keeping with the resolutions of that assembly. I commend the bill to the Senate and I ask for second reading.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Kinley, bill referred to the Standing Committee on Miscellaneous Private Bills.

DIVORCE

RESOLUTIONS ADOPTED

The Senate proceeded to consideration of Resolutions numbered 282 to 336, inclusive, which were presented on Thursday, March 3.

Hon. Mr. Roebuck: Chairman of the Standing Committee on Divorce, moved the adoption of the following resolutions:

Resolution 282, for the relief of Armand Bessette.

Resolution 283, for the relief of Barbara Rhea Besner Blanshay.

Resolution 284, for the relief of Carol Elena Klein Bloom.

Resolution 285, for the relief of the Joan Elaine Rolbin Bloom.

Resolution 286, for the relief of Cecile Belanger Bordeleau.

Resolution 287, for the relief of Stephanos Botsis.

Resolution 288, for the relief of Martha Laurin Boucher.

Resolution 289, for the relief of Joseph Roch Aurele Brault.

Resolution 290, for the relief of Ena Marie Pompa (Sumner) Bremm.

Resolution 291, for the relief of Marie Therese Estelle Jeannine Bachand Brown.

Resolution 292, for the relief of Barbara Joy Legere Brown.

Resolution 293, for the relief of Patricia Ann Watson Burwash.

Resolution 294, for the relief of Conrad Choiniere.

Resolution 295, for the relief of Sally Wright Collins.

Resolution 296, for the relief of Judith Gail Elger Cooke.

Resolution 297, for the relief of Sylvio Corriveau.

Resolution 298, for the relief of Clyde Benjamin Dalton.

Resolution 299, for the relief of Leopold Deslandes.

Resolution 300, for the relief of Margaret Evelyn Ferguson Deuel.

Resolution 301, for the relief of Yvonne Beland Diamond, otherwise known as Yvonne Beland Diamont.

Resolution 302, for the relief of Mary Rita Beverley Ann Kent Dickson.

Resolution 303, for the relief of Helen Grace Ferguson Doane.

Resolution 304, for the relief of Joan Margaret Horrell Dunwoodie.

Resolution 305, for the relief of Marie Lucienne Vivianne Charron English.

Resolution 306, for the relief of Henry Filsinger.

Resolution 307, for the relief of Edouard (Eddy) Yves Filteau.

Resolution 308, for the relief of Norma Ann Taylor Gallant.

Resolution 309, for the relief of Rose Zwerling Vineberg Garber.

Resolution 310, for the relief of Pierrette De Roberval Gauthier.

Resolution 311, for the relief of Carlyle Herbert Gearey.

Resolution 312, for the relief of Mary Marcia Taggart-Gibb-Carsley.

Resolution 313, for the relief of Herta Rosika Gast Gnuchwitz.

Resolution 314, for the relief of Jacques Godin.

Resolution 315, for the relief of Joseph Noel Jean Claude Gosselin.

Resolution 316, for the relief of Florence Agnes Losey Griffith.

Resolution 317, for the relief of François Grignon.

Resolution 318, for the relief of Mariette Anna Matthys Halfyard.

Resolution 319, for the relief of Sylvia Strominger Herscovitch.

Resolution 320, for the relief of Albert Arthur Hinds.

Resolution 321, for the relief of Irene Davies Jones.

Resolution 322, for the relief of Irma Bernice Cameron Kontowt.

Resolution 323, for the relief of Marie Germaine Denyse Bechard Lalonde.

Resolution 324, for the relief of Jeannine Gourre Larouche.

Resolution 325, for the relief of Armando Lazzara.

Resolution 326, for the relief of Robert Lean.

Resolution 327, for the relief of Marc Leboeuf.

Resolution 328, for the relief of Madeleine Arbour Lebel.

Resolution 329, for the relief of Marie Ida Clementine Raymonde Longpre Lefebvre.

Resolution 330, for the relief of Eva Desjardins Lessard.

Resolution 331, for the relief of Eva Szoke Lord.

Resolution 332, for the relief of Marie Edna Chevrier McLaughlin.

Resolution 333, for the relief of Evangelia Pantelkou Maltezos.

Resolution 334, for the relief of Marianne Veronika Gosztonyi Marton.

Resolution 335, for the relief of Marie Pierrette Celine Legare Michaud.

Resolution 336, for the relief of Eleanor Finegold Miller.

Resolutions adopted, on division.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, March 9, 1966

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

Prayers.

BILLS OF EXCHANGE ACT

BILL TO AMEND—AUTHORITY TO PRINT COMMITTEE PROCEEDINGS

Hon. Salter A. Hayden, Chairman of the Standing Committee on Banking and Commerce, presented the following report of the committee on Bill S-14, to amend the Bills of Exchange Act:

> Your committee recommends that authority be granted for the printing of 800 copies in English and 300 copies in French of its proceedings on the said bill.

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

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

Report adopted.

REPORT OF COMMITTEE ADOPTED

Hon. Mr. Hayden, Chairman of the Standing Committee on Banking and Commerce, reported that the committee had considered Bill S-14, to amend the Bills of Exchange Act, and had directed that the bill be reported with the following amendments:

> Page 2, line 18: After "thanksgiving" insert "throughout Canada,".
>
> Page 2: Immediately after clause 2, add the following as clause 3:
>
> "3. Sections 113 and 114 of the said act are repealed and the following substituted therefor:
>
> '113. Where an inland bill has been dishonoured, it may if the holder thinks fit, be noted and protested for non-acceptance or non-payment as the case may be; but it is not necessary to note or protest an inland bill in order to have recourse against the drawer or endorsers.
>
> 114. Where a bill does not on the face of it appear to be a foreign bill, protest thereof in case of dishonour is unnecessary.' "

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

Hon. Mr. Hayden: With leave of the Senate, I move that this report be taken into consideration now.

Honourable senators, these are simple amendments. The first, which adds the words "throughout Canada," has to do with a provision that is presently in section 43 of the Bills of Exchange Act. Section 43 reads, in part:

> ...the following and no other days shall be observed as legal holidays...

The particular part of section 43 to which the additional words in the amendment relate, namely, "throughout Canada", in defining what are legal holidays and non-juridical days, is that part which states:

> ...any day appointed by proclamation for a public holiday, or for a general fast, or a general thanksgiving throughout Canada...

In the bill which came before the Senate and was considered by us in committee, that language had been changed a little to read as follows:

> ...any day appointed by proclamation to be observed as a public holiday—

That is almost the same language. Then follow the words:

> —or as a day of general prayer or mourning or day of public rejoicing or thanksgiving.

It will be noted that the words "throughout Canada" were omitted. On reflection, the departmental officers felt that as there may occasionally be proclamations in relation to holidays that are limited geographically to a certain area of Canada, and it was not intended that those should come within that description, they should restore the words "throughout Canada". We therefore restored those words.

Another matter is the repeal and re-enactment of sections 113 and 114 of the Bills of Exchange Act, which provide that where a bill of exchange has been dishonoured—in effect, at the option of the holder—the bill may be noted and protested.

During all the period we have had legislation in relation to bills of exchange there has been an exception in relation to the Province of Quebec, in which province it was necessary to note and protest. We were told in committee that this is a practice that even

antedated Confederation. There have been efforts from time to time to have that exception removed.

When this proposal was before the Senate, the late Senator Bouffard suggested removal of the exception so that throughout Canada there would be a general rule, that noting and protesting would be at the option of the holder. Accordingly, in the Province of Quebec, it is the notary who notes and protests. La Chambre des Notaires of Quebec was consulted, and we were advised that they unanimously approved the withdrawal of the exception. I understand that both the Premier of the province and counsel for the Premier were consulted and that they approved. With that backlog of support, it was felt that one could safely remove the exception. The second amendment contained in today's report places the law in relation to noting and protesting generally the same throughout Canada—that is, in effect, at the option of the holder.

Motion agreed to and report adopted.

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

Hon. Mr. Cook moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

STANDING COMMITTEE ON TRANSPORT AND COMMUNICATIONS

ADDITION TO MEMBERSHIP

Hon. Arthur L. Beaubien, with leave of the Senate, moved:

That the names of the Honourable Senators Bourget, Davey, Hays and McElman be added to the list of senators serving on the Standing Committee on Transport and Communications.

Motion agreed to.

STANDING COMMITTEE ON FINANCE

ADDITION TO MEMBERSHIP

Hon. Arthur L. Beaubien, with leave of the Senate, moved:

That the names of the Honourable Senators Deschatelets and Hays be added to the list of senators serving on the Standing Committee on Finance.

Motion agreed to.

STANDING COMMITTEE ON TOURIST TRAFFIC

ADDITION TO MEMBERSHIP

Hon. Arthur L. Beaubien, with leave of the Senate, moved:

That the mames of the Honourable Senators Davey, Hastings, McElman and Nichol be added to the list of senators serving on the Standing Committee on Tourist Traffic.

Motion agreed to.

STANDING COMMITTEE ON NATURAL RESOURCES

ADDITION TO MEMBERSHIP

Hon. Arthur L. Beaubien, with leave of the Senate, moved:

That the names of the Honourable Senators Argue, Hastings and Prowse be added to the list of senators serving on the Standing Committee on Natural Resources.

Motion agreed to.

STANDING COMMITTEE ON IMMIGRATION AND LABOUR

ADDITION TO MEMBERSHIP

Hon. Arthur L. Beaubien, with leave of the Senate, moved:

That the name of the Honourable Senator Argue be added to the list of senators serving on the Standing Committee on Immigration and Labour.

Motion agreed to.

STANDING COMMITTEE ON CANADIAN TRADE RELATIONS

ADDITION TO MEMBERSHIP

Hon. Arthur L. Beaubien, with leave of the Senate, moved:

That the name of the Honourable Senator Urquhart be added to the list of senators serving on the Standing Committee on Canadian Trade Relations.

Motion agreed to.

STANDING COMMITTEE ON PUBLIC BUILDINGS AND GROUNDS

ADDITION TO MEMBERSHIP

Hon. Arthur L. Beaubien, with leave of the Senate, moved:

That the name of the Honourable Senator Deschatelets be added to the list

of senators serving on the Standing Committee on Public Buildings and Grounds.

Motion agreed to.

COMMONWEALTH RELATIONS

COMMITTEE EMPOWERED TO MAKE INQUIRY

Hon. Gunnar S. Thorvaldson moved, pursuant to notice:

That the Standing Committee on External Relations be authorized to inquire into the question of Commonwealth relationships with particular reference to the position of Canada within the Commonwealth;

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

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

That the Committee be instructed to report to the House from time to time.

He said: Honourable senators, a motion in almost identical terms to the one now standing on the Order Paper in my name was moved by me during the last session of Parliament. The only difference is the addition of the third paragraph, which reads: "That the evidence received and taken on the subject at the preceding session be referred to the committee."

After that resolution was presented in this house it was spoken to by, among others, Senator Roebuck, Senator Connolly (Ottawa West), Senator Brooks and Senator O'Leary (Carleton). These gentlemen all made excellent presentations in regard to the subject matter of the resolution, and they broadened the extent of the matters that I had referred to in my speech. Their suggestions are most valuable to the future work of the committee.

Subsequently, the committee held two meetings. At the first meeting we were addressed by the Secretary of State for External Affairs, the Honourable Paul Martin. At the second meeting our witness was Mr. H. O. Moran, Director General of the External Aid Office. These were the only two meetings held because, as honourable senators are aware, Parliament adjourned shortly afterwards. Consequently, this subject matter is being renewed in the present resolution.

Inasmuch as the subject matter of this resolution was referred to both in specific and general terms in the speeches made last year, I do not intend to detain the house long with regard to the motion. Nevertheless, I desire to examine some of the important events that have occurred within the Commonwealth during the past eight or nine months.

In the remarks I made, as reported at page 41 of the *Debates of the Senate* of last year, under date of May 6, I referred in general terms to the present membership of the Commonwealth. However, as honourable senators are aware, the Commonwealth consists in part of monarchies and republics and there is one member who comes under the classification of independent monarchy. To provide background for the committee meetings which are to follow, I wish to place on the record the names of the members of the Commonwealth falling within these three classifications.

At the present time there are eleven monarchies acknowledging allegiance to the British Crown: The United Kingdom, Canada, Australia, New Zealand, Ceylon, Jamaica, Trinidad and Tobago, Malta, Sienna Leone, Malawi, and the Gambia. There are ten republics: India, Pakistan, Ghana, Nigeria, Cyprus, Tanzania, Ugandi, Kenya, Zambia, and Singapore. Singapore seceded from the Federation of Malasia in August 1965, and it is now a republic in its own right. There is also one independent monarchy, the Federation of Malasia. I wish to emphasize that this is the present membership of the Commonwealth excluding, of course, the various colonies situated in various parts of the world.

As I said a moment ago, I propose to review briefly the developments that have occurred within the Commonwealth since the adoption by this house of this resolution last May.

The first event to be noted is that the regular conference of Prime Ministers and Presidents was held in London, June 17 to 25, 1965. One of the decisions arising from that conference was the appointment of a Commonwealth Secretariat, and on June 23 last Mr. Arnold Smith of Canada was named the Commonwealth's first Secretary-General. It will be recalled that prior to this appointment Mr. Smith was an Assistant Under-Secretary of State for External Affairs. Another of the developments at that meeting was the discussion concerning Rhodesia, which, although

not a member of the Commonwealth as a self-governing entity, was at that time a self-governing colony.

On August 5, 1965 the long-time dispute between India and Pakistan over Kashmir again erupted into war, thus threatening the very foundation of the Commonwealth, one of whose principal values lies in its potential for settling disputes internally and avoiding open warfare between its members. Ironically enough, it was the Soviet Union, rather than the Commonwealth, which eventually succeeded in arbitrating between the two countries. The Prime Minister of India and the President of Pakistan met on Soviet soil at Tashkent, where a truce was signed on January 10 last. The day after the truce had been signed, Prime Minister Shastri died while still on Soviet soil. He was succeeded on January 19 by Mrs. Indira Gandhi, the second woman prime minister in the Commonwealth, indeed, in the world.

On November 11, 1965 the crisis in Rhodesia came to a head by a unilateral declaration of independence by the Prime Minister, Mr. Ian Smith. The British Government immediately took certain steps, including the initial imposition of sanctions. Later, on December 11, oil sanctions were imposed. Dissatisfaction with British policy towards Rhodesia—namely, the refusal of Britain to use military force against Rhodesia—then led to a resolution being proposed at a meeting of the Organization of African Unity calling for member states to break off diplomatic relations with the United Kingdom. Two Commonwealth states, Tanzania and Ghana, complied with the resolution and broke off diplomatic relations on December 15 and 16, respectively. This development may thus raise the academic question as to whether or not the breaking off of diplomatic relations with a state whose Queen is the head of the Commonwealth is consistent with membership of the Commonwealth.

Another interesting development is that on December 16, 1965, the day on which Ghana severed diplomatic relations with the United Kingdom, Mr. Harold Wilson addressed the United Nations on the Rhodesian crisis. All the diplomats of the African countries, with the exception of Malawi, pointedly walked out as Mr. Wilson mounted the rostrum.

On the initiative of the Prime Minister of Nigeria, Sir Abubakar Tafawa Balewa, a special conference of Commonwealth Prime Ministers was called in Lagos on January 11 and 12, 1966 to consider the Rhodesian situation. Canada's Prime Minister was, of course, among the Prime Ministers attending this conference. Ghana and Tanzania did not send representatives, and Australia sent only observers. The conference was generally regarded as a success for Mr. Harold Wilson, who was able to persuade his Commonwealth colleagues to accept, at least temporarily, the British Government's proposals for dealing with the Rhodesian crisis.

Shortly after the Lagos conference, on January 15 last, a coup d'etat took place in Nigeria, overthrowing the Government of Sir Abubakar Tafawa Balewa who was subsequently found murdered. This development was a serious blow to the Commonwealth, as Nigeria had been regarded by western states as the most promising example of developing democracy in Africa.

On February 24 last a coup d'état in Ghana overthrew Dr. Nkrumah, whose regime, if not democratic, had at least appeared to be one of the most stable and firmly based on the African continent.

The latest significant development in the Commonwealth is the calling of a general election in the United Kingdom for March 31 next. Should the election result in a change of government, a change in policy towards Rhodesia and, in consequence, towards the Commonwealth, could follow.

It is apparent that among the Commonwealth African states there is already a conflict of loyalties respecting the Commonwealth and the Organization of African Unity. Consequently, there is real speculation as to what the result of these various conflicts could be with respect to the immediate future of the Commonwealth.

Another development which should not be overlooked was the retirement of Sir Robert Menzies as Prime Minister of Australia on January 20 last, and his succession by Mr. Harold Holt. Sir Robert had been Prime Minister of Australia without interruption since 1949, and as one of the Commonwealth's elder statesmen he has been throughout his career one of the pillars in the maintenance of this association.

Honourable senators, I have summarized these developments in order to have them on *Hansard* as background for the commencement of the committee's meetings to deal with this resolution. It has been my purpose also in making these remarks to indicate to

the house that a study of the Commonwealth, such as is envisaged in this resolution, will not be a study of something static and without momentum, but rather a study of a subject that is alive with possibilities, new problems and new developments in a fast moving world. That is why I have given this summary of events over a period of only nine months of Commonwealth history.

There is one further matter to which I should like to allude in regard to the new Commonwealth, and that is the conference of the Commonwealth Parliamentary Association which is to be held in Ottawa in September of this year. As all honourable senators are aware, the President of the C.P.A. is the leader of this house, Senator John J. Connolly. This is a great honour for us, and we all hope that his health will permit him to preside over that conference, which will bring many hundreds of delegates from every part of the Commonwealth to Canada. These delegates will not only attend the general sessions in Ottawa but will visit all parts of this country.

I would hope if there are others who wish to speak to this motion, that they will do so. In any event, it is expected that the committee will start its sessions at the very earliest opportunity.

Motion agreed to.

BUSINESS OF THE SENATE

Hon. A. K. Hugessen: Honourable senators, before the Orders of the Day are called, I thought my honourable colleagues would like to know what the situation is as to the prospective work of this chamber for the next few days. I am told that the House of Commons are still considering the Estimates, but I understand it is their hope that they will finish this afternoon; that is, that some time this afternoon they will send us the final supply bill.

Hon. Mr. Brooks: It is with respect to the next few hours that you are giving us this information?

Hon. Mr. Hugessen: That is right, this is for the next few hours. In those circumstances I do not quite know what to advise the house. I think the thing to do would be to carry on with our Order Paper, and after its completion to adjourn until 8 o'clock this evening. By that time we should have the supply bill, and perhaps we can have Royal Assent later on in the evening. The only difficulty is that if we are to have Royal Assent this evening the House of Commons will have to agree to sit, because normally they adjourn at 6 o'clock on Wednesdays. As we have to accommodate ourselves so much to the House of Commons these days I would think that this time they should give us that facility.

Hon. Mr. Brooks: Is it necessary that we receive this bill today and have Royal Assent in order that the business of the country may be carried on? Surely, if that is the case, the House of Commons will agree to sit.

Hon. Mr. Hugessen: I could not agree more with my honourable friend.

With respect to the immediate future of the Senate it is my hope that the debate on second reading of the bill to amend the Bankruptcy Act can be concluded today or tomorrow, so that the bill can be referred to the Standing Committee on Banking and Commerce. When that is accomplished our Order Paper will be fairly clear.

I am told there is very little likelihood of anything coming to us from the House of Commons next week. So, in those circumstances, and unless something unexpected transpires within the next twenty-four hours, I hope to be able tomorrow afternoon to suggest that the Senate adjourn for the coming week, to reassemble on March 22.

There is one other matter of which I should like to remind honourable senators. There is a meeting to welcome the new senators in the Railway Committee Room at 5 o'clock. This was arranged long before these troubles developed, and I do hope that all honourable senators will avail themselves of this opportunity of meeting the new senators.

SPOKESMAN FOR FRENCH-CANADIAN LIBERALISM

NEWSPAPER REPORT—PRIVILEGE

On the Orders of the Day:

Hon. Jean-François Pouliot: Honourable senators, I rise on a question of privilege.

Some time ago a press reporter wrote in a local daily that in 1941 the Quebec Liberal caucus strongly opposed naming an outsider to be the spokesman for French-Canadian liberalism. The article had reference to the Right Honourable Louis St. Laurent. Nothing of the sort happened. At no time did the Quebec caucus do anything like that in regard to the entry of the Right Honourable Louis St. Laurent into the cabinet. Furthermore, according to my knowledge during the

long years I have sat in Parliament, nothing has ever happened in any caucus, positively nothing.

DIVORCE (EXTENSION OF GROUNDS) BILL

SECOND READING—DEBATE CONTINUED

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Roebuck for the second reading of Bill S-19, to extend the grounds upon which courts now having jurisdiction to grant divorces *a vinculo matrimonii* may grant such relief.

Hon. F. W. Gershaw: Honourable senators, may I, first of all, in a humble way add my welcome to the new senators. I feel sure that they will live up to the traditions of the Senate, and that they will see to it that the great principles that are embedded in our Constitution are not disregarded but, rather, are reflected in the laws which we pass in this chamber.

I might say also that it is the duty of the Senate to look after the rights of minorities. The members of the Senate, sitting in the various committees, have an opportunity of speaking to the rich and the poor, to the producer and the consumer, to the employed and the unemployed, of finding out what their thoughts are and making sure that legislation is not unfair to them.

This brings me to a practice which has been going on for many years in connection with the divorce cases which come to the Senate, which I think is very unfair, and at this time I want to thank Senator Roebuck and Senator Croll for bringing it to our attention. It has been my lot to adjudicate, if that is the proper word, in as many as 2,000 divorce cases during the last few years. Every one of them has been a domestic tragedy. I am supporting this bill because I believe it is a step towards a fairer and better way of dealing with divorce cases.

Some divorces that should not have been granted have been granted, and in other cases divorce has been refused or made impossible. For some it is too easy; for others it is very much too difficult. In England some years ago a royal commission said in its report that divorce is not a disease, but a remedy for a disease caused by the conduct of persons.

No law should be so harsh that it is disregarded generally, and no divorce law should be so lax that it lessens regard for the sanctity of marriage. As I see it, the practice and the methods we have been following here have been too harsh for some people and much too easy for others.

In what way is the present law harsh? For one spouse life may be long, continued sorrow, suffering and misery. The example to the children in their impressionable years may be terrible. Yet there is no relief except by one or the other committing adultery or pretending to commit adultery. Adultery is a moral crime, and there are good reasons why it should be a crime according to the laws of our land.

In the Divorce Committee one of the parties will come in to give evidence, is warned that he or she need not admit to having committed adultery, and having expressed a willingness to answer questions pertaining to adultery, openly admits without blush, shame, regret or guilt the commission of adultery. To me that is shocking. It is a hard route for divorce.

However, there is an easier route. Let us suppose that a couple decides to get a divorce. They talk it over, and it is arranged that one of them will meet a person of the opposite sex and register at a hotel or motel. A detective is hanging around, sees them enter the room together, puts a piece of scotch tape on the door, goes away and calls his mate, because he wants to get some corroboration of the story. After a while he and his mate return, go up to the room and knock on the door. One of the occupants comes to the door, perhaps at 2 o'clock in the morning, and in state of being partly dressed or wearing a dressing gown or housecoat opens the door; the detectives walk in or force their way in, perhaps under the pretext of having a telegram for the occupants. One of the detectives holds up a photograph and says, "Is that your picture?" If the answer is yes, the party becomes identified. The detectives then look around the room and note that a person of the opposite sex is in bed. It looks as if the bed had been disturbed and occupied by two people, that the unoccupied pillow is indented. They look around the room and see men's and women's apparel; perhaps on a table is a bottle of whisky, or something of that kind.

However, they identify the two people, get their names, and the case is made. That is all there is to it. The detectives go away, and later the case comes before the Divorce Committee. The plaintiff gives evidence, and assures the committee that there is no connivance, collusion or condonation.

Of course, honourable senators, the planning and conniving has already been done by somebody who is not called to give evidence. In some of these cases we know very well that it has been a put-up job. But what can we do—there is the evidence of adultery, and presumably the plaintiff is entitled to a divorce.

Hon. Mr. Choquette: Would you agree with me, sir, that 50 per cent of the cases that you describe now were collusive, and that you might have turned them down?

Hon. Mr. Hnatyshyn: It is pretty difficult to do that.

Hon. Mr. Gershaw: If there is evidence of adultery, what else can we do? Many of these cases are so-called common law marriages, and are genuine. What I am trying to say is that some people get off too easily.

Regarding the bill itself, it seems to me that the provision in the bill of five years in relation to a person of unsound mind is too short a term. New methods of treatment of insanity have brought about remarkable results. Marriage is supposed to survive during sickness and health. It seems to me that unless there is a very strong proof of permanent insanity, beyond hope of cure, the period of five years specified in the bill is not long enough.

On the question of people being submitted to blood tests before marriage, it seems to me that perhaps a young couple might well go to a doctor, get a blood test and think it is a big joke.

My view is that if a marriage shows signs of breaking up, a marriage counsellor might be able to exert a strong influence for good and impress the parties regarding the sanctity of their marriage.

Honourable senators, I support this bill. I feel that if the committee would adopt a procedure more satisfactory than the present one it would be a great step forward and would add to the general welfare and happiness of our society.

Hon. Mr. Roebuck: Honourable senators, may I say for the sake of the record that the 50 per cent mentioned is altogether too high.

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

BANKRUPTCY ACT

BILL TO AMEND—SECOND READING

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Hayden for the second reading of Bill S-17, to amend the Bankruptcy Act.

Hon. David A. Croll: Honourable senators, we have already heard four speeches by high-powered legal lights on this bill. May I commence by saying that the last amendment to the Bankruptcy Act was made in 1949. That is a long time ago. From 1949 to 1957, when the Progressive Conservatives came into office, nothing was done. They just went along with it in the normal way.

In 1957 the Government changed. Then in 1962 the government of the day offered some amendments. We discussed the bill when it came to us, but the bill applied to an extremely narrow field. We were told in 1962 that this was an interim measure, that general revision would come later. I mention that because it was also said in 1963, and it is still being said in 1966.

At that time I spoke to the bill and pointed out that we could not wait, that times were changing. There were new competitions, goods and services were available, and business methods had changed. However, over the years most businesses had clothed themselves in corporate garments which have neither bodies to be kicked nor souls to be damned.

I was highly critical of the bill. That did not go down well with those sitting to the right of His Honour the Speaker in 1962. Well, the Government changed in 1963—there was a new Government. Within 90 days afterwards we had a bill with a few improvements, but it was still patchy and tinkerly; there was nothing pointed in it; and strangely enough, at that time I was again highly critical of the bill. At that time they promised this would be an interim measure and that we would deal with the Bankruptcy Act at some later time.

At that time I suggested there be a bankruptcy fraud squad composed of the R.C.M.P. That suggestion caught the imagination and attention of people who were interested, but nothing came of it and nothing was done.

Now, honourable senators, I gave you the anatomy and chronology of the bill. It is an unlucky bill, and that is the least I can say for it. We have gone 17 years without an effective amendment. As a result, deep rot has set in. It will take a strong and determined administrator to make some improvement. It may take longer than normal, because there have been continuous disastrous policies. To change policy was, for some, to admit an error; and the change seems to

come only when you move those persons responsible for the failure. We need, and I hope we have it now, someone in charge who has some spark, some imagination, because caution will get him nowhere.

Even as far back as 1960 it was evident that the act could not cope with modern-day shenanigans in high finance, coupled with fraud. In 1962 and 1963 we examined this question—the records contain many pages concerning the activities of these people— and we felt that if we exposed these conditions we would frighten off some of those who might be thinking of participating. However, it seems that the discussion gave them new ideas. They must have read *Hansard* and the press reports carefully, because bankruptcy fraud increased after 1962 and 1963. We have no alternative now but to throw the book at them. That is what we are doing by the extensive powers proposed under the act. Those powers are frightening. If it were not for the fact that extreme measures are necessary to deal with an extreme situation, it would be difficult to justify the giving of these powers.

We discussed this question in 1962 and 1963, we had extensive hearings in committee, responsible people came from all over the country and gave damning evidence; yet we were not able to reach the minister or his department. There was incredible apathy, which I find hard to understand.

This is a far-reaching bill, and there can be no excuses now if the administrator is determined to apply the law. It is my view that Canadian people loathe these bankruptcy frauds and want them stopped, and they will not tolerate further passing of the buck. If those in administration do not take advantage of the opportunities afforded by this bill, they will find that the "heat" will be on very quickly.

We need today, more than anything else, a good administrator. In addition, we need help from the attorneys general. The administration is federal, the prosecution is provincial, and attorneys general in some of the larger provinces have not been completely helpful. We need help from the crown attorneys, and this can come only through the attorneys general. Some are always too busy; they say this is a civil matter, that they cannot bother about it. Therefore, I repeat, what we need is co-operation from the attorneys general.

It is necessary also to provide a proper staff to deal with this situation. I was amused on reading yesterday that a decision has been taken to establish a fraud squad—one man has been sent to Toronto and one man to Montreal.

Hon. Mr. Choquette: It is like the truth squad.

Hon. Mr. Croll: And about as effective. It is necessary to provide a dedicated staff, a trained staff, one that is not easily influenced, is composed of hard-headed, hard-nosed people who understand what is happening today.

In 1945 the income tax authorities were experiencing difficulty in educating people regarding income tax, and consequently they formed a special investigation squad. That squad's activities resulted in the collection of millions and millions of dollars. I do not need to tell the lawyers in the Senate how often their clients have paid, as my clients have paid. I do not suggest that that squad effected a cure, but they made tax evasion unpopular and costly, and some people ended up behind bars. I am sure there were few repeaters.

A similar method is needed in regard to bankruptcy now. The staff must be composed of experienced people, not merely human bodies. The chartered accountants on the staff must have inquisitive noses and vivid imagination to delve into these things. There is need for expert investigators of the "show me" type, to get down to the basis on which these people operate. We have to deal with a bad bunch, who defile what they touch. In trying to deal with them by a model T bankruptcy law, in a financial jet world of automatic data processing, we have no chance of success. We should put this new law on the statute books and start administering it.

Hon. Mr. Brooks: Does the honourable member's criticism apply to all parts of Canada?

Hon. Mr. Croll: I said "two provinces". The honourable senator may rest assured I would not say anything like that about New Brunswick.

Hon. Mr. Brooks: You could not very well say so.

Hon. Mr. Croll: To make sure of it, I say now that the chief racket in the two largest provinces is the bankruptcy racket. Is that clear?

Hon. Mr. Brooks: Yes. It is abundantly clear.

Hon. Mr. Croll: This bill makes it clear that fraudulent bankruptcy is a crime, not a civil

matter, and that it must be prosecuted by the Crown in the same way as theft or burglary, to which it is akin. The victims, for many reasons—and one reason is the cost—are reluctant to take action. They should not have to do so: it is the duty of the Crown, and that should be recognized from now on.

Honourable senators, those who have read the Mercier Report made in the Province of Quebec, dated August 1965, will have found some portions of it far more thrilling than any James Bond novel, and worth twice the money. That report was made by a royal commission, yet no one seems excited about what is going on. Thus, it is our duty, not only to get excited but to serve notice that action is needed.

The reasons given for bankruptcy are overexpansion, overproduction, easy credit. These are the breeding grounds for bankruptcy racketeers. We should make sure that we pass a workable bill. Those with ideas should come before the Senate committee, so that all useful provisions may be put into the bill.

Honourable senators, this is a heavy responsibility that rests on our shoulders. There are no limitations on this bill and it is for us to make sure that we give it careful consideration, with painstaking determination on our part that when it goes to the other house they will realize that we have done a good job. If we produce a good bill, if we find a few good examples and if a few good people are thrown into jail, that will slow them down.

Hon. Mr. Hayden: A few good people?

Hon. Mr. Croll: I use "good" in that special sense. We need more and better people to administer this law. We need higher standards for trustees and inspectors. We need co-operation between the federal Government and the provincial authorities. We also need more consideration by businessmen as to whom they extend credit. We should also add a provision to the bill so that trustees and inspectors would know that they too are liable if they favour the interests of the bankruptcy racketeer; and in doing so we can bring to their attention the fact that they have a responsibility, so that in the immediate future we can bring this nefarious practice to an end. If we do that we will be serving a very useful purpose indeed.

Hon. G. Percival Burchill: Honourable senators, I am sure you will all agree that considerable courage is needed for a layman to enter into a discussion on a measure such as this. We have in this house brilliant legal talent, members to whom I always listen with pleasure and from whom I receive much information, trying to follow them, as I do, at a distance.

Senator Hayden, as usual, made a brilliant speech when explaining the bill, and other splendid speeches have followed. I enjoyed listening to Senator Walker, to Senator Croll and to the other speakers. This house, as I have said, contains an abundance of legal luminaries; the front benches on both sides contain many brilliant lawyers, not to speak of those in the other benches and in particular the eminent legal lights seated near me in this chamber. Here in this section we are businessmen surrounded by lawyers.

Hon. Mr. Pearson: Too many.

Hon. Mr. Burchill: It is right that there should be so many lawyers because in my experience the greater part of the work in this house must fall to the legal profession, and it is a happy thing for the Senate of Canada to be blessed in this respect as it is at the present time. I think this situation has prevailed throughout its history.

In addressing my remarks to this bill, and they will be brief, I want to make a plea to our legal friends to make this act as tight as possible in the interests of the poor creditors, the people left holding the bag having supplied materials to a job, such as a construction job, after a bankruptcy has occurred. I have in mind a case in a small community in my own province where a large plant, involving millions of dollars, was being constructed with the blessing of the provincial government. Under such auspices no one would for a moment think that there was any question or any difficulty about being paid for the articles and materials they supplied. But, lo and behold, a contractor who was erecting one of the buildings in connection with this plant went bankrupt. Some of the suppliers, sensing that something like this might happen shortly before it did, through their legal advisers put a mechanics' lien on this particular building and so were assured that their interests were protected. But when the bankruptcy actually occurred they found that the mechanics' lien was only good for about 50 per cent of their claim. The people who unfortunately had not been wise enough to put on such a lien received nothing. The result was that in that small community there

was a loss of several hundred thousand dollars owed to the creditors. That did not leave a very good taste in the community.

For this reason I would ask that our legal friends should see to it that when this bill goes to committee every possible provision is included in it to protect creditors such as I have described.

Hon. Salter A. Hayden: Honourable senators—

The Hon. the Acting Speaker (Hon. Mr. Bourget): I must inform honourable senators that if the honourable Senator Hayden speaks now it will have the effect of closing the debate.

Hon. Mr. Hayden: Honourable senators, I have just a few remarks to make at this time.

First, I wish to comment briefly on some of the points made by Senator Croll. Here we are dealing with a situation and with a subject matter about which one is justified in using strong language and in indulging in very graphic statements, when one considers the situations arising under the guise of the Bankruptcy Act and the fraudulent bankruptcies which have resulted.

There used to be a saying that a person should speak softly and carry a big stick. I think when we are dealing with bankruptcy law we should talk the toughest language we possibly can and not just carry the big stick but swing the big stick. We should strengthen in every way possible the provisions of the bill so as to achieve its avowed purpose, which is, in the public interest, to cut down the number of fraudulent practices which have developed in the course of bankruptcy operations. We are all agreed on that, and Senator Croll has expressed it more forcefully than perhaps some of the other speakers.

I should also point out to Senator Burchill that while we are using the toughest and most effective language we can in the provisions of this bill and in incorporating the additions we think should be made, there is no use fooling ourselves; we cannot legislate against business failure. As long as there are people, there will be some who are not as smart as others, and the strongest law of the land will not prevent business failures. The most we can do is to provide such legislation as will make it unprofitable or unattractive for people to practise fraud in relation to the situations that exist between a debtor and his creditors, and to that end I am sure the committee will apply itself.

We had a very interesting contribution from Senator Walker, who analysed the substance of the bill and presented the important sections in a concise way which made it easy to understand.

Senator Flynn, as usual, made a useful contribution which I enjoyed hearing, as I always do. I think he struck a note of reality when he pointed out that we all know the jurisdiction of the federal Parliament in relation to bankruptcy law. This is a statute which governs relationships and practices as they relate to affairs between a debtor and his creditors. That is still bankruptcy law. To that extent we must also point out the duties and responsibilities in this area of trustees and official receivers and the functions of the Superintendent of Bankruptcy.

I would mention another aspect which has developed out of the Bankruptcy Act and the inability or the lack of interest on the part of creditors to finance investigations of fraudulent practices in this area, which is the area of public interest having to do with criminal violations of the law. In that area there is opportunity for provisions aimed at closing the door to that sort of thing and making the possibility of exposure so great and the penalty so severe that there will be few who will want it for any length of time.

Senator Thorvaldson referred to the Mercier Report, as did Senator Croll. I think you will find—and I may say that I too have read the report—that some of the things stated in the report we have long suspected, but they are presented very graphically.

Senator Thorvaldson was wondering why no action had been taken on the Mercier Report. I believe that when we consider the bill in committee the Superintendent of Bankruptcy will tell us that as far as he and his department are concerned he knows of no proceeding in the provincial courts in Quebec against trustees, based on what is contained in the Mercier Report. And, secondly, I think he will tell us too that his department has not been furnished with any information substantiating the allegations contained in the Mercier Report as to the corruption and the connivance of trustees, although a request has been made for that information. By that I do not want to be taken as casting any doubt on the authenticity of the report, but I just wish to entreat you not to formulate conclusions too quickly.

Undoubtedly, the Mercier Report has been a most valuable contribution in this area, but there may not be full substantiation of the

practices it has reported. This is a job which is to be done from now on through the added powers being given to the Superintendent of Bankruptcy and by the relationship of his duty and his obligation to report to the Attorney General's Department of the province concerned, where the investigation will be continued and where prosecutions will take place.

However, the department has not been idle recently. For instance, I am wondering if you know that since April 1964 the audit services of the Comptroller of the Treasury have been engaged and used in the auditing of the books of the trustees; and also that since 1959 a full check has been made by the R.C.M.P. on all applicants for the position of trustee. So there has been a better screening, in effect, as of and from 1959. Possibly that may be why, if you look at the statistics, the number of rejections of applicants for the position of trustee has substantially increased since 1959.

In addition, there is the system by which annually a trustee's position, conduct and operation are reviewed when he applies for renewal of his licence; and now if there is anything in the operation of his trusteeship which requires study or examination he is given a restricted renewal of licence, which means that he can only function in relation to estates which he has then and cannot take on any new business until he is cleared and given a full licence or, if the circumstances warrant it, his licence is not renewed.

Usually what occurs in many of these cases is that the trustees keep taking on work and they do not maintain sufficient staff, with the net result that their organization, their sysem of bookkeeping and accounting, gets into a hopeless mess. But, to the extent that you can correct the difficulties at the level of the trustee, that situation is under control and there will be more authority in that direction when these amendments become law.

In the course of his remarks, Senator Thorvaldson referred to the briefs that were submitted in 1962 and 1963. At page 248 of the *Debates of the Senate,* Senator Thorvaldson said:

> Presumably, all these briefs have been considered—

And immediately preceding this remark he had enumerated the sources of the briefs.

> —but so far as I know, nothing whatsoever has been done to correct the terrible abuses that undoubtedly have crept into the administration of our bankruptcy laws.

So far as the briefs are concerned, may I say this—because I referred back to them and examined them—that the briefs that were submitted in 1962 and 1963 were addressed, in the main, to the Summary Administration procedures and the abuses under that head; and that, as you will recall, applies or may apply in situations where the realizable assets of the debtor are not more than $500. That was the sort of situation I criticized the other night when I said you would find a trustee in a situation of that kind calling the first meeting of creditors and at the same time enclosing a notice of application for the discharge of the bankrupt. So, these briefs were addressed to that point and also to the matter of the orderly payment of debts.

One of the briefs to which my friend referred was that submitted by The Credit Granters Association of Canada in 1962, in which it was stated:

> It is not the intention here, to condemn the Bankruptcy Act with respect to the use made of it, or abuse as the case may be, by the salaried debtor. On the contrary, the Bankruptcy Act, is in general, good legislation and offers to the Creditor many remedies against abuse, such as the protection afforded such creditors who have rights in property in the possession of the bankrupt; the right of the trustee and/or creditors to after-acquired property of the debtor . . .

The brief continues:

> However, the main obstacles that Creditors encounter in availing themselves of such remedies, seem to be:—
>
> (a) The Legal Costs Involved. . . .
>
> (b) Lack of Supervision in Summary Administration. . . .

In conclusion, the brief states:

> From the foregoing, it becomes apparent that the Bankruptcy Act was a better act with respect to wage-earner bankruptcies, prior to 1949, than since.

That was the year in which the summary administration procedures were invoked.

When we condemn the wholesale continuation of such fraudulent practices, we must not lose sight of the fact that every person, I feel sure, is anxious to contribute in every way possible to making that course of conduct in the future impossible or at least very difficult. But at the same time we must remember that we are dealing with a piece of legislation that covers relationships between a

debtor and his creditors; and I suspect it is only in the large bankruptcies, where there is much money involved and much money to be made, that you find these truly fraudulent practices that have developed.

I believe we have enough genius in Parliament to provide penalties of such proportion and proper authority of such extent that we should be able to restrict in large measure the practices that have gone on in recent years.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Hayden, bill referred to the Standing Committee on Banking and Commerce.

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY—
DEBATE CONTINUED

The Senate resumed from Friday, March 4, consideration of His Excellency The Governor General's speech at the opening of the session, and the motion of Hon. Mr. McDonald, seconded by Hon. Mr. Gouin, for an address in reply thereto.

Hon. Nelson Rattenbury: Honourable senators, I should like to begin my remarks today by congratulating His Honour the Speaker, not only on his appointment to the honoured position he holds, but also on the manner in which he is discharging his duties. Every member of this chamber is, I know, very happy to be associated with him here.

I join with the other honourable senators who have spoken in welcoming our new colleagues. Some of them are friends of long standing, but all of them are well known Canadian citizens, prominent in the public life of this country.

In the same vein I should like to join my colleagues in congratulating the mover and seconder of the motion for an address in reply to the Speech from the Throne. My good friend, the honourable senator from Moosomin (Hon. Mr. McDonald) was making his maiden speech in this chamber but, as was said by a previous speaker, it certainly was not his first effort at delivering such an address.

I was particularly moved by the beautiful thoughts expressed so eloquently by Senator Gouin; so much so, that I decided to make some reference to the same situation that exists in my own province at this time. To some extent, tensions, heretofore practically unknown in New Brunswick, have developed along racial and religious lines. Such tensions are largely, I regret to say, the result of a degree of irresponsibility among my English-speaking friends, and I can only hope and pray that sanity of thought will soon return and that all New Brunswickers, Acadian and English alike, will once again work toward a common goal as they have done in complete harmony for so many years.

I will return to the reason for all this dissension in a few minutes, but first I would like to discuss some of the items of the Speech from the Throne itself, particularly as they affect the economy of the Atlantic provinces. The speech, to use a phrase which could be termed redundant, was all-encompassing. It contained many proposals for new legislation that will be of benefit to all Canadians. For example, the few words it contained about the Atlantic Development Board should please every resident of the Atlantic region. I believe this board has done so much to help the economy of our provinces that it stands alone in the field of achievement. The board itself has shown great imagination, and I feel that the dedication of its director Dr. E. P. Weeks and of his staff deserves special mention.

The extent to which the Atlantic Development Board has helped the growth and economy of our provinces can best be illustrated by mentioning a few of the projects they have helped to become realities.

In all four of the Atlantic provinces it has allocated funds to assist the fishing industry to establish better marketing conditions, as well as to expand, by providing funds to make fresh water available to fish plants. Of equal importance, in my opinion, is the assistance it has provided for the establishment of industrial parks. Manufacturing firms already have taken advantage of these parks, and many more are negotiating for sites within their boundaries.

Substantial assistance has been given in the construction and rehabilitation of trunk highways, and I hope more will follow.

The board's participation in the cost of construction of the two huge power developments at Bay d'Espoir on the south coast of Newfoundland and Mactaquac on the Saint John River made both projects possible and, of course, assisted materially in the creation of a very competitive power rate. In all, the Atlantic Development Board has approved an expenditure of sums in excess of $71 million

for regional projects, and an additional sum amounting to $30 million for the trunk highway program.

The references in the Speech from the Throne to proposed legislation dealing with agriculture will be welcome in the east. The farmers of our area have struggled for too long a time to eke out a minimal existence. I hope that, before too long, needed assistance arising from the various proposals will result in a more abundant living for all agricultural workers.

Honourable senators, never before in Canada's history is so much being done in our fisheries as at present under the Government's fisheries development program. Initiated two years ago last January, at a federal-provincial conference on fisheries development, these activities reflect a wide range of new development and assistance action, on which the Government is willing to embark in co-operation with the provinces, to improve the lot of individual fishermen and to make the industry itself more efficient.

Indicative of the scope of these programs are the announcements which have been made in recent months, including such experiments as that of towing a new kind of float by helicopter to find concentrations of fish; the vacuum forming of fish blocks, and freezing under pressure to cut costs; the exploratory fishing for crab and shrimp on Canada's Atlantic coast, and for herring in the Gulf of St. Lawrence; the development of a light attraction system for sardines with a view to increasing the production of weirs. While these are mainly concerned with the Atlantic coast, similar action is being taken on the Pacific coast and in the inland areas. Encouragement is being given to the utilization of the offshore groundfish resource. Exploration is also under way on ways and means to use dogfish and other presently unused species in order to put more money into the pockets of fishermen.

Many more important programs have been initiated to make operations more efficient in all phases of activity from the time the fish is caught to the time it is on the table of the consumer.

Fishing experts from many foreign countries have been brought to Canada to demonstrate to Canadian fishermen new techniques which would assist them in their particular operation. They are assisting in the development and testing of new vessels, new fish catching methods, new processing and handling techniques, and also in the development of new fishery products.

Two classes of financial assistance for the construction of vessels are currently in effect. The first, administered by the Department of Industry, provides a 50 per cent grant towards the construction of steel trawlers large enough in size to fish the offshore banks in competition with other nations of the world. The second scheme, administered by the Department of Fisheries, provides assistance in the building of larger and more modern wooden vessels. This second program is designed to move fishermen away from the traditional small boat operations to one which allows them to work more days per year in heretofore inaccessible areas.

The fishing industry has always been of prime importance in New Brunswick. The new program for assistance which I have outlined will increase the abundance and quality of the product. However, there is one area in which, in my opinion, the Government needs to move without delay, and that is the training of personnel. I am informed by those in the business that properly trained officers and crew, who are prepared to make a career of fishing, are becoming increasingly difficult to obtain. To overcome this situation I would recommend the immediate establishment of additional training programs both afloat and ashore, and in this age of manpower shortage it would undoubtedly be necessary to institute subsidized apprenticeship training, similar to that already being carried out by Canada's coastguard. In fact, I would suggest the facilities now being used by the coastguard could be used to train fishermen.

I return to my own province. In recent months, the province which I represent has been the focus of an unusual amount of attention in the national press and on the airwaves. As honourable senators well know from many speeches in this chamber and from the history of the present century, we in New Brunswick are not always accustomed to such interested concern. Indeed, in the past we have chided our fellow Canadians for a certain amount of inattention, perhaps contributed to in some degree by ourselves.

The current situation is one, however, which has been generated on our home grounds and which, within the province itself, has caused a great deal of discussion. It would not be out of the way to say "controversy" is a more descriptive word.

I am referring to the Robichaud government's plan for equal opportunity. It is worthy of some consideration here because what the Government of New Brunswick is

preparing in its legislation constitutes a fundamental change and advance in Canadian provincial and municipal affairs. This is the first time since Confederation that any province has undertaken such a fundamental reconstruction of its municipal, educational and taxation structure.

It is undoubtedly the most far-reaching plan to provide educational equality for all those capable of learning; and it is a program which recognizes the dramatic changes which have come in our social and economic life since the municipal structures were established in Canada a century ago.

The New Brunswick program constitutes something else: it is a bold attack on the poverty which has plagued so many parts of my province. It is a key campaign in the war on poverty, and other provinces have already noted that New Brunswick is leading the way. This is the sort of pleasant comment we have not always heard in the Maritimes, where we more often than not have been accused of being behind other regions.

The Toronto *Telegram* has called the New Brunswick program: "The most exciting experiment since Confederation." The Kitchener-Waterloo *Record* says: "New Brunswick shows the way." The current issue of the *Financial Post* carries an editorial about the program.

The *Globe and Mail* of March 3 carried a most interesting article, which stated in part:

> It has been easier to oppose Mr. Robichaud on emotional and racial grounds than on the substance of his program.

I would like to explain what the Government of New Brunswick has as its objectives, because I believe that what is happening there is relevant to other parts of the country.

The program is a sweeping one, of which the Schools Act and the Assessment Act are the keys. There are—and I know it is difficult to believe this—more than 500 one- and two-classroom school houses in New Brunswick. Not only are thousands of pupils making futile attempts to learn in such structures, but teacher training for those teachers in such rural areas has been highly inadequate. The provincial government proposes to do away with all such schools, substituting consolidations in area centres and providing full transportation. It is part of the plan that a uniform wage scale be established for teachers throughout the province. This will permit in time a very high level of competence in every part of the province—city or rural, rich or poor. The proposals are to modernize also and centralize the handling of health and welfare.

What is being proposed in my province is a major campaign against poverty in the War on Poverty. The Government of New Brunswick has taken literally the idea that the only way to defeat poverty and its social side-effects is to fight it.

I need hardly say that such advanced, imaginative and reformist proposals have not been universally welcomed. There are opponents, as there are for every reform in every age and place.

No reform, no change of fundamental nature comes without difficulty. No government which has the courage to get to the roots of long-standing inequalities and outdated systems fails to meet resistance. The government of the day under its leader, the Honourable Louis J. Robichaud, has studied the problems at all levels for four years; it has heard from and accepted many recommendations of a royal commission which held lengthy sittings and made most intensive studies. Some of the commission's recommendations have been rejected, but many have been accepted.

In putting the legislation before the house, the government provided an opportunity for debate and discussion, including representations from the public through public hearings by a Law Amendments Committee. It laid proposed legislation before the house with the purpose of having it seen and discussed and to be introduced again at a second session. Every opportunity has been given the opposition to know, understand and make recommendations. Yet, unfortunately, some have used such words as "dictator" and "dictatorship" in referring to the proposals.

It is not surprising that those who have raised such cries have not always understood the proposals, but have used this as a cloak for their own failure to offer solutions to difficult and very old problems. They have offered no alternatives of their own, and they work at the process of destruction for its own sake.

The legislation, as originally proposed, was subject to some revision, and revisions are being made and have been announced. Some of the representations made have been most useful and have been gladly accepted. In essaying a program which touches all aspects of life in the province, it would be incredible

if there were not many places for improvement in the first drafts of proposed legislation. Indeed, improvement of such proposed legislation is the function of our parliamentary and democratic practice. I am proud of those who have initiated such broad and valuable reforms. I am convinced they will be passed and will succeed.

Hon. Mr. Brooks: May I ask the honourable senator if Premier Robichaud has called a general election in New Brunswick? I ask the question, because the honourable senator's address sounds to me very much like a stump speech.

Hon. Mr. Rattenbury: No.

Hon. Mr. Benidickson: And a good one!

Hon. Mr. Brooks: Well, the premier is afraid to call one, and that is why I asked the question.

Hon. Mr. Rattenbury: My province has long suffered from the shortcomings of undeveloped resources, of inadequate opportunities, of earlier obstacles of geography which no longer exist. It has suffered because the original nature of its economy and social development was such that it was out of tune with much modern progress and had to be changed before full advantage could be taken of modern opportunities.

This province, perhaps more than any other, has taken advantage of broad and useful federal measures to assist such regions. But, more than that, its people have decided to take things into their own hands and move history where history would not move itself.

I am proud of the proposals now before the people, especially those which recognize that the young people of this country are its greatest resource and their training the prime essential. The day is not far ahead when a small province, one of the traditionally poorest in the nation, will be an educational model for Canada.

Its municipal structure, as reorganized, will be an example for other provinces to consider and follow. The fairness of its taxation will, I am confident, prove itself also a national model. Our economic advance has been spectacular. Measures taken in the last half dozen years have enabled private enterprise to help develop great riches in the interests of the people.

Investment has doubled in five years; revenues have doubled; unemployment has been cut beyond any anticipation and the province is progressing at a splendid rate. The Robichaud plan for equal opportunity will, I am sure, follow the pattern of growth, development and reform which has been established.

In closing these remarks, I want to pay a personal tribute to the Premier of New Brunswick, the Honourable Louis Joseph Robichaud, who has contributed so much to the development of understanding between the founding races of Canada. Lately he has undergone severe attack on the part of a very few for trying to bring economic and educational equality to all people of his province, including those of his own Acadian ancestry. Let me assure honourable senators that economic inadequacies in New Brunswick are evenly distributed among people of both founding groups. Indeed, I regret to say that 59 per cent of the one- and two-room schools in the province are in areas peopled by those not of Acadian ancestry.

Premier Robichaud has been a force in this country for national unity, a force against separatism and nationalism. He has in the past used his own province as an example of what national racial harmony can become. It is nothing less than tragic if a vindictive few should turn to the tactics of racism and division against one of the leading exponents of unity in our nation.

New Brunswick, traditionally and historically, has been a model of people getting along together. That a province whose people are 60 per cent non-French should on two occasions elect an Acadian premier is proof enough of the majority's feeling.

I am confident that, despite the not inconsiderable opposition of the moment which this new legislation has quite naturally engendered, New Brunswick will go forward in this last half of the twentieth century as a leader and a model of a province eager to provide equal opportunity for all its citizens.

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

BUSINESS OF THE SENATE

Hon. A. K. Hugessen: Honourable senators, we have concluded the business on the Order Paper. I am about to suggest that the Senate stand adjourned until the call of the bell at approximately 7.45 this evening.

I am told it is likely the House of Commons will finish discussion of the Estimates this evening and send the supply bill to us. I cannot guarantee that will happen. Our meeting at 7.45 may be futile if the House of

Commons does not agree to sit late, but I feel we are doing our duty by showing our willingness to carry on the business of the country as and when necessary.

Therefore, I move that the Senate stand adjourned during pleasure until the call of the bell at approximately 7.45 this evening.

The Senate adjourned during pleasure.

At 7.45 p.m. the sitting was resumed.

APPROPRIATION BILL NO. 2, 1966

FIRST READING

The Hon. the Acting Speaker (Hon. Maurice Bourget) informed the Senate that a message had been received from the House of Commons with Bill C-140, for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1966.

Bill read first time.

SECOND READING

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

Hon. A. K. Hugessen: Honourable senators, with leave of the Senate, I move that the bill be read the second time now.

The Hon. the Acting Speaker: It is moved by honourable Senator Hugessen, seconded by honourable Senator Hayden, that this bill be now read the second time. Is it your pleasure, honourable senators, to adopt the motion?

Hon. Mr. McCutcheon: On division.

Hon. Mr. Hugessen: Honourable senators, the bill which is now before us is the final appropriation bill for the year 1965-66. Honourable senators will find on their desks a two-page memorandum which I think will give you the outline of the bill itself. If you refer to the second page headed in part "Estimates, 1965-66 (as reduced in the House)", you will see the totals for the main Estimates for the year ending March 31, 1966. These include the book volume which was tabled in the Senate just about a year ago, on March 23 of last year, and the Supplementary Estimates (A), (B), (C) and (D), involving a total expenditure of approximately $8,150 million. Extending off from that you will see how much of these expenditures were statutory, that is, not requiring the approval of Parliament, totalling $3,220 million approximately, and how much of each of these required parliamentary approval of both houses. This you will see totals $4,930 million.

On the first page you will notice how much of these estimates that require a vote has already been voted by the various interim appropriation acts which this house has had to pass during the last nine or ten months.

There have been six of these, which are noted on this memorandum as Appropriation Act No. 1, 1965, which granted interim supply for April and May; Appropriation Act No. 3, 1965, which granted interim supply for June; Appropriation Act No. 4, 1965, which granted supply for Supplementary Estimates (A); Appropriation Act No. 5, 1965, which granted supply for Supplementary Estimates (C); Appropriation Act No. 6, 1965, which granted interim supply for July, August, September and October, and Appropriation Act No. 1—

Hon. Mr. Reid: Why is there no Appropriation Act No. 2 shown on this memorandum? Why does it skip from No. 1 to No. 3?

Hon. Mr. Hugessen: Appropriation Act No. 2 covered final supplementary estimates for the previous year.

As you will observe, these six appropriation bills covered expenditures totalling $4,532 million, which compares to the total to be voted, as I mentioned a moment ago, of $4,930 million. So, in effect, what the present bill does is to vote that difference of $398 million. The details of that will be seen in the second tabulation on the first page, from which you will observe that this bill will grant the balance of the main Estimates, the balance of Supplementary Estimates (B) and the balance of Supplementary Estimates (D), totalling $398 million, which together with the amounts already voted by the six previous appropriation bills comes to this figure of $4,930 million.

You will observe that "the balance of the main Estimates" carries the note "as reduced in the House." There was an item in the main Estimates which you will find under, "Loans, Investments and Advances" in the Department of External Affairs, Vote L20, "Loans to Governments of countries other than members of NATO to provide defence support assistance," in the amount of $20 million. That amount was deducted from the Estimates at the request of the Secretary of State for External Affairs. I have the House of

Commons *Hansard* in which this item was being considered, and there the minister said:

> Mr. Chairman, changes in circumstances since these Estimates were prepared have rendered this item unnecessary. I therefore ask my colleague the Minister of Transport to move that item L20 be deleted.

That is the reference to the reduction made in the House of Commons.

Hon. Mr. Pearson: A deduction from what?

Hon. Mr. Hugessen: From the total of the main Estimates.

Hon. Mr. McCutcheon: Which African Republic had revolted at that time?

Hon. Mr. Hugessen: I am afraid I have no information on that. The form of the bill is similar to that of all such bills we receive. There are no special comments required on the wording of any of the sections; I think it is purely the formal wording to which we are accustomed.

I should direct your attention to the fact that there is no authorization asked for in this bill for further borrowing on behalf of the Government. You will recall that in various of the previous appropriation acts we have given the power to the Government to borrow fairly substantial sums of money. I have a statement on these borrowing powers which might interest the house, showing the authority under which this borrowing is carried out. It reads as follows:

> The Financial Administration Act, Section 41, requires that "no money shall be borrowed or security issued by or on behalf of Her Majesty without the authority of Parliament".
>
> The authority to borrow for the purpose of refunding maturing issues is Section 43 of the Financial Administration Act. This section provides that the Governor in Council may authorize the Minister to borrow such sums of money as are required for the payment of any securities that were issued under the authority of Parliament and are maturing or have been called for redemption. (Section 44 provides for authorization by the Governor in Council of temporary borrowing by the Minister in special circumstances.)
>
> The authority for the Government to raise new money through the issue of securities must, however, be obtained annually. About the beginning of each fiscal year an Appropriation Bill provides for cancellation of any unused borrowing authority under previous Appropriation Acts and seeks new authority for the Minister of Finance to raise new money by the issue of securities. Additional borrowing authority is sought later in the year if the amount authorized is likely to be exceeded.
>
> The terms and conditions for such borrowing are authorized by the Governor in Council. Section 42 of the Financial Administration Act reads as follows: "Where authority is conferred by Parliament to borrow money on behalf of Her Majesty, the Governor in Council, subject to the Act authorizing the borrowing, may authorize the Minister (a) to borrow the money by the issue and sales of securities in such form ... as the Governor in Council may approve, and (b) to enter into such contracts ... relating thereto ... as the Governor in Council may approve."
>
> New money raised through the issue of securities is used in the financing of the ordinary operations of the Government, including non-budgetary cash requirements such as loans and advances to Crown corporations.
>
> The types of securities issued by the Government include treasury bills, marketable and non-marketable bonds, including Canada Saving Bonds.
>
> Appropriation Acts Nos. 1 and 6 of 1965 provided borrowing authority of $1,750 million. By the end of fiscal year 1965-66, this authority will have been used to the extent of an estimated $820 million.
>
> This year as in other years, the full amount should not be required. It is important, however, for the Government to have flexibility in its debt management planning and operating. The Government's practice is to have available at all times sufficient unused borrowing authority to enable it to finance, for example, the unpredictable requirements of the Exchange Fund Account and to provide for other new expenditures which may be introduced.

The total borrowing authority authorized annually by Parliament in the last few years has been as follows:

1959-60	$ 1,500 million
1960-61	1,500 "
1961-62	2,000 "
1962-63	2,500 "
1963-64	2,000 "
1964-65	1,750 "

That is perhaps a little out of the way, because of the fact that there is no such section in the bill we are now considering, but I thought the house would wish to have it on its record.

I do not think there is anything more I can say in connection with this bill. It is based almost entirely, as you realize, upon the Estimates for the fiscal year 1965-66. It is in this sort of connection that we realize what valuable work is done by the Standing Committee on Finance which has the Estimates under general consideration. I do not think anybody expects the Finance Committee or the Senate as a whole to conduct exhaustive inquiries into every single item of every estimate, but the Finance Committee is a body which has kept a careful eye on the Estimates. This year that committee—and I refer you to my honourable friend, the Chairman (Hon. Mr. Leonard), if I am wrong—has had a good number of meetings, and has in fact conducted a number of inquiries into certain items of public expenditure that appealed particularly to certain members of the committee. The committee has inquired extensively into the details of the winter works program, the National Parks program, External Aid, and so forth.

I think any member of the Senate who is particularly interested in any item or group of items in the public expenditures and wishes to have details of those expenditures should realize that all he needs to do is to go to the committee or to the chairman of the committee and that information will be provided publicly, and the answers to his questions will be recorded in the published reports of the committee.

I do not think anybody ought to take the attitude that because the Senate happens to pass this enormous item all at once and without any lengthy discussion that we have not our own methods of checking into Government expenditures and into the way in which they are made.

The Standing Committee on Finance has made exhaustive inquiries from the Auditor General and the Secretary of the Treasury Board. I do not think I need add anything to that.

If there are any questions with regard to any of these Estimates which I can answer, I shall be glad to do so; if I cannot answer the questions, I believe you will find that the Chairman of the Finance Committee can.

Hon. Mr. Aseltine: I note that the $8,149 million-odd does not include payments from the Old Age Security Fund of $905 million, which makes the total expenditure for this fiscal year ending March 31, $9,054 million. Is that correct?

Hon. Mr. Hugessen: That is so, yes.

Hon. Mr. Aseltine: I am leading up to a question. How much more does that amount to than the previous fiscal year?

Hon. Mr. Leonard: Honourable senators, leaving out the Old Age Security Fund, and also loans and investments, the amount of increase is $607,628,781 and the percentage increase in 1965-66 over 1964-65 was 8.4 per cent.

In both cases the figures for loans and investments are omitted, because these amounts can vary greatly from year to year. The Old Age Security Fund payments are also omitted.

Hon. Mr. Aseltine: That is the answer I wished to obtain. Thank you.

Hon. M. Wallace McCutcheon: Honourable senators, we are engaged this evening in the ritualistic performance in which we take part from time to time. We have listened to the Acting Leader of the Government in the Senate (Hon. Mr. Hugessen). He has told us really nothing except that tonight we are to vote $4,930 million, and that we should not ask too many questions because, after all, it is late in the day, and also our friends in an other place have spent some considerable time in consideration of these matters.

The Acting Leader said that he is quite prepared to answer questions on any details of the Estimates. I am not going to embarrass him by asking that kind of question, because I think that is the kind of generous statement the Acting Leader would make, and he would not expect anyone on this side of the house to be so mean as to take it at its face value.

I am certain that if I started to ask him questions we would not have to waive the rules of the house, which we are doing. We have waived them once tonight, and I have

no doubt that the Acting Leader will ask us to waive them again. By my calculation, if we sat 24 hours a day we could observe the rules of the house and pass this bill on Friday evening—and it may be that that would be the proper time to pass it. Certainly, if we waited for the answers to the questions that I could ask, and that some of my friends could ask, we might not even pass it by that time.

Honourable senators, there are some comments I should like to make. I have great admiration for the Clerk of the Senate, who was able to tell me that this is Bill C-140, because neither copy that I have has a number on it. Therefore, I am glad to know that his perspicacity has ascertained that this is Bill C-140. It is now Bill C-140 to which I will address my remarks.

I had an opportunity, thanks to the Acting Leader of the Senate, to review a copy of Bill "blank", between the very pleasant party that he put on and our meeting here this evening. I noted that on 12 pages in that bill there were items for $1. I began to read those items. After all, when you are dealing with an appropriation bill of $4,930 million, you tend to overlook an item of $1. I looked first at page 15 and under Vote 48 I saw an item which starts:

> To authorize, notwithstanding the Financial Administration Act and section 11 of the Surplus Crown Assets Act, the payment into a special account . . .$1.

The Acting Leader of the Government referred to the work of the Finance Committee and its chairman. As a member of that committee I will not extol what it has done, but I agree that its chairman has discharged his duties in a manner creditable both to himself and to the Senate.

This matter was raised in the committee and it should be raised here. I do not pretend to know the effect of that sentence, but I do know that it changes the law of the land, that it crosses existing legislation. I know also, from listening to the Secretary of the Treasury Board and the Auditor General, both of whom appeared before the Finance Committee, that this is not a temporary piece of legislation, but legislation which continues in effect until the statutes are revised in the dim and distant future.

As I have said, these $1 items appear in a number of places. I wish to refer only to those which clearly change the law, and change the law in an insidious way as if a member of the other place or a member of this place would say "Well, that is just a dollar."

On page 37, item 8b does not alter the law; it is simply new law. It does that sort of thing for which one would normally introduce a bill in the House of Commons or in the Senate, which would have its three readings in both houses and eventually be approved by the Governor General.

Let us turn to page 38, where there are two $1 items. The first is item 35b, which I am not going to read in full. I merely draw your attention to the words "notwithstanding section 30 of the Financial Administration Act." In other words, notwithstanding the law, this is what we are going to do; and to justify it we will put a $1 item in the Estimates. And, as I say, the Secretary of the Treasury Board has assured us that that means the law is changed until the statutes are revised.

Let us look at the second one on page 38, item 83b. There we read, "Notwithstanding any limitation that may be contained in section 265 of the Railway Act..." The law is changed again. Then we turn to page 43. I am not reading all the $1 items. I am not reading, for example, items which say that Mr. Jones shall be considered as being entitled to his pension when in fact he is not, because I do not consider those important enough. That is why I am not referring to item 22d on page 43, because that is exactly what that item does.

I next refer to item 5d under Fisheries. That item amends a treaty between Canada and the United States. Is the Government completely ignoring Parliament?

Honourable senators, we have gone through this performance for all the years I have been here: we have been sitting around, with the representative of the Governor General waiting in the wings, and have done in a few moments what the House of Commons should have done some time ago, but which that house has only now passed, after several weeks of agony. Yet we are expected to give sober second thought to these many items. Moreover, tonight we are amending statutes, and we have no idea what the implications of those amendments are; we are amending them for good until the statutory revision takes place. Honourable senators know how little any member of this house or of the other place has to do with a statutory revision.

That is all I have to say except that it is announced in the press that the other place is going to be much more expeditious in its dealings with Estimates in the coming year. If one can believe what one reads, there is going to be a supply motion shortly and the Estimates are going to be parcelled out among committees, and time limits are going to be imposed.

I agree with the Acting Leader of the Government that this is not the place to go through the Estimates line by line. I am not suggesting that at all. I do suggest, however, that one might have 24 hours—and it seems to be a modest request—so that one might be able to ask a few questions and not be told, "Well, we will get the answer in a couple of days, but in the meantime we have to get the bill through tonight."

Another matter I want to touch on is this question of loans and advances, and I believe I have mentioned it before. If you will look at page 48 of the bill, Vote L15d, again you will find that we are amending existing legislation by an item in the Estimates. Vote L15d is:

> To provide that the total amount of outstanding advances at any one time with respect to loans to Indians under section 69 of the Indian Act, notwithstanding subsection 5 thereof—

I interject the remark that section 5 thereof puts a limit on the total.

> —shall not exceed $1,500,000.

What is the Government afraid of? Is it afraid to open up the Indian Act? Is it afraid to bring in an amendment to increase the allowable loans? Is it afraid to subject its administration of the Indians to the scrutiny of members of the House of Commons and the Senate? That is the only conclusion anyone can come to, and yet we are being asked in the dying hours of this evening to pass that item, to amend the legislation with no opportunity for any Senate committee to consider what has been accomplished under that section of the Indian Act or what will be accomplished. We are amending legislation, with no opportunity to discuss or consider it at all.

Why this has not been protested in the other place, I do not know. But I am protesting it tonight, and the next time I protest it, unless the Rules of the Senate are changed in the meantime, I can make my protest much more effective than I propose to do tonight.

Some Hon. Senators: Hear, hear.

Hon. Mr. McCutcheon: There is only one other matter on which I want to touch.

At some stage during the consideration of these appropriation bills to which the leader referred, and which are listed in the memorandum—I say at some stage, because it is not included in this bill—we apparently authorize a loan, reading from the 1965-66 main Estimates, page 522, item L10, of $14 million to the Canadian Broadcasting Corporation "for the purpose of capital expenditures subject to terms and conditions prescribed by the Governor in Council."

When the Government of which I had the honour to be a member came into power, we found that there was an accumulation of such loans on the books of the Government, and we knew—as the Acting Leader of the Senate knows and as every honourable senator knows—that those loans were not the kind of loans which anybody would guarantee. They were not the kind of notes on the back of which anybody would put his name. Then by a budget item, we wiped them out. From then on, when the C.B.C. wanted money, whether it was for capital or current account, it was a budget item.

It took the present Government only a few months to decide to revert to the system of loans and advances. I said in this place two years ago that this was a fraud on the Canadian public. I repeat it now.

I look at the Estimates for 1966-67 and I see that we are going to lend the Canadian Broadcasting Corporation, for the purpose of capital expenditure, $30,424,000. Surely a government that is, to say the least, increasing its expenditures in accordance with the increase in the gross national product—and I suspect it is doing so without giving effect to price increases; in other words, it is on the top level and not on the bottom level—surely a government that is spending $8 billion plus, nearly $1 billion of which, as Senator Aseltine said, is from the Old Age Security Fund, can afford to be honest with the people of Canada and admit that it was erecting for one purpose buildings which were useful for nothing else, and spending such amounts as $14 million this year and $30,424,000 next year. What is the reason for this? Is it ashamed of the Canadian Broadcasting Corporation?

Of course, I admit that the corporation has not been quite as friendly to the Government

as it was initially, but why conceal the fact that on some day in the future some minister of finance is going to have to put in a budget item, and explain it by saying: "Well, the money was spent long ago by my predecessors, and they called it a loan. I am just putting a cross entry in to get it off the books." Honourable senators, I suggest that that is not the way to run a broadcasting company, nor the way to run a railway.

Hon. T. D'Arcy Leonard: Honourable senators, I rise to deal with only one or two of the points raised by the honourable Senator McCutcheon, and particularly the matter of the $1 items. Senator McCutcheon did raise that question in the Finance Committee. He pointed to the item of $1 dealing with the additional member on the International Water Commission, and at that time called attention to the fact that this was legislation through the Estimates.

The question of the increase in the loans to Indians—the increase in the maximum amount that can be loaned from $1.2 million to $1.5 million—was also raised in the Finance Committee. At that time the witness, who was Dr. George Davidson, Secretary of the Treasury Board, dealt with the questions as they were raised.

When I moved the second reading of the last interim supply bill, I too dealt with this question of the $1 items. The remarks I made then were based on the same principle that Senator McCutcheon has outlined tonight, namely, that these $1 items are used on occasion, and possibly too often, for the purposes of indirect legislation. At that time I referred to the same case that Senator McCutcheon mentioned tonight: that in raising the maximum amount that can be loaned under the Indian Act the Government was bringing about indirect legislation. There is no disagreement in principle.

The explanation that is given, and it is an explanation which can be given at any time these questions are raised in the Finance Committee, for there is ample opportunity to ask questions at that time from the Treasury Board, the Auditor General or any of the officers of the department—

Hon. Mr. McCutcheon: Not from the minister.

Hon. Mr. Leonard: Yes, and the minister. The Minister of Citizenship and Immigration was before us two weeks ago on labour questions. The minister can be there at any time we want him, subject to reasonable convenience.

On this particular question the answer was that in the first place the loans to Indians had had a splendid record of repayment and the maximum amount had been reached, and the applications had to be dealt with. There was a question, therefore, of the urgency of the matter, and as we all know the agenda in the other place did require priority for supply.

The other place also had other subjects to deal with, such as redistribution. Just how long it would take legislation to pass amending the Indian Act, one cannot know, but it would of course be unfortunate if applications for legitimate loans were delayed. When we get an explanation of that kind, I think it is a reasonable one and everyone understands the reasons for the $1 item and agrees that it is in order to put through legislation in this way.

I think that is the answer to the question raised by Senator McCutcheon. We do not like, any more than he does, Estimates in the form of interim legislation, but in some circumstances it may be the best way to deal with them, if we are given the proper explanation to show that it is the right thing to do.

On the question of the pressure of time for debate on the Appropriation Bill, I would point out that any question at all with respect to the Estimates could have been brought before the Finance Committee at any time within the last nine or ten months, as long as Parliament was in session. These items Senator McCutcheon mentioned were either in the main Estimates or the supplementary Estimates. They have all been before the Finance Committee, and we have had the opportunity to deal with them.

The Appropriation Bill is based on these Estimates and, provided that either the House of Commons or the Senate has passed them, there is no reason why, from the standpoint of the money involved, the Appropriation Act should not be an almost automatic procedure. That is the situation in the House of Commons.

So far as I know, the Estimates were passed in the other place late today. Apparently the Appropriation Bill went through its three readings in less time than our discussion will take this evening. Why? The reason is that when you have dealt with the Estimates and have approved them, then the Appropriation Bill must automatically follow.

That is also the situation here. The main Estimates have been before us since last May. We now have a Finance Committee which can go into these Estimates in a practical way in probably greater detail than can the House of Commons. In that place, as we all know, supply bills afford an opportunity for raising grievances. Indeed, that is one of the main reasons for debates on supply bills there.

In the Senate we have other opportunities to raise grievances. We can do so by a simple motion. In the other place the Estimates afford the best occasion for raising grievances, and the question of the actual items themselves are not gone into to the same extent as can be done by a smaller committee dealing with them. Of course, the Commons is changing its method of dealing with the Estimates, and will be referring them to a number of committees.

As I have said, I do not disagree with Senator McCutcheon on the question of the proper use of the system of $1 items, but in this particular case we had an opportunity to scrutinize them and there is no reason why we should be too deeply concerned about them.

Hon. James Gladstone: Honourable senators, I would like to say a few words on this subject, as my learned colleague has brought up a matter concerning Indians.

I lived a long time on my reserve, and did so until eight years ago. A fund was made available by the Government for loans to all Indians and it has grown from $300,000 to $1 million. I understand it is now $1,500,000. It was only in 1961 that one of my tribe was able to use that fund to get a loan. My boys applied for it and had to have backing. We had integrity which was good enough, and we should have been trusted, but we never succeeded in obtaining the loan.

I am glad that today people are beginning to realize that Indians are Canadians and that they want to take part in Canadian life. They want to be able to go to the bank and borrow money. In the last 30 or 40 years, however, the Indian Affairs Branch, instead of trying to make our credit good, turned us down, as we were considered to be minors or children. Very few Indians have got any credit yet. The few whom I have tried to assist in the last few years, since I was appointed to the Senate, went to the bank. As for myself, my biggest asset is my integrity. But I had to fight and fight before I could get any credit for myself at the store in my area. Because I was an Indian, my credit was no good. I had to fight, and today my integrity is the greatest asset my family has.

Honourable senators, I am trying to induce my people to realise, and I am trying to project to my people, that they must pay their debts before they can be trusted.

I am very glad that Senator McCutcheon mentioned this item. I should like to attend some of the Senate committee meetings more often, especially when anything about Indians is discussed. I did not know about this particular item until tonight; therefore, I thought it my duty to rise and say a few words about it now.

Motion agreed to and bill read second time.

THIRD READING

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

Hon. A. K. Hugessen: Honourable senators, with leave of the Senate, I move that this bill be read the third time now.

Hon. Jean-François Pouliot: Honourable senators, before this bill receives third reading I wish to lodge a solemn protest about the manner in which we get it. This session of Parliament opened on January 18. There have been 37 sitting days—today is the 38th day. Yet we have but two hours to discuss the formidable amount which has been voted on second reading. A speech could be made on each item, but I do not intend to make them tonight.

My colleagues who were here at previous sessions have heard my protests against such a procedure. It is an outrage for the Senate to have to swallow billions of dollars in two hours. It makes no sense. On the agenda of the House of Commons there have been subject matters of useless and futile discussions. I wonder why the Government did not take up the Estimates in the first place, and postpone the debate on the address in reply, in order to give an opportunity to the members to speak and to ask questions about the Estimates. It would have been the normal and right thing to do.

We have had a very good explanation from the Chairman of the Finance Committee who is willing to do his best. Last session we heard the Secretary of the Treasury Board who gave us lectures about the manner in which Estimates are prepared, and it was a good thing to know. This session we have had before us no less a person than the Auditor

General, Mr. Henderson. I asked him to try to help us to find a way so that the Senate would have an opportunity to discuss those matters, or at least to have some information about them in a better manner than has been done since I have been a member of the Senate. In previous sessions the same situation arose, and the Senate had to take it or leave it.

When I was coming to the chamber this evening I met civil servants who said to me, "Don't make a speech; do not delay the passage of the bill, so that we can get our cheques in due course." It is a saddening fact that civil servants are waiting for this bill to pass to buy bread and butter—and jam, perhaps, if their salary is high enough. The result is that we cannot have a full discussion here because these people are anxious to be paid. Everybody is in a hurry, and it comes before us in a kaleidoscopic manner. That word is in the dictionary and it means a thing that passes before the eyes like cinema—not an ordinary cinema, but one that is turned so fast that one cannot see what it is. It looks like the picture on a TV set which is in need of repair. You see clouds and various other images instead of the picture.

Coming back to the Finance Committee, I know very well that the chairman and my colleagues who sit on the committee do all they can to supply information in the reports of that committee. Do you have the time to read them? I hope so. If you have, you will have noticed that the members of that committee are doing their best to try to improve a situation which has been wrong from the very beginning. The Senate is the last to be served; the Senate is the last to be informed. Nevertheless, the Senate is the body which can study the Estimates in the most serious and competent manner, because we have no afterthought; we consider matters objectively and upon their merit.

Now the bill will pass; it will pass after the protests of some of my colleagues and myself. I did not want to speak tonight, but I must protest and warn the Government that if there is no better way of obtaining information we will have to make a speech on each item the next time supply comes before the Senate at the last minute when the Deputy to His Excellency the Governor General waits in an anteroom to give the bill Royal Assent. It is ridiculous; it makes no sense.

Let us join together to try to make the Government and all those concerned understand that the Senate has a word to say in the study of supply and that we have the right to ask questions. I have numerous questions to ask about the appointment of judges on commissions, a thing that goes on in a most incredible manner; questions about the redistribution bill, about unemployment, and about all sorts of things that concern people very deeply. We have not had a chance to ask those questions, and we have to vote the money that has been already spent.

Perhaps you share my views in this respect. If you do, I am your interpreter. I wonder what you think, but I am not sure of it; I have no power of attorney for you. When any man considers a thing objectively and without prejudice, he needs the opinion of others who have no prejudice and who consider the same matter upon its merits and objectively. I wonder if any one of you will rise to criticize me for making this protest. I would be surprised if you did. Is there anyone who tells me that I am wrong about this?

Hon. Mr. Hollett: Honourable senators, have I received an invitation to rise?

Hon. Mr. Pouliot: Yes.

Hon. Mr. Hollett: Then I will say that I agree 100 per cent with what the honourable senator has said. We have before us a bill with certain amendments that we are supposed to pass. We have not had an opportunity to ask questions or say one word about anything, and we are not going to get that opportunity.

The Hon. the Acting Speaker: I must interrupt the honourable senator to ask if he is going to put a question. If not, I presume the honourable Senator Pouliot would like to continue.

Hon. Mr. Hollet: I was about to ask a question of him. I rose because I was wondering if he was quite sure of the statements he has made. I want to tell him I agree with him.

Hon. Mr. Pouliot: Honourable senators, I thank Senator Hollett for his intervention. What he has said is an eloquent peroration of my speech.

Motion agreed to and bill read third time and passed, on division.

ROYAL ASSENT

NOTICE

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

GOVERNMENT HOUSE

Ottawa, March 9, 1966

Sir,

I have the honour to inform you that the Hon. Gérald Fauteux, Puisne Judge of the Supreme Court of Canada, acting as Deputy to His Excellency the Governor General, will proceed to the Senate Chamber today, March 9th, at 9.15 p.m. for the purpose of giving royal assent to certain bills.

I have the honour to be, Sir, Your obedient servant,

A. G. Cherrier,
Assistant Secretary
to the Governor General

The Honourable
The Speaker of the Senate.

The Senate adjourned during pleasure.

ROYAL ASSENT

The Honourable Gérald Fauteux, Deputy of His Excellency the Governor General, having come and being seated at the foot of the Throne, and the House of Commons having been summoned, and being come with their Speaker:

The Honourable Lucien Lamoureux, Speaker of the House of Commons, then addressed the Honourable the Deputy of His Excellency the Governor General as follows:

May it please Your Honour:

The Commons of Canada have voted certain supplies required to enable the Government to defray the expenses of the public service.

In the name of the Commons, I present to Your Honour the following bill:

An Act for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1966.

To which bill I humbly request Your Honour's assent.

The Honourable the Deputy of the Governor General was pleased to give the Royal Assent to the said bill.

The House of Commons withdrew.

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

The sitting of the Senate was resumed.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, March 10, 1966

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

Prayers.

DOCUMENTS TABLED

Hon. A. K. Hugessen tabled:

Report on the Administration in connection with the Youth Allowances Act for the fiscal year ended March 31, 1965, pursuant to section 13 of the said Act, chapter 23, Statutes of Canada, 1964-65. (English and French texts).

Report of Expenditures and Administration in connection with the Old Age Security Act for the fiscal year ended March 31, 1965, pursuant to section 12 of the said Act, chapter 200, R.S.C., 1952. (English and French texts).

Report of Expenditures and Administration in connection with the Unemployment Assistance Act for the fiscal year ended March 31, 1965, pursuant to section 9 of the said Act, chapter 26, Statutes of Canada, 1956. (English and French texts).

Report on the Administration of the Family Assistance Program for the fiscal year ended March 31, 1965. (English and French texts).

Report of Expenditures and Administration in connection with the Family Allowances Act for the fiscal year ended March 31, 1965, pursuant to section 14 of the said Act, chapter 109, R.S.C., 1952. (English and French texts).

Report of Operations under the Export and Import Permits Act for the year ended December 31, 1965, pursuant to section 26 of the said Act, chapter 27, Statutes of Canada, 1953-54. (English and French texts).

Statement of work performed and expenditures made as of December 31, 1965, together with estimated expenditures for 1966, respecting the construction by the Canadian National Railway Company of certain railway terminal facilities at and in the vicinity of the City of Toronto, pursuant to section 10 of the Canadian National Toronto Terminals Act, chapter 26, Statutes of Canada, 1960. (English and French texts).

Statement of work performed and expenditures made as of December 31, 1965, together with estimated expenditures for 1966, under authority of chapter 7, Statutes of Canada, 1960-61, respecting the construction by the Canadian National Railway Company of a railway line from mile 72.6 Kiask Falls Subdivision, to Mattagami Lake Mines, Township of Galinee, in the Province of Quebec, pursuant to section 8 of the said Act. (English and French texts).

Report of work performed and expenditures made as of December 31, 1965, together with estimated expenditures for 1966, under authority of chapter 56, Statutes of Canada, 1960-61, respecting the construction by the Canadian National Railway Company, of a line of railway from a point near Grimshaw, in the Province of Alberta, in a northerly direction to Great Slave Lake in the Northwest Territories, pursuant to section 9 of the said Act. (English and French texts).

Report of work performed and expenditures made as of December 31, 1965, together with estimated expenditures for 1966 under authority of chapter 11, Statutes of Canada, 1962-63, respecting the construction by the Canadian National Railway Company of a line of railway from a point from Nepisiguit Junction in a southerly and westerly direction to a point approximately in the middle of the western half of the Parish of Bathurst in the Province of New Brunswick to the property of Brunswick Mining and Smelting Corporation Limited, pursuant to section 8 of the said Act. (English and French texts).

Report of work performed and expenditures made as of December 31, 1965, together with estimated expenditures for 1966, under authority of chapter 14, Statutes of Canada, 1965, respecting the construction by the Canadian National Railway Company of a line of railway from a point near Mile 3.2 of the Froomfield Spur, south of Sarnia, southerly to the property of Canadian Industries Limited in Sombra Township, County of Lambton, in the Province of Ontario, pursuant to section 1 of the said Act. (English and French texts).

PRIVATE BILL

SEABOARD FINANCE COMPANY OF CANADA—FIRST READING

Hon. A. Hamilton McDonald presented Bill S-21, to incorporate Seaboard Finance Company of Canada.

Bill read first time.

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

Motion agreed to.

DIVORCE

REPORTS OF COMMITTEE PRESENTED

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the committee's reports Nos. 338 to 400, inclusive, and moved that the said reports be taken into consideration at the next sitting.

Motion agreed to.

THE ESTIMATES

REPORT OF FINANCE COMMITTEE PRESENTED

Hon. T. D'Arcy Leonard, Chairman of the Standing Committee on Finance, to whom was referred the Estimates laid before Parliament for the fiscal year ending March 31, 1966, presented the following report:

> The Standing Committee on Finance to whom was referred the Estimates laid before Parliament for the fiscal year ending March 31, 1966—

Some hon. Senators: Dispense.

For text of report see appendix, pp. 297-9.

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

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

Motion agreed to.

[Later:]

REPORT OF FINANCE COMMITTEE PRINTED AS APPENDIX TO MINUTES OF PROCEEDINGS

Hon. T. D'Arcy Leonard: Honourable senators, with leave of the Senate, I move that the Report of the Standing Committee on Finance with respect to the expenditures set out in the Estimates laid before Parliament for the fiscal year ending 31st March, 1966, which was presented today, be printed as an Appendix to the *Minutes of the Proceedings of the Senate* of this date, and form part of the permanent records of this house.

Motion agreed to.

BUSINESS OF THE SENATE

On the Notice of Motion for Adjournment:

Hon. A. K. Hugessen: Honourable senators, with leave of the Senate, I move that when the Senate adjourns today it do stand adjourned until Tuesday, March 22, 1966, at 8 o'clock in the evening.

I believe that honorable senators would wish to know what our position is. The Order Paper is now quite clear, except for the motion for an address in reply to the Speech from the Throne. I understand that Senator Pearson, in whose name the debate stands adjourned, wishes to speak after the proposed adjournment.

We wish to give the Standing Committee on Banking and Commerce all the leeway possible to go ahead with their examination of bankruptcy legislation. I understand we are likely to receive from the House of Commons a bill to extend the expiry date of charters of chartered banks. This legislation is necessary awaiting new legislation to amend the Bank Act.

Otherwise, I do not think there is any special business for next week, but the committees will no doubt have various other things to do. I understand that some further Government legislation may be introduced here.

I am led to believe that the House of Commons will consent to the constitution of a joint committee to consider all the bills concerning divorce, submitted in both houses. We may have a resolution to that effect from the Commons at our next sitting.

Hon. A. J. Brooks: May I ask the honourable Leader a question about the setting up of joint committees? The proposal to set up a joint committee of the Senate and House of Commons on divorce legislation appears in the notices of motions of that house.

Other committees are being set up also. There is to be a joint committee of both houses on penitentiaries; and I presume that some senators who were on the previous committee will be on the new committee.

Also, the Joint Committee on Consumer Credit is being reconstituted.

I note from the Commons *Hansard* that there are several other items under consideration. There is the Bank Act, as the honourable leader has told us, and the Bretton Woods Agreement Act, which I take to be rather important. There is the Fisheries Act and some others, all of which will be taken up in

the other place during our recess. So, it appears we shall have quite a lot of work to do when we return.

I would like to ask the honourable leader if he knows of any public bills which will be initiated in the Senate. We have had the Bankruptcy Act. Are there any others in prospect? I am sure no member of this chamber objects to our taking a recess once in a while—and I think it is a wise policy when there is no work to be done—but I think also many would prefer to have more to do and not to have so many recesses. Therefore I would ask the honourable leader if he can indicate whether any bills are likely to be initiated in the Senate.

Hon. Mr. Hugessen: I have no specific knowledge of any Government legislation that may be introduced in the Senate. I am told there is a possibility of one bill being introduced, but I do not know what it is about. I agree with the honourable Leader of the Opposition when he says that we will likely have sufficient work to do when we reassemble on March 22, but in view of the present state of the Order Paper I think we are justified in taking a short holiday.

Hon. Mr. Brooks: This recess will not delay, for instance, the work of the proposed joint committee on divorce?

Hon. Mr. Hugessen: No. With regard to the various joint committees which are being considered by the House of Commons, I understand the procedure to be that they adopt a resolution which they send to us informing us that they agree to the setting up of a joint committee to which they will appoint so many members, and they ask us to join with them; we then return a message saying that we agree, and that we will appoint so many members to that committee. I understand that is the procedure which will be followed in regard to the various joint committees.

Hon. Mr. Brooks: Am I correct in thinking that there will be no meetings of any of those committees during the recess?

Hon. Mr. Hugessen: No, there will be no meetings of the committees before we return.

Motion agreed to.

DUTCH ELM DISEASE

On the Orders of the Day:

Hon. Arthur W. Roebuck: Honourable senators, may I call attention to a matter which I think is of considerable public interest. On May 31 last I called attention to the death of the elm trees in Canada and asked that some action be taken in the matter. At page 168 of the *Hansard* of that day I said this:

> I am sure all honourable senators share my concern at the disappearance in Canada of the elm tree as a result of the Dutch elm disease. In my view they are the most beautiful and picturesque trees we have. In the past the only way of protecting them against this disease was to spray them, an operation which later became quite impossible because of their size. However, I have recently read in the newspapers of the invention of a drug which is hypodermically injected into the sap of the tree and thus protects it from the ravages of this disease. I am sure the honourable Leader of the Government—

That refers to the honourable Senator Connolly (Ottawa West), and I am sorry that he is not present to continue what we were discussing on that occasion.

> —has very little, if any, information on this subject, but I would like a report if it could be had from our Department of Agriculture and Department of Forestry on the value of the remedy, and what the departments are doing to assist in its success.

As a result of the leader's activities in that regard, I received a reply which is summarized, I think by the Department of Agriculture, in these words:

> Bidrin—

That is the name of the drug that is inserted hypodermically.

> —is extremely toxic both to plants and animals. It acts as a systemic poison, that is, it is transported throughout the vascular system of the plant. It does kill bark-beetles that attack treated trees but whether or not insect suppression takes place before the beetles have transmitted the infection is not clear. Because of its high toxicity to trees, it is difficult to achieve a favourable balance between effective control of bark-beetles and poisoning of the tree.
>
> The Departments of Forestry and Agriculture are not recommending the use of Bidrin for Dutch elm disease control because: (a) It is extremely toxic to mammals and birds. (b) Its high tox-

icity to trees makes it difficult to use. (c) Insufficient evidence of its effectiveness in desease control is available

Until it is proven to be effective, the present recommendations for the protection of elms from Dutch elm disease should be followed: a combination of vigorous sanitation (removing and burning dead and ailing trees) and the application of DDT or Methoxychlor in the spring.

When that reply was made I pointed out that while it answered one-half of my question as to the value of the newly-found medication, it did not answer the other half as to what we were doing to assist in the preservation of these valuable trees. I expressed the hope that by the time we met again we could have some further information from these departments as to what they were doing to assist in the suppression of the disease. Apparently, nothing has been done that is of public knowledge, at all events, and the ravages of the disease are continuing apace.

I have in my hand a clipping from the Toronto *Globe and Mail* of January 12 this year under the heading: "Disease strikes. Province to axe 1,800 elms." The article reads in part as follows:

Nearly 1,800 trees killed by Dutch elm disease will be removed from Ontario highways this winter.

The Department of Highways awarded two contracts for the removal and disposal of the elms last month. The cost of the contracts total $51,700 for removal of 201 trees in the Ottawa district and 960 trees along highways in the Port Hope district.

Still to be let is a contract for removal of 636 elms in the Toronto district.

So you see that unless something is done we are going to lose all the elms in the Province of Ontario, and there is no guarantee that once the elm disappears the disease will not attack some others of our wonderful trees. Therefore, I request that the Acting Leader take this matter up once again with these departments, and that he call attention to the fact that the answer last year dealt with only one-half of the question. I would like to know what we are doing. If we are not doing anything then let them say so.

I suggested also, when this answer was given us last year, that in my opinion an appropriation for the efficient handling of this inquiry and perhaps the discovery of some medication that would serve our purpose, would be justified on the part of the Government of Canada. I for one would be very glad to vote for such an appropriation, and I rather fancy that everyone within the hearing of my voice would also vote for it.

Perhaps my words did not reach the appropriate departments at that time, but I hope with the co-operation of my honourable friend, the Acting Leader of the Government, they will now, and that we may have a comprehensive reply which will show some activity on the part of the Canadian Government in the control of this disastrous disease, which is removing from our countryside the most beautiful and picturesque of our trees.

Hon. Joseph A. Sullivan: Honourable senators, it might reassure the honourable Senator Roebuck if I tell him that extensive research is now being carried out by the Faculty of Forestry of the University of Toronto under Dean Sisam, and that they are hoping for results some time in the near future.

Hon. A. K. Hugessen: Honourable senators, I know that we are all extremely sympathetic with the suggestion that my honourable friend has made. He has spoken about the disappearance of elm trees. Of course, I am about to disappear as acting leader of this house, but before I do I will have his inquiry made in the department with a view to getting an answer to his question as soon as possible.

Hon. A. J. Brooks: May I ask the honourable gentleman who brought up this question if it would not be also the responsibility of the various provinces? I know that in my own province—and my good friend Senator Burchill will confirm this—we suffered from the budworm scourge, and still do. The province and the dominion shared the expense of trying to eliminate that pest, and I think some large corporations such as International Pulp and Paper and Fraser's, made some contributions. It seems to me that it is not only the federal department that has the responsibility; it is a matter for both the federal and provincial departments.

Hon. Mr. Roebuck: My inquiry is wide enough to allow the Department of Agriculture and the Department of Forestry to say what the provinces are doing, as well as the federal authorities.

My honourable friend the Acting Leader indicates that he is disappearing from the house. I would remind him that he is disappearing, not from the house, but only as Acting Leader of the Government. He has been a most efficient and acceptable leader. Of course we all look forward to the return of Senator Connolly as soon as his health permits.

BILLS OF EXCHANGE ACT

BILL TO AMEND—THIRD READING

Hon. Eric Cook moved the third reading of Bill S-14, to amend the Bills of Exchange Act.

Motion agreed to and bill read the third time and passed.

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

APPENDIX

THE ESTIMATES

REPORT OF STANDING COMMITTEE ON FINANCE

Presented by Hon. Mr. Leonard

(*See p. 293*)

Thursday, 10th March, 1966.

The Standing Committee on Finance to which was referred the Estimates for the fiscal year ending March 31, 1966, has in obedience to the order of reference of January 26, 1966, examined the said Estimates and now reports as follows:

1. On May 13, 1965, your committee was authorized by an order of reference adopted by the Senate to examine and report upon the expenditures proposed by the Estimates for the fiscal year ending March 31, 1966. Your committee held a number of meetings prior to the adjournment of the Senate on June 30, 1965, but it was not able to conclude its consideration because of the dissolution of the Twenty-sixth Parliament. Subsequently upon the convening of the Twenty-seventh Parliament, the Senate on January 26, 1966, by a further order of reference authorized the committee to examine the said Estimates and directed that the evidence taken at the previous session be referred to the committee.

2. Your committee has heard evidence with respect to the said Estimates from the Secretary of the Treasury Board, the Auditor General, the Minister of Citizenship and Immigration and senior officials from the Department of Northern Affairs and National Resources, the Department of External Affairs, the External Aid Office, the Department of Citizenship and Immigration and the Department of Labour.

3. Your committee continued its consideration of the recommendations made by the "Royal Commission on Government Organization," in what is commonly called the Glassco Report, to which special attention was given in the Report of the Finance Committee dated November 25, 1964. It is evident that progress is being made in the implementation of those recommendations, but much remains to be done. Perhaps the most significant recommendation in the Glassco Report was that departments and agencies be given the necessary financial authority and be held accountable for the effective management of the financial resources placed at their disposal. Essentially, this involves the delegation of a substantial amount of the central authority now vested in central agencies such as the Treasury Board and the Comptroller of the Treasury, to the operating departments under suitable and adequate financial control mechanisms. In seven departments of government, surveys are being conducted to examine the feasibility of implementing the Glassco Commission recommendations. To the extent that they are implemented, they will involve changes in the form and control of the Estimates presented to Parliament. It is too early as yet to know what form these changes will take but this is a development that should command the continued close attention of your committee.

4. Your committee has not attempted to make any detailed study of the Estimates, department by department. It has considered the Estimates as a whole, their total amount, their form and content and the method of presentation of expenditures. Also by questioning the officials that appeared before us, much useful information as to individual items of expenses was obtained and has been recorded in the printed proceedings of the meetings. However, your committee did give special attention to certain expenditures which appeared to members of the committee to call for a closer examination. These related to such matters as the operations of our National Parks, the contributions of Canada to the United Nations and its operations, the participation of Canada in assisting developing countries, and winter works programs designed to reduce unemployment in Canada during the winter months.

5. Evidence with respect to the municipal winter works deserves special mention. This program is having its greatest effect in the Province of Quebec, due to the fact that the government of that province supplements the federal grant by an additional 40 per cent of payroll cost, so that a municipality in that province receives from 90 per cent to 100 per cent of the total payroll cost of an approved winter works project. On the other hand, provinces in the Atlantic area, which are

known to have relatively high winter unemployment, receive comparatively little benefit from the federal winter works municipal program, presumably because it is not sufficiently assisted by the provinces and municipalities in the area. Your committee therefore calls attention to this anomaly and suggests that the federal program might well be reconsidered, not with a view to changing its effectiveness in Quebec or other provinces where it is achieving its purpose, but rather to adapt it to assist unemployment in those provinces where it is not now making any substantial contribution to the relief of winter unemployment.

With respect to the winter house-building employment program, the evidence adduced to us was to the effect that the federal contribution of $500 to assist in the construction of houses in the winter time was accomplishing its purpose of spreading house-building employment throughout the whole calendar year.

6. The overall expenditures of the fiscal year ending March 31st, 1966, included in the main and supplementary estimates totalled $7,825,903,333. This figure does not include Loans and Investments; nor does it include payments out of the Old Age Security Fund. The disbursements of that fund during the current fiscal year are estimated to be $905,-000,000 and the receipts by the fund from the special sales and income taxes are well in excess of that amount. The figure of $7,825,-903,333 is an increase over the previous fiscal year of $607,628,781. In percentage, the increase over the 1964-65 expenses was 8.4. It is inevitable that a country's government expenditures will grow as its population and its wealth grow, but it is very important to measure the percentage of a country's production that is taken by the governments as their share. In your committee's report of November 25, 1964, dealing with the 1964-65 Estimates, a comparison was made between the growth in federal expenditures and the increase in the Gross National Product of Canada. For that year, the expenses increased by a little more than 3 per cent over the preceding year, but the country's gross national production advanced by approximately 8 per cent. In the period now under review, the increase of federal government expenditures is 8.4 per cent over the preceding year while the gross national production in 1965 is estimated to be about 9 per cent above that of 1964. The deduction to be drawn is that the federal government's proportionate share of the country's total production is not increasing, and in this last year remained at about the same percentage as in the preceding year, namely 15.3 per cent. Historically, this is not a high percentage. In the committee's last report there was also appended a table showing the Budgetary Expenditures since 1955 and their percentage increases from year to year, and this is brought up to date by a table attached to this report.

7. In the report in 1964 it was mentioned that in the United Kingdom 26 days before August 5 of each session are given for the consideration of the Annual Estimates on Supply, thereby limiting the debate and setting a deadline for the final passing of supply. In Canada, supply for the current fiscal year did not receive final approval until the twelfth month. This is due to a completely unsatisfactory and archaic procedure and your committee notes with approval that new rules in the House of Commons provide that the Estimates for 1966-67 will be referred to a large number of committees to enable the examination of them to be done more expeditiously.

8. In view of the constitutional responsibility of the Senate to participate in the enactment of the various appropriation acts authorizing government expenditures, your committee is of the opinion that the annual Estimates should continue to be referred to the Finance Committee for examination. Limitations of time and professional personnel do not permit such an examination to deal with the Estimates in detail, department by department, but the Committee can continue to give the kind of scrutiny set out in this and its preceding reports.

9. Your committee has not in recent years examined the financial affairs of Crown companies or emanations of the Crown such as the Canada Council but is prepared to do so should the Senate see fit to grant the necessary authority.

10. Your committee desires to thank the witnesses who have appeared before it for their courtesy and co-operation.

All which is respectfully submitted.

T. D'Arcy Leonard,
Chairman

Table of Percentage Increases of Federal Government Expenditures Over Preceding Year, Covering Period 1955-1966

Fiscal Year ending March 31	Budgetary Expenditures (in millions)	Increase between years
1955	4275	
1956	4433	4 %
1957	4849	9
1958	5087	5
1959	5364	5
1960	5703	6
1961	5958	4
1962	6521	9
1963	6571	1
1964	6892	5
1965	7218	5
1966	7825 (est)	8.4

THE SENATE

Tuesday, March 22, 1966

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

Prayers.

NEW SENATOR

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

Norman Archibald MacRae MacKenzie, Esquire,

had been summoned to the Senate.

NEW SENATOR INTRODUCED

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

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

Hon. Norman Archibald MacRae MacKenzie, of Vancouver, British Columbia, introduced between Hon. Mr. Connolly (Ottawa West) and Hon. Mr. Aird.

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

BANK ACT AND QUEBEC SAVINGS BANKS ACT

BILL TO AMEND—FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-3, to amend the Bank Act and the Quebec Savings Banks Act.

Bill read first time.

Hon. John J. Connolly moved, with leave of the Senate, that the bill be placed on the Orders of the Day for second reading at the next sitting.

Motion agreed to.

DIVORCE

PROPOSED JOINT COMMITTEE

The Hon. the Speaker: Honourable senators, I have the honour to inform the Senate that the following message has been received from the House of Commons:

Resolved: That a Special Joint Committee of the Senate and House of Commons be appointed to inquire into and report upon divorce in Canada and the social and legal problems relating thereto, and such matters as may be referred to it by either house;

That twenty-four members of the House of Commons, to be designated by the house at a later date, be members of the Special Joint Committee, and that Standing Order 67(1) of the House of Commons be suspended in relation thereto;

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

That the committee have the power to send for persons, papers and records, to examine witnesses, to report from time to time, and to print such papers and evidence from day to day as may be ordered by the committee, and that Standing Order 66 be suspended in relation thereto;

Ordered: That a Message be sent to the Senate requesting Their Honours to unite with this house for the above purpose, and to select, if the Senate deems it so advisable, some of its members to act on the proposed Special Joint Committee.

Attest

Léon-J. Raymond,

The Clerk of the House of Commons.

Honourable senators, when shall this message be taken into consideration?

Hon. John J. Connolly: I move that the message be taken into consideration at the next sitting.

Motion agreed to.

PENITENTIARIES

PROPOSED JOINT COMMITTEE

The Hon. the Speaker: Honourable senators, I have the honour to inform the Senate that

the following message has been received from the House of Commons:

Resolved: That a Joint Committee of the Senate and House of Commons be appointed to consider the state of penitentiaries under the control of the Government of Canada and the plans of the Government in relation thereto with powers to report from time to time its observations and opinions thereon; send for persons, papers and records; adjourn from place to place, sit during sittings of the house; and print from day to day such papers and evidence as may be ordered by the committee, and that Standing Order 66 be suspended in relation thereto;

That fifteen members of the House of Commons, to be designated at a later date, act on behalf of the house as members of the said committee;

Ordered: That a message be sent to the Senate requesting that house to unite with this house for the above purpose, and to select, if the Senate deem advisable, some of their members to act on the proposed joint committee.

Attest

Léon-J. Raymond,
The Clerk of the House of Commons.

Honourable senators, when shall this message be taken into consideration?

Hon. John J. Connolly: I move that the message be taken into consideration at the next sitting.

Motion agreed to.

CONSUMER CREDIT

PROPOSED JOINT COMMITTEE

The Hon. the Speaker: Honourable senators, I have the honour to inform the Senate that the following message has been received from the House of Commons:

Resolved: That a Joint Committee of the Senate and House of Commons be appointed to inquire into and report upon the problems of consumer credit, more particularly but not so as to restrict the generality of the foregoing to inquire into and report upon the operation of Canadian legislation in relation thereto;

That twenty-four members of the House of Commons to be designated by the house at a later date, be members of the joint committee, and that Standing Order 67 (1) of the House of Commons be suspended in relation thereto;

That the said committee have power to call for persons, papers and records and examine witnesses; to report from time to time and to print such papers and evidence from day to day as may be deemed advisable, and that Standing Order 66 be suspended in relation thereto; and to engage the services of counsel, accountants and such other clerical and technical personnel as may be deemed necessary, that the minutes of proceedings of and evidence given before the joint committee during the Twenty-sixth Parliament be referred to the said committee and be made part of the records thereof;

Ordered: That a message be sent to the Senate requesting that house to unite with this house for the above purpose, and to select, if the Senate deems it advisable, some of its members to act on the proposed joint committee.

Attest

Léon-J. Raymond,
The Clerk of the House of Commons.

Honourable senators, when shall this message be taken into consideration?

Hon. John J. Connolly: I move that the message be taken into consideration at the next sitting.

Motion agreed to.

RESTAURANT OF PARLIAMENT

JOINT COMMITTEE—COMMONS MEMBERS

The Hon. the Speaker informed the Senate that the following message had been received from the House of Commons:

Ordered—That a message be sent to the Senate to acquaint Their Honours that this house will unite with them in the formation of a Joint Committee of both houses on the direction of the Parliamentary Restaurant, and that the Members to serve on the said committee, on the part of this house, will be as follows: Mr. Speaker and Messrs. Bigg, Boulanger, Brand, Cantelon, Cowan, Crossman, Crouse, Emard, Ethier, Hales, Herridge, Horner (The Battlefords), Johnston, Langlois (Chicoutimi), Leblanc (Laurier), Matheson, McNulty, Noble,

Peters, Rock, Simard, Tucker, Vincent, Whelan and Winkler.

Attest

Léon-J. Raymond,
The Clerk of the House of Commons.

Ordered, that the message do lie on the Table.

LEADER OF THE GOVERNMENT IN SENATE

STATEMENT ON RETURN TO CHAMBER

Hon. John J. Connolly: Honourable senators, before tabling certain documents and with the indulgence of the Senate I wish to thank you all so much for the tremendous welcome you have given me on my return to this chamber. I really thought Senator Walker of Toronto had a corner on standing ovations. I am very happy to be among you again.

Approximately one week ago I landed in Toronto to be welcomed by more brilliant sunshine than I had left in Florida, and I was sure it was spring. Because of what was happening at that time I thought of the days when Senator Choquette and I were small boys growing up in Sandy Hill, when one of the surest signs of spring was the appearance of the organ grinder on the streets. I knew that day spring had come to Toronto because everywhere there was the "hurdy-Gerda" sound.

Hon. Senators: Oh, oh.

Hon. Mr. Connolly (Ottawa West): Honourable senators, before proceeding further I must thank you all for the kindnesses extended me during my illness—the inquiries, the messages, the notes, the flowers—from every segment of this house and, from the other house as well. In circumstances like those one cannot help but think that even serious illnesses have their great compensations.

Hon. Senators: Hear, hear.

Hon. Mr. Connolly (Ottawa West): The co-operation of all honourable senators that has been evident during these past two months has been something that should inspire confidence in public life. Certainly, it has been proven that the rule of the indispensability of any one man does not apply to Parliament.

Perhaps you all know that about a year ago Senator Vaillancourt came to me and asked to be relieved of the responsibilities of deputy leadership. I agreed to this, but not until the end of the session. Now as this is my first opportunity to do so, I wish to thank Senator Vaillancourt, not only on my own behalf but on behalf of other leaders—Senator Ross Macdonald, for one—who were my predecessors in office, for the immense service he has rendered to this chamber and to the Parliament of this country, and for the great prestige he has added to the Senate.

Hon. Senators: Hear, hear.

Hon. Mr. Connolly (Ottawa West): I believe the appointment of Senator Paul Bouffard to the deputy leadership of the Senate was a natural one. I had looked forward, as I am sure all honourable senators had, to many years of fruitful work with him in that position.

Of Paul Bouffard I think it can be said what Napoleon said of his private soldiers, that in the gunny sack of every one of them there was a field marshal's baton. Over a period of 20 years of devoted service to Parliament, to this chamber and to the country, Paul Bouffard proved that he had a baton in his gunny sack.

May I thank also Senator Brooks, the leader opposite, the whips, the officials and the staff. I know there was some consternation resulting from the fact that while I was still the Leader of the Government, I was not here. I do thank all of them from the bottom of my heart because they assumed extra responsibilities and did much additional work.

Senator Hugessen is not here tonight, but I should like to say that I hope the comparison between the leadership he gave and the leadership that I shall give will not be too invidious. We all agree that Senator Hugessen is one of the greatest parliamentarians Canada has every produced.

Hon. Senators: Hear, hear.

Hon. Mr. Connolly (Ottawa West): Mr. Speaker, may I congratulate you upon your appointment to your high office. This fact has been acclaimed universally. Peut-être dois-je remarquer aussi que le français que vous parlez s'améliore chaque jour.

At the moment I am not certain whether my very close friend Senator Bourget is in the chamber, because I am not yet familiar

with the seating arrangements that were made at the beginning of the session. I am sure all honourable senators were as delighted as I was in the recognition of Senator Bourget's twenty years of service in Parliament by his being summoned to the Queen's Privy Council for Canada.

The Senate is not exactly the same place it was when I was last here, and I should like now to welcome the many new senators we have in our midst. I welcome them not only to the comradeship of the Senate, but also to the opportunities for service which the Senate presents.

It was not long after I was introduced here that I realized that the issue of the Patent did not make the senator. The senator is made by the kind of work he does in the chamber, and in committees, whether he is a member of those committees or not. The new senator is greatly assisted if he takes advantage of the opportunity of reading the *Debates of the Senate* and the *Journals of the Senate*. There he will find the history of the Senate and the speeches of the great Canadians who have stood in this place and spoken with magnificence on important issues. The new senator can help himself by reading the literature about the Senate, such as Dr. Mackay's book, and a more recent publication by Professor Kunz, both of whom are studious and learned men. But perhaps new senators can gain most from the good will, experience and wisdom of the members of this chamber, regardless of whether they occupy the front benches or back benches, or on which side of the chamber they are seated.

I should tell them, too, that at times the party line does run here but it is not very pronounced. To illustrate this I might be allowed to tell a story.

During the days that Senator Ross Macdonald and I were in the Opposition, sometimes called the bad days, Senator Haig's late father was the leader on this side of the house. On one occasion he brought in a bill entitled the Canadian Vessel Construction Assistance Act, a highly complicated tax measure. Quite properly he said, "I think this bill is more of a committee bill than a Senate bill, and perhaps instead of debating now we should give it second reading and refer it at once to a committee."

Senator Ross Macdonald, however, thought differently and said, "Oh, no; let us have a debate." After he had spoken to the bill and adjourned the debate, Senator Haig came to me and said, "Will you explain this bill?" Of course I was happy to do so, although I did find myself in the anomalous position of sponsoring a bill proposed by our political opponents. The bill was recommended by the committee, went through the regular stages and finally became law.

A few weeks later Senator Haig came to me and expressed his appreciation for what I had done. And he added, "I want to tell you, Connolly, that the other day when I spoke in our general caucus about the kind of co-operation I was getting from the Opposition in the Senate, I used this as an example." I replied, "I appreciate your kindness, but you have really put me in a terrible dilemma. What in the world am I going to be able to tell St. Peter when I reach the pearly gates, and he says to me, 'You were well spoken of in the Tory caucus'?"

There was an aftermath even to that. I told this story to a Conservative friend, and he put his hand on my shoulder and said, "John, I don't know what you were worried about. Even if you had got by St. Peter, you would not have found any Liberal friends there!"

Hon. Senators: Oh, oh.

Hon. Mr. Connolly (Ottawa West): Honourable senators, while we have pleasure in welcoming new senators here, there is also a certain sadness which I experienced this evening. The first is in connection with some of our colleagues who retired since I was last here.

I remember Senator Leonard Tremblay from the days of the war, when leave from his military duties allowed him occasionally to come to the house in uniform. He visited me the day he retired, and I assure honourable senators that the emotion he experienced as he realized he would never again meet his colleagues here was very deep indeed.

Senator Buchanan also has retired. He was not with us for long, but during that short period he earned the esteem, and indeed the affection of members on both sides of this house. We shall miss him.

It is difficult to add to what has already been said so well about Senator Wishart Robertson. He had been Speaker of the Senate, and he was leader at a time when the Senate was going through a transitional period. The recent book by Kunz gives particular emphasis to that aspect. I think it should be remembered, in connection with Senator Robertson's leadership, that he for the first time involved more senators in the work of

this chamber than perhaps any other leader theretofore in the history of the Senate.

Senator Robertson's work in the foundation of the NATO Parliamentary Association was significant. It seems a strange commentary upon that great step which has done so much for the Alliance that his greatest source of assistance came from the parliamentarians of France. It might not be so now, unfortunately.

Honourable senators, only today I learned that Senator Allan Woodrow, whom we all loved and respected, and who was introduced to this chamber on the same day as I was, felt obliged to retire.

I know I am expressing the sentiments of all honourable senators when I say that I hope the senators I have mentioned will enjoy contentment and happiness in their retirement.

In addition to retirement there have been deaths. I refer to Senator Tom Wood, whom I had known from the time he first came to the Senate, and indeed before that time. He exemplified the successful initiatives of the real sons of the West. Unfortunately, he suffered ill health some years before his death.

Senator J. Willie Comeau also died. He had almost as long a parliamentary career as any other Canadian, having served in the Nova Scotia Assembly and in the Legislative Council of that province, and as well in this house.

I am sure that the Acadians, as do many others, think of J. Willie Comeau the way Henry Wadsworth Longfellow expressed himself in *Evangeline*, in speaking of Benedict Bellefontaine of Grand Pré.

> Stalworth and stately in form was the man of seventy winters; Hearty and hale was he, an oak that is covered with snowflakes;
>
> White as the snow were his locks, and his cheeks as brown as the oak-leaves.

Perhaps the greatest void for me personally is the absence from this chamber of my very dear old friend Senator Norman Lambert. At the risk of an invidious comparison with the beautiful tributes that were paid to him, particularly by Senator O'Leary (Carleton), who knew him so well, I wish to say how much I owed to him. He was indeed for me a guide, a philosopher and a friend. Perhaps more than any other he convinced the powers that be, at the time of my appointment, that perhaps I had a place here which could be of value and of service. He sponsored me in the chamber, he advised me constantly, and like Senator O'Leary, he often disapproved of many of the things that I said and did. However, when I look back upon his career, I think it encompassed an approach to an achievement which the ideal senator at any time could well emulate.

Maurice Baring once wrote four lines about a friend who had died, and I think some of Norman Lambert's old friends would feel as Baring did when he wrote:

> When Spring shall wake the earth
> And quicken the scarred fields to new birth—
> Our grief shall grow. For what can spring renew
> More fiercely for us than the need of you?

Honourable senators, I have had the benevolent brainwashing of dedicated people of the great profession of medicine. In many ways I think they worked miracles. Indeed, I feel fortunate to be here. However, I think nothing has encouraged me more than the kindness which has been shown to me by all of my colleagues in this honourable house.

Hon. A. J. Brooks: Honourable Senators, I realize that words of mine to welcome our honourable leader are not necessary, after the applause he received a short time ago when he rose to make a routine motion.

Senator Hugessen was Acting Leader of the Senate during part of the absence of Senator Connolly. If Senator Hugessen were here now, he would give utterance to the feelings which I am sure are shared by my honourable colleagues. Therefore, on behalf of my colleagues, may I say that we are indeed happy to welcome Senator Connolly back. We are pleased to note that apparently he has fully recovered from his serious illness. If he has not, I must say his looks belie him.

Senator Connolly has mentioned the work done by those senators who represented him while he was away. The late Senator Bouffard did excellent work, and we were saddened by his decease. Senator Hugessen, who is a past master as a parliamentarian, also did very good work. I am sure that Senator Connolly would agree that they carried out the duties as efficiently as he himself would have done.

Hon. Mr. Connolly (Ottawa West): Thank you.

Hon. Mr. Brooks: Honourable senators, I have not had an opportunity until now to welcome the new members of the Senate. They have been introduced at different times, and I think most of them are in now. I join with Senator Connolly in welcoming them to the Senate.

As a maritimer, I am particularly pleased that my very good friend Dr. MacKenzie has joined us this evening. I wish him and all the new members enjoyment in the Senate. I feel sure they will enjoy their work here, and there is no doubt that their presence will be a marked addition to this assembly.

Honourable senators, I see our very dear friend Senator Crerar in his place in the chamber. May I say how pleased I am to see him here. He has arrived at the right time, as we will need him to help us tell about the outrageous expenditures and extravagances of the Government. I expect that he will point out ways and means whereby the Government can help the economy of this country.

We are all delighted, Mr. Government Leader, to see you back in the Senate and in such good health.

DOCUMENTS TABLED

Hon. John J. Connolly tabled:

Statutory Orders and Regulations published in the *Canada Gazette*, Part II, of Wednesday, March 9, 1966, pursuant to section 7 of the Regulations Act, chapter 235, R.S.C., 1952. (English and French texts).

Return of Unclaimed Balances in the Chartered Banks of Canada, as at December 31, 1965, pursuant to section 119(1) of the Bank Act, chapter 48, Statutes of Canada, 1953-54. (English and French texts).

Return of Unclaimed Balances in the Banks incorporated under the Quebec Savings Banks Act, as at December 31, 1965, pursuant to section 93(1) of the said Act, chapter 41, Statutes of Canada, 1953-54. (English and French texts).

Exchange of Notes between the Secretary of State for External Affairs and the Ambassador of the United States of America relating to the development of the Saint John River, dated December 18, 1965. (French text).

Report of the Governor of the Bank of Canada, and Statement of Accounts certified by the Auditors, for the year ended December 31, 1965, pursuant to section 27(3) of the Bank of Canada Act, chapter 13, R.S.C., 1952, as amended 1953-54. (English and French texts).

Revised Capital Budget of the Farm Credit Corporation for the fiscal year ended March 31, 1966, pursuant to section 80(2) of the Financial Administration Act, chapter 116, R.S.C., 1952, together with a copy of Order in Council P.C. 1966-247, dated February 10, 1966, approving same. (English and French texts).

Report of the Board of Transport Commissioners for Canada for the year ended December 31, 1965, pursuant to section 31 of the Railway Act, chapter 234, R.S.C., 1952. (English and French texts).

Copy of an Agreement between the Government of Canada and the Corporation of the city of Revelstoke, in the province of British Columbia, for the use or employment of the Royal Canadian Mounted Police, pursuant to section 20(3) of the Royal Canadian Mounted Police Act, chapter 54, Statutes of Canada, 1959. (English text).

ELECTORAL BOUNDARIES READJUSTMENT ACT

BILL TO REPEAL—FIRST READING

Hon. Jean-François Pouliot presented Bill S-22, to repeal the Electoral Boundaries Readjustment Act.

Bill read first time.

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

Motion agreed to.

APPOINTMENT OF JUDGES AS COMMISSIONERS

INQUIRY ANSWERED

Hon. Jean-François Pouliot inquired of the Government, on February 3, last:

I would like to know if the Department of Justice, before appointing a judge as a commissioner, gets in touch with the Department of the Attorney General of the province, the provincial Department of Justice, or the Chief Justice of the province, or the Acting Chief Justice. It would also be very interesting to know what was the procedure regarding the appointment of the honourable Acting

Chief Justice Challies, as commissioner to inquire into the airplane accident which occurred at Ste. Thérèse. Further, I would like to know if the Department of Justice had been in touch with him or the Attorney General before appointing a commissioner.

Hon. John J. Connolly: The answer to the honourable senator's inquiry is as follows:

Where a judge is appointed a commissioner under the Inquiries Act, the appointment is made by the Governor in Council on the recommendation of the Minister responsible for the subject matter of the inquiry, or the Prime Minister. In some cases a statute provides a different mode of appointment, as for example section 558 of the Canada Shipping Act, which authorizes the Minister of Transport to appoint a judge as a commissioner to hold formal investigations into shipping casualties. The practice is to obtain the prior approval of the judge to be appointed and also the Chief Justice or Chief Judge of the court to which he belongs; in the case of county court judges in those provinces where there is no Chief Judge of the county courts, the approval of the Attorney General of the province is obtained. Normally, the Minister of Justice or the Department of Justice is the channel of communication between the department concerned and the Chief Justice, Chief Judge or Attorney General, as the case may be, although occasionally this is done directly by the department concerned.

In the particular case referred to, namely, the air accident at Ste. Thérèse, Quebec, on November 29, 1963, the appointment of Associate Chief Justice Challies was made by the Governor in Council under the Inquiries Act on the recommendation of the Prime Minister. There was no communication between the Department of Justice and the Commissioner in this case prior to his appointment, but I am informed that officials of the Department of Transport called the proposed Commissioner and discussed with him the draft terms of reference for the inquiry.

DIVORCE

REPORTS OF COMMITTEE ADOPTED

The Senate proceeded to consideration of reports of the Standing Committee on Divorce Nos. 338 to 400, inclusive, which were presented on Thursday, March 10.

On motion of Hon. Mr. Roebuck, Chairman of the Standing Committee on Divorce, reports adopted.

RESOLUTIONS PRESENTED

Leave having been given to revert to Presentation of Petitions:

Hon. Mr. Roebuck, Chairman of the Standing Committee on Divorce, presented the following resolutions:

Resolution 337, for the relief of Gloria June Hilton Monk.

Resolution 338, for the relief of Joan Audrey Miller Moos.

Resolution 339, for the relief of Sheila Leiba Polger Moosa.

Resolution 340, for the relief of Rae Ruda Morganstein.

Resolution 341, for the relief of David Keith Murray.

Resolution 342, for the relief of Ross Arthur John Ainslie.

Resolution 343, for the relief of Carol Goudreau Austin.

Resolution 344, for the relief of Ginette Pontbriand Cardinal.

Resolution 345, for the relief of Robert Bohdan Dulepka.

Resolution 346, for the relief of Joseph Leo Gauthier.

Resolution 347, for the relief of Andree Bock Morissette.

Resolution 348, for the relief of Pierre Villeneuve.

Resolution 349, for the relief of Evelyne Bartfeld Bell.

Resolution 350, for the relief of Cecile Audet dit Lapointe Bourgon.

Resolution 351, for the relief of Claude Brien.

Resolution 352, for the relief of Pietro Marco Capra.

Resolution 353, for the relief of Norma Margaret Craig Coley.

Resolution 354, for the relief of Elizabeth Rogers Love Earl.

Resolution 355, for the relief of Bernard Gariepy.

Resolution 356, for the relief of Corinne Ruth Abramson Golfman.

Resolution 357, for the relief of Gwyneth Elizabeth Daniel Harkness.

Resolution 358, for the relief of Helen Esther Craig Langguth.

Resolution 359, for the relief of Irene Pelletier Laperriere.

Resolution 360, for the relief of Pauline Morin Lapointe.

Resolution 361, for the relief of Joseph Ralph George LeBlanc.

Resolution 362, for the relief of Monique Crevier Renaud.

Resolution 363, for the relief of Mary Sylvia Lorraine Leeks Robinson.

Resolution 364, for the relief of Huguette Machabee Tougas.

Resolution 365, for the relief of Dilys Mary Orme Tucker.

Resolution 366, for the relief of Jeannine Savard Ballabey.

Resolution 367, for the relief of Lise Audy Barakett.

Resolution 368, for the relief of Jean Francis Hickey Burbridge.

Resolution 369, for the relief of Liette Josephine Marie-Jeanne Deleuze Butrym.

Resolution 370, for the relief of Leo Campeau.

Resolution 371, for the relief of Georges-Etienne Cartier.

Resolution 372, for the relief of John Chomicki.

Resolution 373, for the relief of Theresa Eileen Whalen Dixon.

Resolution 374, for the relief of Calvin Frederick Durdle.

Resolution 375, for the relief of Hilda Jocelyn Pangman Galt.

Resolution 376, for the relief of Janis Edgars Grunde, otherwise known as John Grunde.

Resolution 377, for the relief of Pamela Eileen Packham Johanson.

Resolution 378, for the relief of Esther Joan Glassco Lloyd.

Resolution 379, for the relief of Therese Marie Paulette Delamarche Vilaire.

Resolution 380, for the relief of Glenda Roberta Miller Mason.

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Resolution 381, for the relief of Jacques Paul Mathieu.

Resolution 382, for the relief of Louise Mary Dawson Middleton.

Resolution 383, for the relief of Shirley Winnifred Myat Murray.

Resolution 384, for the relief of Angeline Trehub Pall.

Resolution 385, for the relief of Angeline Huguette Marie Mancuso Pilon.

Resolution 386, for the relief of Roger Patrick Plant.

Resolution 387, for the relief of Marcelle Blanchard Rochon.

Resolution 388, for the relief of Cornelius Robert Ryan.

Resolution 389, for the relief of Roger Thibodeau.

Resolution 390, for the relief of Micheline Demers Valade.

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

Hon. Mr. Roebuck: Honourable senators, I move that these resolutions be considered on Thursday next.

Motion agreed to.

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY— DEBATE CONTINUED

The Senate resumed from Wednesday, March 9, consideration of His Excellency the Governor General's speech at the opening of the session, and the motion of Hon. Mr. McDonald, seconded by Hon. Mr. Gouin, for an address in reply thereto.

Hon. Arthur M. Pearson: Honourable senators, I am sure I express the feelings of all honourable senators when I say we are pleased to see the honourable Leader of the Government in his place in the Senate. We wish him well, but I would caution him to take life a little easier. He works too hard and tries to do too much. I hope he will accept this word of caution, for we shall appreciate his presence here just as much if he is not working too hard.

Mr. Speaker, permit me to congratulate you on your appointment as our honourable Speaker. You have fulfilled the duties of your high office so well up to now that we feel confident you will continue to do so during the remainder of your term of office. We are

very happy indeed to see you occupy the Chair.

I congratulate both the mover and the seconder of the motion for an address in reply to the Speech from the Throne. I have known Senator A. Hamilton McDonald for many years. He is a good speaker, and he has had much experience in the Saskatchewan Legislative Assembly. He is an energetic man. He has suffered some ill health, but we are pleased to note that he seems to have overcome it and now looks very well. His speech in support of this motion was an excellent one.

Honourable Senator Gouin, the seconder of the motion, performed his duty with considerable skill. He has been a member of the Senate for over 25 years and during that time he has made many valuable contributions in this chamber. He comes from the Province of Quebec, and his speech in seconding the motion was one of which the people of that province may be proud.

I shall now speak on one or two points in the Throne Speech. In the Speech it was suggested that the federal Government would increase the grants to universities and colleges from $2 to $5 per capita, and that there would be more money for student loans. Personally, I am quite in agreement with both these proposals. I think they are most deserving and are needed.

I think, however, that students should be warned that the money they borrow has to be paid back with interest after they set out on their life's work. As this is the beginning of their productive period in life, if this debt is too heavy it might become a millstone around their neck.

Honourable senators, my point is this: does everyone need a university or college education? It seems to me that this is the cry all across this land, that everyone must have a university education or otherwise he cannot get a job worth anything. Does a bricklayer need to have a B.A. or a B.Sc.? Does a steelworker, or a postman, or a restaurant waiter need a university degree? Yet all these occupations are necessary to our present-day society. So, too, are the farmers, the fishermen and the foresters—they need to know how to increase their returns from the land or water, as the case may be. They need to know all about the modern methods and improvements which are taking place in their particular vocation.

Honourable senators, I feel that in this day and age something is lacking in our educational program, especially in the primary grades. I have recently read some case histories of farmers in rural slum areas in a report prepared by the Canadian Welfare Council on behalf of the ARDA program with which, I am sure, all honourable senators are familiar.

With the permission of honourable senators, I shall read a short excerpt from the Canadian Federation of Agriculture bulletin, found on page 12 of that report. They were analysing a report on rural poverty which was done by the Canadian Welfare Council. As I have mentioned, they interviewed some 290 families. These families were based in the following four areas: the Interlake area in Manitoba; Lanark County, Ontario; Gatineau, Pontiac and Papineau counties, Quebec; and Inverness County, Nova Scotia. Each of these districts was what they called a "disadvantaged area" from a statistical standard. The report says:

> In Inverness County the average income of the families interviewed was about $28 a month per person. In Lanark it was $44. In the Interlake area the average per capita income was $36 a month. In the Quebec counties the families interviewed had on the average a monthly income per person of $41. With varying sizes of families and varying circumstances, of course, some monthly incomes per person were exceedingly low—as little as $11.71, including family allowances.
>
> That almost all poor people would be prepared to make changes in their life to improve their position, but are desperately hampered by lack of knowledge; by fear of getting into a worse mess than they are already in if they move to the city or some unknown place; by educational and physical shortcomings; and by lack of clear-cut opportunities for betterment, and of people to work with them to help them realize the opportunities. Many of the poor, however, are very attached to the locality in which they live, and would not like to move from the friends and surroundings they know.

It seems that it is difficult for the people in many of these rural slum areas to give their children an education. Some of them live a considerable distance from their school and are transported by bus. Others who are

less than three miles or so from school have to walk, and in the wintertime there are many days on which they cannot attend because of the weather, and so miss quite a bit of the schooling. Again, the children from a very early age are required to do chores on these farms. This delays them so that often they are late for school and, as we all know, if there is any excuse the average child will stay home rather than go to school.

The finding of the Welfare Council was that primary education is very poor in these slum areas.

It strikes me that when a school in a slum area endeavours to teach the children certain subjects, such as a language other than their own, they are spending time on something that will not be necessary in later years to enable those children to earn a living for themselves. I have many times discussed this matter with numerous people and, while they do not all agree, they think there is need for some change in our curricula.

I feel that children who live in Newfoundland, for instance, or elsewhere along the seacoast, should at a very early age be given some instruction in how to make a good living from the sea. Those in interior Canada, such as the Interlake area in Manitoba, should be given instruction at an early age in how to make a living from the land, and how to make a farm pay. It is my feeling that if our rural population is to remain on the land, rather than migrate to the cities in search of big jobs—and this is where our present educational scheme seems to point them—we must in our rural areas paint a better picture of farm opportunities; thus, at an early age the child will realize some of the benefits that can be gained by living in the country.

Let us take, for example, the story of the Interlake area in Manitoba, which is part of the report referred to above, and copies of which can be obtained from the Department of Forestry. In case after case in that area families who are very hard up expressed the wish that they could move to the city, or said that their children had already moved to the city and would not come back to the farm to help them.

Under the ARDA program the federal and provincial governments are putting on an educational program to instruct fishermen and farmers on how they can make a better living. This is somewhat like closing the barn door after the horse has escaped. I admit it is most necessary at the present time to assist these people in new methods of farming and fishing which will gain for them a better living, but it does seem to me that we should also bend our efforts in our educational program so that the children of these people will be instructed in the benefits which can accrue to them if they apply the modern and proper methods to their particular vocation, be it forestry, fishing or farming.

Our teachers, however, are all trained along academic lines and, necessarily, they think along those lines. To them education is a training in the Arts, leading the student inevitably to the city for a professional life or maybe just a job. My contention is that we must start training our children at an early age in the arts of farming, fishing, forestry and mining.

This Canada of ours is wonderfully endowed with opportunities in each of these resource areas. Why should all our early schooling lead only to the professions? We would do well to encourage young farm boys, at an early age, to learn new methods which will lead to a better life on the farm. The same can be said for the fishing and forestry industries.

In a semi-monthly report on Modern France which came to my desk and which, I presume, comes to each honourable senator, I was struck with the idea of a new scheme being tried in France for child instruction. With your permission I shall read a short excerpt from this report:

> Accompanied by their teachers and a nurse, and usually travelling by train, these lucky children, mostly between nine and eleven years old, for very nominal fees go off to a winter resort. There they have their school classes in the morning and early evening, and have skiing and in some cases skating lessons and other outdoor activities through the afternoon.
>
> There is a slight subsidy from the Government—last year it amounted to some five per cent of the total costs—but it is local initiative and financial support which allow parents to send their children to these "snow classes" for between $18 and $40, covering transport, housing—in snug rooms—food and special sports equipment.
>
> This year, from greater Paris alone, a new record of 587 school classes have departed for a grand time and good classroom and snow-covered hillside

learning at some lovely mountain spot in the Alps, Jura, Massif Central or the Pyrenees.

Seldom, teachers and nurses report, is there any case of homesickness.

Educators have found that far from being distracted from their normal school work, their grades actually improve in this work and play atmosphere. So, of course, do their appetites and their health.

A recently published report found that: "Both teachers and parents are enthusiastic about the advantages. From the teachers' point of view the main advantage seems to be that the children do for once get enough sleep. Far from the temptations of television, they are firmly put to bed at about 8.30, get 11 hours of sleep and are markedly more receptive than usual in the morning."

In the very early days of Canadian settlements a young man was apprenticed to a farmer and he paid for the opportunity to learn farming. Then came the great rush of immigration to take up homesteads, and everyone who could stand the lonely life called himself a farmer. There were many misfits, but many too were successful. Now that the population explosion in some areas of the world is reaching unmanageable proportions, we have to take another look at our assets on the farm, in the forest, and on our lakes and coastal fishing areas, as food will become proportionately scarcer and a serious shortage may well develop in the not too distant future. For these reasons, we who are guardians of these great resources cannot afford and, I might say, have no right to allow our future farmers and fishermen to be drained off into our great metropolitan areas. We must train our country youth at an early age so that they will love and enjoy their country life and all their surroundings; and train them also at an early age in the new methods employed in the arts of agriculture, forestry, fishing and mining.

I strongly urge that the federal and provincial governments make a study of a new type of education which, it seems to me, is essential in rural Canada. I believe that a special committee of the Senate, such as the Land Use Committee, could and should be formed to make a study along the lines I have indicated. There could be a committee of the Senate on education in Canada.

I might also quote an excerpt from an article which appeared in the February 17 issue of the *Family Herald*, apparently written by J. C. Cram, Senior Associate Editor of that paper:

> At no time in our past history has so much serious public attention been focussed on the quality of our educational system. What was once considered primarily a social problem is now being viewed, more and more, in economic terms. For the first time, education is being granted its proper status as an influence in maintaining a productive economy. The close relationship between levels of education, employment and income has been duly documented by such organizations as ARDA and the Economic Research Council.
>
> As an industry with a declining level of employment and a chronic problem of low income, agriculture is vitally involved in any program to improve our educational system. With this article the *Family Herald* begins a series designed to give readers a better perspective of past performance, present problems and future potential of our nation's schools.

Honourable senators, I come now to the question of crop insurance, which is also mentioned in the Speech from the Throne.

Crop insurance was instituted in 1961 and its objective was to stabilize the income of the farmer. Originally, it was meant only for the prairies, to cover cereal crops. Manitoba and Prince Edward Island were the first two provinces to apply this particular type of crop insurance. In Manitoba there were certain selected areas where they decided to try out this insurance, and they have been gradually expanding there and now cover a large part of the province as far as cereal crops are concerned. However, in many areas of western Canada crop insurance premiums were considered too high by the local farmer. The risk was also considered too great by the Government to allow insurance coverage in these areas, and rightly so. In such cases the farmer had the choice either of participating and paying the crop insurance premiums, or of continuing to pay into the P.F.A.A. the 1 per cent deducted from the cash value of any grains he sold at the elevator. In those cases where the risk was heavy and the premium too high, the farmers all preferred to continue operating under the P.F.A.A. scheme.

It is now suggested that crop insurance should cover a much wider area, in fact, all of Canada, and I thoroughly agree with this. This idea has been largely forced upon the attention of the governments by the extreme drought conditions which have almost ruined the farmers of eastern Ontario and western Quebec during the past few years. At the present time my feeling is that rather than rush in and place crop insurance on every type of crop, it would be better for the provincial governments to continue to assist the individual farmer by providing him with feed or seed for the time being, using the crop insurance plan in certain selected areas and expanding its application as the premium costs and risks involved become apparent.

Another item in the Throne Speech refers to the appointment of a royal commission to study the cost of farm machinery. I rather think this would merely be a matter of bringing in a report and doing nothing, because anyone can figure this out without having a royal commission. Machinery costs are affected by wages, profit and taxes, and also transportation which, in turn, comes under the heading of wages and profit.

I think most farmers will agree that high wages are necessary for the worker because of the rising cost of living. If a worker has an adequate income he generally sits down to a good meal of beef and other farm products and by buying the farmer's products he assists the farmer. If his wages are too low he cannot afford all the farm products he would like to have on his table, and consequently the farmer's market is reduced.

I now come to the question of profit. Profit is an incentive for people to organize factories and build machinery. Consequently, profit is most necessary, though there might be some cases of excess profits which could be controlled without much trouble.

This leaves the last item—taxes. To my mind, taxation is the main item in the cost of all machinery, and is the only one that could be readily controlled by government, whether provincial or federal. It had been my hope that the Land Use Committee would have continued for another session or two because it was the intention of its steering committee to make a study of taxation as it pertained to the farmer. Even the Canadian Chamber of Commerce feels that that committee should still be working. In fact, in the Statement of Policy, 1965-66, of the Canadian Chamber of Commerce, at page 32, item 134 states:

> We recognize the contribution that the Senate Committee on Land Use in Canada has made to date. It is urged that there be a continuing study of this subject.

It seems to me that the royal commission which it is suggested should inquire into our machinery costs would be better advised to make a thorough study of taxation—which I understand is being done—both federal and provincial, pertaining to farm costs.

Honourable senators, at this time I wish to register a protest. With your indulgence I will relate a little of my early history.

Many years ago, during the First World War, I happened to be in the Royal Flying Corps, and later in the Royal Air Force which replaced the Royal Flying Corps. In those days the training we took in England was on two airplanes, the Maurice Farnam Longhorn and the Maurice Farnam Shorthorn. These planes were differentiated by the fact that the Longhorn had bamboo guards built out in the shape of a U to protect the nose of the airplane from hitting the ground on landing. The Shorthorn had the bamboo poles as well, but they were somewhat like you might see on a toboggan, with the curve in the front only—not connected to the upper part of the wings but merely extending out from the undercarriage.

From these two airplanes our next move was to the Curtis, an American machine, and then on to the Avro, a British machine, and then on to various other types before we arrived in France.

My experience, and I think the experience of most flyers in those days, was that the British airplane of all types was of a greatly superior quality to any American or French airplane. This continued during the early days of the Second World War. Britain always seemed to hold the lead in the construction of aircraft, and in the ability of their machines to manoeuvre over those of other countries. She has always been supreme in the making of airplane engines, and I see no reason why there should be any difference in the situation now from what it was during the last two wars.

I am giving this brief outline as a lead-in to a protest I want to register, particularly as a farmer from western Canada. I have before me some newspaper clippings, one of which,

dated January 29, 1966 and taken from the *Financial Post*, reads as follows:

> France's Mystere Falcon was chosen over its closest rival, Britain's De Havilland 125 executive jet, and this has created tricky problems for Ottawa. Ordering Falcons will do a lot to improve relations with France but buying De Havilland 125s would have done just as much to help Anglo-Canadian relations.
>
> Now the British can—and likely will—complain that even when Canada had a legitimate chance to buy British it didn't.
>
> As a result a major study has begun in National Defence to see what British military equipment could be ordered as soon as possible. The two main prospects:
>
> Another Oberon-class submarine.
>
> Two or three VC-10 jet airliners.

Honourable senators, from reading the various press releases issued by the Secretary of State for External Affairs and other members of the Government, I gather it is proposed to buy certain airplanes for VIP use, and that it has been decided that the French Mystere Falcon is preferable to the British De Havilland 125 for the particular purpose in mind. We in western Canada recognize the fact that France is a competitor of ours in the sale of wheat, and may very well, if France has her way, almost completely cut us out of the European market. Britain, on the other hand, has been a heavy purchaser of our wheat for many years and has complained bitterly at times at the disparity of trade between herself and this country, and many times has pressed the Government of Canada to purchase more British goods.

The Government of Saskatchewan which, by the way, belongs to the same side of politics as the Government here, has pressed for an increase in the purchase of British manufactured goods to even up the purchase of our wheat by Britain. Are we to jeopardize our trade with Britain merely to improve relations with France, and then rely on the goodness of Britain to buy our goods in spite of the fact that we do not reciprocate? On behalf of western Canada I register a very strong protest. I feel we should do everything in our power to buy British goods, and so build up reciprocal trade with Britain, one of our best customers.

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

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, March 23, 1966

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

Prayers.

DOCUMENTS TABLED

Hon. John J. Connolly tabled:

Supplementary Estimates (E) for the fiscal year ending March 31, 1966. (English and French texts).

Revised Capital Budget of the National Capital Commission for the fiscal year ending March 31, 1966, pursuant to section 80(2) of the Financial Administration Act, chapter 116, R.S.C., 1952. (English and French texts).

Annual Report to the Governments of the United States and Canada by the Columbia River Treaty Permanent Engineering Board, September 30, 1965. (English text).

Report by Mr. Joseph Sedgwick, Q.C., counsel appointed to enquire into certain immigration matters, Part II, dated January 27, 1966. (English and French texts).

Capital Budget of Central Mortgage and Housing Corporation for the year ending December 31, 1966, pursuant to section 80(2) of the Financial Administration Act, chapter 116, R.S.C., 1952, as approved by Order-in-Council P.C. 1966-477 on March 10, 1966. (English and French texts).

Report of Polymer Corporation Limited, including its Accounts and Financial Statement certified by the Auditor General, for the year ended December 31, 1965, pursuant to section 85(3) and 87(3) of the Financial Administration Act, chapter 116, R.S.C., 1952. (English and French texts).

Capital Budget of the National Harbours Board for the calendar year 1966, pursuant to section 80(2) of the Financial Administration Act, chapter 116, R.S.C., 1952, together with a copy of Order in Council P.C. 1966-117, dated January 19, 1966, approving same. (English text).

Copies of a communique issued by the Joint United States-Canadian Committee on Trade and Economic Affairs following the tenth meeting held in Washington, D.C., March 4-5, 1966. (English and French texts).

EXPORT AND IMPORT PERMITS ACT

BILL TO AMEND—FIRST READING

Hon. John J. Connolly presented Bill S-23, to amend the Export and Import Permits Act.

Bill read first time.

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

Hon. Mr. Connolly (Ottawa West): Honourable senators, I move, with leave of the Senate, that this bill be placed on the Orders of the Day for second reading at the next sitting. This bill merely extends the term for which the act is to apply. It is a brief bill and I would hope that second reading could be given tomorrow, but if it is desired to adjourn the debate on second reading I would have no objection.

Hon. Mr. Brooks: Is it merely a question of extending the time?

Hon. Mr. Connolly (Ottawa West): Yes.

Hon. Mr. Brooks: There is no other principle involved?

Hon. Mr. Connolly (Ottawa West): No. It consists of but one clause.

Motion agreed to.

REDISTRIBUTION

OBJECTIONS FILED BY MEMBERS OF PARLIAMENT PURSUANT TO ELECTORAL BOUNDARIES READJUSTMENT ACT—FURTHER INQUIRY

Hon. Jean-François Pouliot: Honourable senators, I hold in my hand a publication entitled "House of Commons, Ottawa, Canada, First Session, Twenty-seventh Parliament, Objections filed with the Speaker pursuant to the Electoral Boundaries Readjustment Act January 1966 to February 18, 1966."

This publication is incomplete because there is an omission of names, and there is nothing to show the number of members who have filed such an objection.

A detailed answer to those questions was given by honourable Senator Hugessen in his capacity as Acting Leader of the Senate on March 3 and is to be found in the *Hansard* of that day. I wonder if it would be possible, with leave of the Senate, to publish the

answer then given by Senator Hugessen with an alphabetical list of the names of the members who have filed their objections. Also, I wonder if the Senate would have any objection to having those two documents printed together as an appendix to the *Minutes of the Proceedings* of today?

The Hon. the Speaker: Is it agreed?

Hon. Mr. Connolly (Ottawa West): Honourable senators, I am not sure that I understand the proposal that the honourable senator has made. Will he allow this to stand until tomorrow, when I shall have had an opportunity of looking at it? Unfortunately, I am not familiar with what Senator Hugessen said on that occasion. If the honourable senator agrees I shall deal with it tomorrow.

Hon. Mr. Pouliot: I thank the honourable Leader. I will send him the papers which I have in my hand, copies of which I have already given to his executive assistant.

BANKRUPTCY ACT

BILL TO AMEND—AUTHORITY TO PRINT COMMITTEE PROCEEDINGS

Hon. Salter A. Hayden, Chairman of the Standing Committee on Banking and Commerce, presented the following report of the committee on Bill S-17, to amend the Bankruptcy Act:

> Your committee recommends that authority be granted for the printing of 800 copies in English and 300 copies in French of its proceedings on the said bill.

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

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

Report adopted.

DIVORCE

REPORTS OF COMMITTEE PRESENTED

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the committee's reports Nos. 401 to 448, inclusive, and moved that the said reports be taken into consideration on Tuesday next.

Motion agreed to.

STANDING COMMITTEE ON FINANCE

ADDITION TO MEMBERSHIP

Hon. Arthur L. Beaubien, with leave of the Senate, moved:

> That the name of the Honourable Senator MacKenzie be added to the list of senators serving on the Standing Committee on Finance.

Motion agreed to.

STANDING COMMITTEE ON EXTERNAL RELATIONS

ADDITION TO MEMBERSHIP

Hon. Arthur L. Beaubien, with leave of the Senate, moved:

> That the name of the Honourable Senator MacKenzie be added to the list of senators serving on the Standing Committee on External Relations.

Motion agreed to.

BANK ACT AND QUEBEC SAVINGS BANKS ACT

BILL TO AMEND—SECOND READING

Hon. Louis P. Gelinas moved the second reading of Bill C-3, to amend the Bank Act and the Quebec Savings Banks Act.

He said: Honourable senators, the bill which is before us proposes to extend the charters of the Canadian banks and of the Quebec Savings Banks Act until December 1, 1966, or 60 days thereafter if Parliament does not sit for at least 20 days during the month of November 1966.

As honourable senators are aware, there were two extensions during past sessions of Parliament to permit study of recommendations of the Royal Commission on Banking and Finance, better known as the Porter Commission.

The Bank Act is the charter of each of the eight existing banks enumerated in this act and their charter would expire on the sixtieth sitting of Parliament after December 31, 1965, unless extended by legislation.

The Quebec Savings Banks Act describes the banking powers for each of the two banks enumerated in this act, and thus the power to carry on business would expire the sixtieth day of Parliament after December 31, 1965.

May I add that today is the forty-seventh sitting day of the present session, which leaves only thirteen days before the expiry date. It is advisable to provide enough time to permit careful consideration by Parliament of the proposed extension to revise the Bank Act and the Quebec Savings Banks Act which will be introduced later in the session.

May I indicate to honourable senators that on many occasions authority has been granted to extend the application of the Bank Act beyond ten years. It will be recalled that in 1911 the application of the Bank Act was extended for one year, and in 1912 for a further year. In 1933 the application of the Bank Act was extended for a period of one year, and in 1944 it was extended for a period of three months. Again, in 1964 it was extended for a period of one year, and in 1965 for a period of six months. Now, in 1966, a further extension has been proposed until December 1, 1966.

Hon. Jacques Flynn: Honourable senators, the urgency of this bill is quite obvious, as has been explained by the sponsor, since there remain only 13 sitting days in the other place before the charters of our banks expire. Therefore, it is not my purpose, nor is it the purpose of anybody on this side, to delay the passing of this bill; I merely want to point out that the revision of the Bank Act is becoming more and more urgent because of the delays that have been encountered since the time when this legislation should have been before Parliament.

An illustration of the urgency is the fact that we had last year to deal with three bills tending to incorporate new banks, and when we came to consider them we did not know what was the policy of the Government in this respect. I understand that tomorrow the Banking and Commerce Committee will be considering a bill to incorporate a new bank, and one aspect of that bill is whether the Government intends to prohibit the purchase of bank shares by provincial governments. Last year it was indicated by the then Minister of Finance that such a prohibition would be included in the Bank Act as revised, but as the proposed revision has not yet been laid before Parliament we do not know if the Government has or has not changed its mind in this respect. Consequently, we are going to discuss this bill tomorrow without knowing exactly where the Government stands and what we should do in respect to this proposed new bank.

In any event, there is no choice with regard to the legislation now before us but to have it passed as quickly as possible in order not to add to the uncertainty which exists presently, and so as not to provoke the confusion which would ensue if the charters of the present banks were allowed to lapse.

Motion agreed to and bill read second time.

THIRD READING

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

Hon. Mr. Gelinas: Honourable senators, following Senator Flynn's remarks, I would ask for leave that this bill be read the third time now. I would like to state that there is urgency about the matter, as banks with branches outside Canadian territory require that notice of authority be produced for the continuity of their operations.

In order to expedite matters, I would move, with leave, that this bill be read the third time now.

Motion agreed to and bill read third time and passed.

DIVORCE

APPOINTMENT OF JOINT COMMITTEE

Hon. John J. Connolly moved:

That the Senate do unite with the House of Commons in the appointment of a Special Joint Committee of both Houses of Parliament to inquire into and report upon divorce in Canada and the social and legal problems relating thereto, and such matters as may be referred to it by either house;

That twelve members of the Senate, to be designated at a later date, act on behalf of the Senate as members of the said Special Joint Committee;

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

That the committee have the power to send for persons, papers and records, to examine witnesses, to report from time to time, and to print such papers and evidence from day to day as may be ordered by the committee, and to sit during sittings and adjournments of the Senate; and

That a message be sent to the House of Commons to inform that house accordingly.

He said: Honourable senators, there has been on the Order Paper of the House of Commons a number of bills proposing extension of the grounds for divorce. We have a bill in this house to the same effect. It is generally agreed that both houses of Parliament have an interest in this subject.

Upon consultation with Senator Roebuck, he felt that his bill should also be before this committee, and in due time an appropriate motion will be made. It is not intended at this time to seek approval for the names of those who will serve on this committee. That will be done very shortly.

Hon. A. J. Brooks: Honourable senators, as the Leader of the Government has said, it is not necessary to comment extensively on this motion. The Chairman of the Senate Standing Committee on Divorce told us of his hope that a Joint Committee of the Senate and the House of Commons would be established, and we are pleased that it is being set up. No group of people in Canada, in the legal profession or elsewhere, know more about this subject than those who have been members of the Standing Committee on Divorce.

The terms of reference of this proposed committee are broad, as they should be, and they cover the whole of Canada. While most provinces have the same divorce laws, there are some differences in the courts in some provinces. Some time ago, my seatmate (Hon. Mr. Choquette) asked the Chairman of the Divorce Committee if it would not be possible to take divorce entirely out of the Senate. I should like to know if the terms of reference of the proposed joint committee are broad enough for it to make a recommendation to that effect. I think we are all very axnious that divorce should be taken out of Parliament, and I hope that the joint committee will be able to make some recommendations along that line. That is all I have to say.

Hon. Mr. Connolly (Ottawa West): Honourable senators, I do not wish to deliver myself of a free legal opinion here: it would probably be worth as much as is paid for it. From the terms of reference, it appears that any matter touching the field of divorce would be within the ambit of consideration by the joint committee. In my opinion that would apply particularly to the point raised by Senator Brooks. It is a matter which the joint committee might very well consider.

Hon. Arthur W. Roebuck: Honourable senators, as Senator Brooks has said, very little comment is required at the present moment. I wish to express my satisfaction that this resolution has been brought before us and in the fact that the Government and the Commons have acceded to the request that I publicly made for this joint committee. That is particularly satisfactory in view of the stand which I took, that a revision of our ancient divorce law is overdue. I am hoping for some real progress as a result of the establishment of this joint committee.

On the question raised by the Leader of the Opposition as to whether the terms of reference are broad enough, I may say, without studying the actual phraseology, that I think they are. I recall the question asked of me by Senator Choquette and my reply to it, that the time was ripe for some move, such as that suggested now by the honourable Leader of the Opposition.

It is time that the entire decision on these resolutions be left to the professional jurists we have employed to hear the evidence. We should throw the entire responsibility on their shoulders.

Honourable senators, I would not make the motion myself, as it would look as though I—and the members of the committee also—were trying to avoid work. Therefore, if that move is to be made it will have to be made by somebody else, not by a member of the present committee. My own impression is that it is time we gave the jurists complete responsibility in this matter.

Honourable senators, during the last year or more of hearings, the jurists have become expert. There are two of them now. Mr. Justice Walsh is the leader and his reports are very full, complete, detailed and precise. While Mr. Justice Cameron's reports are somewhat longer, both jurists are thoroughly competent to handle this work at the present moment.

Motion agreed to.

PENITENTIARIES

APPOINTMENT OF JOINT COMMITTEE

Hon. John J. Connolly moved:

> That the Senate do unite with the House of Commons in the appointment of a joint committee of both Houses of Parliament to consider the state of penitentiaries under the control of the Government of Canada and the plans of the Government in relation thereto, and to report from time to time its observations and opinions thereon;

That nine members of the Senate, to be designated at a later date, act on behalf of the Senate as members of the said joint committee;

That the joint committee have power to send for persons, papers and records; to adjourn from place to place; to sit during sittings and adjournments of the Senate; to print from day to day such papers and evidence as may be ordered by the joint committee; and

That a message be sent to the House of Commons to inform that house accordingly.

Hon. Mr. Farris: Who designates the members?

Hon. Mr. Connolly (Ottawa West): It is done after consultation with the whips and the leaders.

Motion agreed to.

CONSUMER CREDIT

APPOINTMENT OF JOINT COMMITTEE

Hon. John J. Connolly moved:

That the Senate do unite with the House of Commons in the appointment of a Joint Committee of both Houses of Parliament to inquire into and report upon the problem of consumer credit, more particularly, but not so as to restrict the generality of the foregoing, to inquire into and report upon the operation of Canadian legislation in relation thereto;

That twelve members of the Senate to be designated by the Senate at a later date be members of the joint committee;

That the said committee have power to call for persons, papers and records and examine witnesses; to report from time to time and to print such papers and evidence from day to day as may be deemed advisable, and to engage the services of counsel, accountants and such other clerical and technical personnel as may be deemed necessary, and to sit during sittings and adjournments of the Senate;

That the minutes of proceedings and evidence given before the joint committee during the Twenty-sixth Parliament be referred to the said committee and be made part of the records thereof; and

That a message be sent to the House of Commons to inform that house accordingly.

Hon. Mr. Brooks: Is this a continuation of a committee which has been operating now for some years?

Hon. Mr. Connolly (Ottawa West): Yes, that is quite right. This is the third time that it has been constituted. It was never allowed to complete its work, because of various political events.

Hon. Mr. Choquette: Are there counsel working on this—outside solicitors?

Hon. Mr. Connolly (Ottawa West): Yes, the committee has outside counsel.

Hon. Mr. Croll: Yes, we had outside solicitors from the beginning. We had authority to hire counsel.

Hon. Mr. Choquette: I know. I merely asked the question.

Hon. Mr. Croll: The senator will remember that we discussed it on a previous occasion. The opinion then was that perhaps they paid him too little.

Hon. Mr. Choquette: I think it was the honourable senator who made that suggestion.

Hon. Mr. Croll: It was your own colleague, Senator McCutcheon.

Hon. Mr. Brooks: Two hundred and fifty dollars a day.

Motion agreed to.

PRIVATE BILL

SEABOARD FINANCE COMPANY OF CANADA—SECOND READING

Hon. A. Hamilton McDonald moved the second reading of Bill S-21, to incorporate Seabord Finance Company of Canada.

He said: Honourable senators, the purpose of this private bill is to incorporate a small loans company within the meaning of the Small Loans Act. The Small Loans Act defines a small loans company as being "a company incorporated by special Act of Parliament and authorized to lend money on promissory notes or other personal security and on chattel mortgages."

The proposed small loans company would be known as Seaboard Finance Company of Canada. It would, when incorporated, acquire by purchase all of the commercial paper now owned by the existing company, Seaboard Finance Company of Canada, Limited. The

existing company, Seaboard Finance Company of Canada, Limited, was incorporated as an Ontario letters patent company on August 17, 1955. The existing Ontario company is a licensed moneylender within the meaning of the Small Loans Act. Originally the company operated solely within the Province of Ontario. However, the company expanded rapidly and is now qualified and is carrying on business in most provinces of Canada. That being the case it is felt that it would be more suitable for the enterprise to be carried on under a federal rather than a provincial charter.

If honourable senators see fit to give second reading to this bill, I shall of course move that it be referred to the Standing Committee on Banking and Commerce.

There is a further matter which I should like to bring to the attention of honourable senators at this time. If the company is granted a federal charter it would immediately do two things: It would sell all of its commercial paper to the federal company, and apply to the Ontario authorities for supplementary letters patent changing its corporate name to one completely dissimilar to that of the federal company. The change would mean that the new company would be the finance company, and the company registered under the letters patent of Ontario would be the holding company of the new company under federal charter.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. McDonald, bill referred to the Standing Committee on Banking and Commerce.

THE ESTIMATES

REPORT OF FINANCE COMMITTEE—DEBATE ADJOURNED

The Senate proceeded to consideration of the report of the Standing Committee on Finance with respect to the expenditures set out in the Estimates laid before Parliament for the fiscal year ending 31st March, 1966.

Hon. T. D'Arcy Leonard moved the adoption of the report.

He said: Honourable senators, the report of the Finance Committee was printed in the proceedings of Thurday, March 10, and all honourable senators have had an opportunity of reading it. It is not a long report and it is mainly factual; therefore, my remarks in moving its adoption will not be extensive.

The work of the committee during the past year was interrupted during the period from June 30, 1965, until January 18 of this year when there was no session of Parliament. However, as in previous years, during the time the committee sat it provided a forum where senators could seek and obtain information on any items in the Estimates about which they were particularly concerned, and in addition the committee continued to study what I might call the principles and methods applicable to Government Estimates of expenditures as distinct from the questions of individual items, and in particular to continue to study the implementation of the recommendations in the Glassco Report dealing with Government Estimates.

Before dealing with this general aspect, I would like to mention the evidence presented to the committee on two subjects dealing with departmental estimates. The first dealt with the policy of the Department of Northern Affairs and National Resources in connection with national parks. This is a matter of increasing importance as the use of our parks grows, and as that use requires on the one hand a reconciliation between the preservation of the natural aspect of these parks, and on the other hand the requirements for roads and accommodation and for some commercial facilities for the ever-increasing numbers of users of the parks.

The honourable senator for Banff (Hon. Mr. Cameron), was particularly helpful in eliciting information from the departmental officials on this subject, which I feel is a matter that should command the continuing interest of the Standing Committee on Finance.

The other department to which I wish to refer is the Department of Manpower under whose jurisdiction will come the municipal winter works program. The evidence before the committee showed that this program is working very unevenly throughout the country. For example, extensive use of the program is made by municipalities in the Province of Quebec, moderate use is made by municipalities in Ontario and some other provinces, and very little use of the program is made in the Atlantic provinces. The explanation is that the Province of Quebec adds a subsidy of 40 per cent of the municipality's payroll costs over and above the federal grant, so that in most municipalities 90 per cent of the municipality's payroll cost is paid, and in some cases 100 per cent is paid in the designated areas.

The Province of Ontario in some instances adds 25 per cent to the federal grant of 50 per cent or 60 per cent, and this in turn brings the total to 75 per cent or 85 per cent.

In New Brunswick, Nova Scotia and Newfoundland there is no additional provincial subsidy. The net result is that for the winter of 1964-65 the sum of $24,076,000 was paid by the federal Government for municipal winter works programs in the Province of Quebec. In Ontario for the winter works of the Ontario municipalities the sum of $6,-134,000 was spent, and in all four Atlantic provinces the aggregate total was less than $1 million, being $995,000.

I doubt if these facts are generally known, and I do not mention them as an indictment of the program or as a criticism of any particular province, but it does seem to me that these figures call for a reappraisal of the program. I can see no reason for changing it in provinces like Quebec where the program seems to work effectively.

Assuming that we are going to continue to have a municipal winter works program, even during the remainder of the year, where we have conditions of full employment, then it seems to me that there must be reasons why this program is not particularly adapted to the Atlantic provinces, and that alternative methods should be canvassed so that aid in respect of municipal winter works in the Atlantic provinces and other provinces where it may not be working should be on a scale commensurate with the assistance given in respect of employment in the other provinces. I would hope, now that we are to have a new Department of Manpower, that in its planning for 1966-67 some new ideas will be developed in respect of winter employment in those provinces where the present program is not very effective.

To deal with the expenditures in the estimates in a more general way, I would hope that the Senate will continue to maintain its interest in the study of government finances. In this respect I would like to refer to something which the honourable Leader of the Opposition (Hon. Mr. Brooks) said at one of the meetings of the committee. He did not think the committee should be expected to study the Estimates in detail, department by department. I agree with this. This is the method that has been used in the House of Commons, and even under the revised rules by which the Estimates will be referred to 20 or more committees, their study of the Estimates will still be a detailed study, department by department. It is not my opinion that the Senate Standing Committee on Finance should duplicate that kind of study. I believe our consideration should be of a more general character, even though at times some particular department, or some Crown corporation, or some spending program, may come under a more specific and detailed scrutiny.

The report of the Glassco Commission has opened up a whole new approach to the method of government budgeting, to the control of expenditures, and to the delegation of financial responsibilities. This is the kind of problem that members of the Senate, experienced in both business and public affairs, are especially qualified to consider.

The whole broad subject of the place of government spending in the economic growth of the country is another subject for consideration, and on which there are some interesting studies and developments coming from the United Kingdom and also from the Economic Council of Canada. For example, a White Paper was issued by the Government of the United Kingdom in February of this year entitled "Public Expenditure, Spending and Control," which describes the methods by which the Government there intends to proceed towards enabling the public service to make the best possible contribution it may to the national economy. One of the methods that has been decided upon by the Government of the United Kingdom is to limit the total growth of the public sector expenditures to 4¼ per cent per year at constant prices in the period up to 1969-70. That is, the average annual growth of all Government expenditures at all levels will be held to an average of 4¼ per cent per year. In its first report, the Economic Council of Canada assumed an average annual growth of 5 per cent for Canada.

This is the kind of overall consideration of government expenditures that the Senate is well qualified to consider and to make recommendations on. Senator Crerar has always interested himself in this problem of public expenditure, and in his time as Chairman of the Standing Committee on Finance a great deal of useful information was amassed as to the total of all government expenditure, federal, provincial and municipal.

One of Canada's problems is created by its federal system of government. It is not possible to have a national policy such as is proposed in the United Kingdom for the total overall government sector. This makes it more important that we be kept informed

about expenditures at all levels of government, so that the public and the legislators may know what these totals are, and what their effect may be on the economy as a whole.

The federal Government, in order to control inflationary effects, for example, may decide to defer capital expenditures for a period of time, but the effects of this decision can be offset by the action of provincial or municipal governments.

Honourable senators, in the report that has been submitted by the Standing Committee on Finance I should mention that the references to the total expenditures, and to any percentage of increase, do not include Supplementary Estimates (E) for the fiscal year ending March 31, 1966, that have been tabled since the report was presented. In considering the figures of total expenditures in the report, we must take into consideration these additional supplementary Estimates. An appropriation bill based on these Estimates has not yet reached us, and, in fact, I do not think it has yet passed the House of Commons, so the extent to which they have to be taken into consideration is not at this moment known.

In conclusion, honourable senators, I should like to express my thanks to the deputy chairman of the committee, Senator Molson, and to the members of the steering committee, Senators Flynn, Haig, and Smith (Queens-Shelburne), and to the other members of the committee for their interest and assistance.

I have already given notice of motion that the Estimates for 1966-67 be referred to the Standing Committee on Finance, and I can assure the Senate that if it adopts that motion the committee will be happy to discharge the responsibility to the best of its ability.

Hon. A. J. Brooks: Honourable senators, the remarks of the honourable Chairman of the Standing Committee on Finance (Hon. Mr. Leonard) have been most interesting. As we would expect, the report of his committee is a good one. He and his committee have done excellent work in going over the Estimates. He has pointed out that it is impossible for the Finance Committee of this house to deal with the Estimates in the detail with which they are studied in the other place, but in the latter part of his remarks he referred to Supplementary Estimates (E) for the fiscal year 1965-66, which do not apply to the present fiscal year. The other supplementary Estimates were referred to the committee, were they not?

Hon. Mr. Leonard: Yes.

Hon. Mr. Brooks: Supplementary Estimates (E) have not been so referred. Frankly, I do not see how we can pass the full Estimates for 1965-66 until we receive a report on Supplementary Estimates (E). Because of that fact, honourable senators, I should like to move the adjournment of this debate, and in doing so ask the honourable chairman if he expects to have these Estimates before his committee in the near future.

Hon. Mr. Leonard: I have not given any particular consideration to that, Senator Brooks. I assumed that we would not actually be receiving Supplementary Estimates (E), but rather an appropriation act. It is possible that when that bill comes before us we will be given an opportunity of delaying it while we consider Supplementary Estimates (E). As far as the committee is concerned, I am satisfied that it would be very happy to have the opportunity of considering Supplementary Estimates (E).

Hon. Mr. Brooks: Those Supplementary Estimates were tabled only today, and of course no member of the Senate has had an opportunity of considering them. However, by giving them just a cursory glance I notice that they contain some very important items, and I should like to ask the honourable chairman if it is possible for his committee, with the consent or direction of the Senate, to consider Supplementary Estimates (E), and then deal with all the Estimates for 1965-66 at one time in the report.

Hon. Mr. Leonard: I think I can say on behalf of the committee that it would be pleased to consider them, but I am not sure as to what method should be used to place them before the committee in the light of the report that has been made.

Hon. Mr. Connolly (Ottawa West): Are you moving the adjournment of the debate, Senator Brooks?

Hon. Mr. Brooks: Yes, I move the adjournment of the debate.

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

DIVORCE (EXTENSION OF GROUNDS) BILL

SECOND READING—DEBATE CONTINUED

The Senate resumed from Wednesday, March 9, the adjourned debate on the motion

of Hon. Mr. Roebuck for the second reading of Bill S-19, to extend the grounds upon which courts now having jurisdiction to grant divorces *a vinculo matrimonii* may grant such relief.

Hon. J. Campbell Haig: Honourable senators, in the unavoidable absence of Senator Grosart, may I have the permission of the house to proceed?

Hon. Senators: Agreed.

Hon. Mr. Haig: First, I wish to extend congratulations to the honourable Leader of the Government (Hon. Mr. Connolly) on his return to active duty at his accustomed place in the Senate.

I was here for only a short part of the proceedings on March 3 when Senator Roebuck introduced this bill. However, I have read and re-read and studied the remarks he made, as well as those of Senator Choquette on divorce, as appear on page 235 of the *Debates of the Senate*.

Honourable senators, I wish to commend to you the passage of this bill and its reference to a joint committee of the two houses for purposes of discussion. It is rather odd that I should be discussing this bill when the Senate has already agreed to the setting up of a joint committee. Nevertheless, I wish to make a few comments on the bill based on my past experience as a member of the Divorce Committee of the Senate and as a practising lawyer.

I wish to state at the outset that I am a practising member of the United Church. The General Council of that church in the past couple of years passed a resolution recommending that the federal Government appoint a royal commission to consider extending the grounds for divorce, adding to the present ground of adultery. That is mentioned by Senator Roebuck at page 235 of the *Debates of the Senate* for March 4 last. It will be found that the request for the extension of the grounds for divorce mentioned in the General Council's resolution are quite similar to those outlined in the present bill.

I submit that this bill, if it is passed by both houses and becomes law, will prevent the granting of many collusive divorces such as are now being granted, either by the Senate Divorce Committee or its commissioners, or the courts having jurisdiction to grant divorce.

Whether we like it or not, any practising lawyer knows that there are legitimate grounds for divorce on the basis of adultery where a husband and wife have separated and one is living in a common-law relationship with someone else of the opposite sex, and there are children. There is no question but that in many cases there are arranged divorces. We also know that if either a husband or wife suggested to a self-respecting lawyer that he might assist in arranging grounds for such a divorce, he would immediately reject the proposal.

If this bill should become law, I think it will be inevitable that there will be an increase in the number of divorces granted. However, I say that all it will do is correct and regularize many illegal unions resulting from a married person, who by reason of incompatibility or cruelty, or for any other reason, separates from his or her spouse and is living in a common-law relationship with another person.

I am very much in agreement with the suggestion of the granting of divorce on the ground of insanity of either spouse.

Many years ago a prominent citizen of Winnipeg came to me and said, "I want to get a divorce." I advised him that there was only one ground, and he said, "My wife has been in a mental institution for the past 12 years. I have brought up my children, educated them and they are going to university. Now I want to re-marry." To that I responded, "You cannot prove adultery, and she cannot petition for a divorce." He then said, "Then I shall go to the States and get a divorce." I told him that was all right, but that if he did so he should bear in mind that the divorce would not be recognized in Canada. He replied that he would take that chance.

This man immediately went to the United States and obtained an American divorce. Afterwards he left Winnipeg and went to live in another large city in our dominion. That man had suffered for the past 12 years, knowing that his wife would never be released from the mental institution. If this bill becomes law such a person would not have to suffer the stigma of an illegal divorce.

It must also be remembered that if we extend the grounds of divorce beyond the present ground, the courts will still have the right to accept or reject a petition for divorce. Therefore, all we are doing is allowing the courts to accept or reject a petition on these grounds. The rules of evidence, the presentation of a petition, the defence if any, are still there, and all we shall be doing is

adding three further grounds so as to prevent collusive or illegal divorces.

The present law, by reason of this one cause or ground, is being brought into disrepute, and once the law falls into disrepute the moral grounds for consideration in the best interests of the country are lost.

I agree with Senator Choquette when he suggests that the Senate Divorce Committee and the Commissioners should be considered a court, because I do not think it is right for the Parliament of Canada to grant certain extended grounds to domiciled residents in only eight of our ten provinces. If we pass an act here it should apply to everybody throughout the dominion.

Honourable senators, for these reasons I recommend that we pass this bill and refer it to the special joint committee now being set up.

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

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY— DEBATE CONTINUED

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

Hon. Olive L. Irvine: Honourable senators, I should like to begin my remarks today by congratulating His Honour the Speaker, not only on his appointment to the honoured position he holds, but also on the able manner in which he is discharging his duties. We are extremely fortunate in having his popular wife in the position she holds. She is a friend of all.

In the same vein, I should like to join my colleagues in extending congratulations to the mover (Hon. Mr. McDonald) and the seconder (Hon. Mr. Gouin) of the motion for an address in reply to the Speech from the Throne, and to offer a hearty welcome to our new colleagues who have taken their seats in the Senate.

We are delighted to welcome back the Leader of the Government, the Honourable John J. Connolly. Senator Connolly, we missed you greatly, but I can assure you that the honourable gentlemen who stepped into the breach during your absence made an excellent contribution.

For some time now the Province of Manitoba, and our sister Province of Saskatchewan, has been giving special attention to the establishment of new industries which would spark industrial development. Research was necessary to further this aim, and as a result of this research three large new fields have been discovered: First, the building of a federal power development on the Nelson River; secondly, the establishment of a major integrated forest industry in Northern Manitoba and, thirdly, the discovery of potash in Saskatchewan.

For honourable senators who are not familiar with the portion of my home province of Manitoba in which the development of the projects I am about to discuss are located, I have had placed on each desk a map showing the location of each project. Manitoba, as you all know, is bordered by oil-rich Alberta and potash-rich Saskatchewan on the west, and just plain rich Ontario on the east.

As stated before, extensive research and investigations have been carried out by Manitoba's Department of Industry and Commerce, particularly, under the very able leadership of the Honourable Gurney Evans, and our Premier, the Honourable Duff Roblin, and the Department of Mines and Natural Resources.

On Tuesday, February 15, 1966, a joint statement was read in both the House of Commons and the Manitoba Legislature. This statement unveiled a project which might be called the greatest economic break-through since Manitoba became part of Canada. These expansive words suited an expensive scheme; a federal-provincial power development of the Nelson River, where the hydro potential is exceeded only by Quebec's Manicouagan and Labrador's Churchill Falls.

Very little has been heard of the Nelson River, but it is really the beckoning giant of the north. It has never cut much of a swath in atlases, but still it drains a watershed reaching from the Rockies nearly to Lake Superior, and south to the State of Minnesota in the United States.

In the natural reservoir of Lake Winnipeg, the thirteenth largest lake in the world, the Nelson takes on the flow of the Saskatchewan, Red and Winnipeg Rivers and then meanders 410 miles north to Hudson Bay, sometimes passing placid banks bordered by dwarf spruce, and at other times tumbling between steep cliffs. On its journey north the river drops a total of 712 feet and can

produce an average flow equal to the combined flows of the Peace River and Labrador's Hamilton River.

Co-operation between the Manitoba Government and federal authorities has enabled this great resource to be surveyed, and the possibilities of development appraised in such a manner as to lead to the present agreement.

The power resources of the lower Nelson River have been surveyed at a cost of $4 million as a fifty-fifty joint federal-provincial undertaking over the past three years under the direction of a joint Nelson River programming board.

The vision of the north which was criticized so often while the previous government was in office, is now beginning to show sense to Canadians as a whole. This represents the culmination of the progressive policies of northern development instituted by the Progressive Conservative Government a few years ago.

The federal Government will construct, finance and own the high voltage transmission lines required to move the Nelson River power to Winnipeg, and, when markets are developed, to the international and interprovincial boundaries. The cost of the 579 miles of high voltage transmission lines presently planned from Kettle Valley to Winnipeg, and the ancillary equipment, has been estimated at about $120 million. The line will be leased to the Manitoba Hydro at rates per year and per kilowatt hour of energy transmitted which will suffice over a period of approximately 50 years to repay with interest the investment made in the line.

The federal Government's participation will ensure that this power site of such great importance does not remain undeveloped, for, as honourable senators know, the market for power in our province is still too limited for the province alone to bear the full burden of financing its development.

The potential benefits to Canada will include good possibilities for the export of power to the mid-western states, and the possible sale of low-cost power to Saskatchewan and Ontario through interconnections between the utilities of the three provinces. The ultimate development will be in the magnitude of 5 million kilowatts.

The initial phase will include the construction of a power site at Kettle Rapids and the installation of 855,000 kilowatts of generating capacity; the diversion of part of the flow of the Churchill River near Thompson, Manitoba; works at the outlet of Lake Winnipeg to control the level of that lake and the outflow from it, and long, high voltage transmission lines from the Kettle Rapid sites southwest to the neighbourhood of Winnipeg. The total cost of this minimum initial development of the power in the lower Nelson will exceed $300 million.

Power produced by the projected Kettle Rapids generating station will be about equal to the present annual demand for electricity in the Province of Manitoba. The immediate gain for Manitoba will, of course, be cheap power for industrial growth in the populous southern part of the province and for development of mineral and timber resources in its northern reaches.

Work on Kettle Rapids, starting this spring, will create 3,000 on-site construction jobs and another 3,000 in back-up manufacturing and services.

With the announcement of the Nelson River project, Premier Roblin informed us that other important developments would occur. We did not have long to wait, for on March 8 our Premier stated that a major break-through in the development of Manitoba's north had been announced with the release of details of an agreement between his Government and the giant Swiss corporation, Monoca A. G. St. Moritz of Zurich, Switzerland, to develop a $100-million plus complex to establish a major integrated forest industry centered in The Pas.

With your indulgence may I give a brief outline of this private finance and trust corporation. In the last six years Monoca A. G. has been associated with the development of four major pulp and paper ventures in Spain, Italy and South America. The corporation often occupies a dual function: that of a trustee in its own right and that of a trustee for other investors whose particular interests and experiences in the pulp and paper industry have oriented them toward the financing of pulp and paper ventures in Europe and North America. After all surveys and investigations had been made, this great company decided to initiate promptly a multi-stage integrated forest products development program in northern Manitoba. To this end, a new Manitoba company, Churchill Forest Industries (Manitoba) Limited, has been formed with an authorized capital of $5,000,000.

In making the announcement, the Minister of Industry and Commerce said that the province would not be providing any direct

capital or guaranteeing any loans in connection with the projected industrial complex. The full facts of the development financing may be announced during debate in the legislature, but up to the present time indications are that Monoca A.G. has approached the Manitoba Development Fund for a loan. This is a fund financed by the government but operated as a separate agency, and is empowered to grant loans to industries locating in Manitoba.

Stage one would be the establishment of woodlands debarking and loading facilities for 50,000 cords of debarked wood, to be in operation by March 31, 1968, and to be located at Arnot on the Neslon River.

Stage two would be the establishment and construction of a modern saw mill at The Pas for the production of 30 million board feet of lumber per year, to be in operation not later than December 30, 1968.

Stage three would be the establishment and construction of a newsprint and magazine paper mill at The Pas with a minimum capacity of 300 to 400 tons per day, to be operative by March 31, 1971.

Stage four would be, subject to the then existing economics of such a proposal, the establishment of a chemical furnishing plant with a minimum capacity of 50 tons per day.

Stage five would be, subject also to the then existing economics, the establishment of a high capacity sulphate pulp mill or, alternatively, a doubling of the capacity of the newsprint mill, depending on availability of timber resources and markets. Honourable senators will understand that stages four and five can be taken only as projections based on present predictions and future market conditions. It would be reasonable to estimate that stage five could be implemented not later than 1973.

The total investments would finally exceed $100 million, and jobs for several thousand people will be created over the next 10 years at the plant site and in the forest operations. It is further expected that the implementation of these projects will considerably enhance the economic and industrial development of northern Manitoba and lead to substantial exports for the province.

Honourable senators, as you may have noticed, the major benefactor of the development will be The Pas, a community of 4,700 persons on the Saskatchewan River, 314 miles northwest of the City of Winnipeg. This is the town in northern Manitoba known the world over for its famous Annual Trappers' Festival.

It has not been necessary for the town to make any special tax concessions to the new company; it has committed itself only to supply water, sewer and power facilities and bus transportation for employees from the town site to the new industry. It has also agreed to incorporate the area into the Town of The Pas and to build the necessary school facilities which will be needed as a result of the increase in population that will follow the establishment of the industry.

With the promise that the Government has made to establish appropriate schooling and training facilities for pulp and paper technicians at the Northern Manitoba Vocational Centre at The Pas, the new company has agreed to employ as many local people as possible. In the meantime, top management and expert personnel will be made available from Europe and the United States, as long as needed for the successful conduct of operations.

I am delighted that our Indian population, a total of nearly 15,000 in this area, will have an opportnuity now of securing employment right at home in the environment in which they have been accustomed to live. They have always lived in hopes that some day there would be jobs for all. The opportunity has been made possible now and it will be up to them to fulfil their part of the deal. While awaiting the opening of the new technical training school in The Pas later in the year, a new venture has already begun, the establishment of the Frontier Collegiate Institute situated at Cranberry Portage. This school, created out of a former R.C.A.F. radar base, has an enrolment this year of 150 resident students and 50 day students from the nearby towns. The resident students come from widely separated and sparsely populated centres throughout the north. The division has been described as one of the largest in the world; it encompasses a school population of some 3,000 pupils located in 16 isolated school districts and 27 underveloped settlements. It serves an area of about 166,000 square miles. The division is administered from Dauphin, and at present has a staff of 12.

The purpose of the school is to help provide a reservoir of trained manpower of

northern citizens to meet the economic problems and opportunities of northern Manitoba. On opening day, the Minister of Education summed the situation up clearly when he said, "No one can face the challenge of our north with more courage and resolution, with more understanding and affection, than do those of our people who were born here." Once the technical school at The Pas is completed, I am led to believe that courses vital to the life of the community will be stressed particularly.

The Government has promised to provide access to now inaccessible timber areas and to accelerate its northern development program. It will construct public all-weather roads from Wabowden and Thicket Portage to Lake Sipiwesk. It will also construct winter truck roads from Thicket Portage to the Thompson highway, and join Wabowden at Cross Lake. The Government has also agreed with the company to match, on a dollar-for-dollar basis, the construction of access roads, up to a total contribution by the province of one million dollars over a 12-year period. These roads will be open to the public.

In general terms it may be stated that the province will benefit from this project in the form of increased revenues from stumpage, added employment opportunities in an area with a large Indian and Metis population, and the utilization of presently unused timber. A major development such as this will spread throughout the whole economy of the region. Many new jobs will be created to sell and service the hundreds of thousands of dollars worth of chain saws, skidders, tractors, trucks and other equipment needed by the logging contractors who will supply the company. Extensive new facilities will be required and many dozens of new jobs will be created in this field alone. Petroleum sales will soar and added retail and bulk distribution must be planned.

This new development is the result of much hard work on the part of many agencies. In particular a great deal of credit is due to the National Harbours Board, the Canadian National Railways, the Manitoba Hydro, the provincial Department of Mines and Natural Resources, the Department of Health, the Department of Municipal Affairs, the the Department of Education, and the officials of the Department of Industry and Commerce. Without their special help and assistance in devising special methods to overcome the obstacles facing this development, this project would not have been possible.

Now let us turn our attention for a few minutes to our good neighbour to the west of us, the Province of Saskatchewan, now known to many as "The Growth Province".

In 1872 the Canadian Government offered free land to all who would claim it in this Prairie province, and from 1882 on railways channelled the flow of settlers. In 1905 Saskatchewan became a province of Canada. Settlers continued to pour in and though there were setbacks there was general progress. In the dark year of 1929 economic depression seized the world and the Prairies entered upon the worst drought in history. Farm prices tumbled to rock bottom. Thousands were unemployed.

The "Thirties" taught Saskatchewan people that it was not safe to rely on farming alone. Since World War II the province has been attracting and developing new industries. Once again new residents are arriving. Farming is still the biggest industry in Saskatchewan, but oil and natural gas, the raw materials of the twentieth century, are being developed and a new diversified Saskatchewan is evolving.

In recent years many mining companies have come into Saskatchewan to develop the province's resources. Of the minerals discovered, potash is likely to have the most lasting impact, and this is the industry with which I will deal today. Back in 1943 explorers for oil discovered potash, but World War II and many difficulties have had to be overcome by companies daring enough to venture into this field of development. However, the result of this multi-million dollar gamble has paid off beyond their fondest expectations, and today under Saskatchewan's soil lie what are considered to be the most extensive deposits of potash in the world. The province can boast the largest and most modern plant in the world, and there are seven more almost as big either in operation or under construction. Impact of the potash industry will be felt in every part of the province and, in fact, in all of Canada. Even the end use of potash provides a dramatic epilogue: about 95 per cent of all potash produced goes to help increase the world's supply of food, the scarcity of which creates a problem which almost daily becomes more urgent.

Before going further may we define the word "potash." It is a term applied to compounds of the element potassium. About 10 per cent of the potash produced each year plays an important role in industry and the chemical trade. It is used in the manufacture of a wide variety of items including matches and various explosives, vat dyes, television tubes, pharmaceuticals, synthetic rubber, detergents, glass and bleaches, photographic film and blueprint paper, and in substitutes for salt. It also plays a part in the case-hardening of steel, uranium processing and in the preparation of metals such as gold, silver and copper.

However, the bulk of potash goes into the manufacture of fertilizers. Its importance lies in the fact that it regulates plant intake of other fertilizer ingredients. Potassium is found naturally in the soil, but after years of continual cultivation, crops use up so much that it must be replaced to maintain yields. This applies particularly to areas which are irrigated. Potash, the only known economical source of potassium, is combined with phosphorous and nitrogen to form a fertilizer which is becoming more and more vital to modern productive agriculture.

At the present time three companies are in production, and another five have initiated mine and mill development. In addition, 12 other companies are carrying out exploration and developing work on permit areas. Total actual and committed investment in the potash industry is well in excess of $500 million.

Current capacity of the three projects in operation is 3,200,000 tons potash product annually. By 1970, however, when the last of eight projects now initiated is scheduled for completion, provincial capacity will have risen to over 10 million tons per year.

Let us consider the Esterhazy operation as an indicator of what is to come in the world of potash. Operating currently at two million tons per year, it employs about 800 people. It generates a payroll of around $5 million a year. It makes possible the purchase here in Canada of some $5 million per year in supplies and other materials. It brings $25 million in railway services, and it produces a product currently valued at around $40 million per year, which contributes importantly to Canada's balance of trade. It is estimated that at least five other people are indirectly employed for each worker in an industrial installation of this kind.

Local and property taxes amount to about $1 million a year, and provincial sales taxes for the first mill and shaft approached a million dollars. Royalty payments run around $1½ million a year, of which $600,000 goes to the Government of Saskatchewan.

Then of course the employees of Esterhazy pay property taxes of roughly $250,000 per year and personal income taxes estimated at approximately $600,000. All this relates to potash, to the product of a single mine situated at what at one time was the small town of Esterhazy, Saskatchewan.

Potash—the new partner for wheat—is, in the words of many Saskatchewan business people, a wind-whipped fire supplied by an endless fuel line. The industry is creating a climate for investment never before experienced.

Therefore, Saskatchewan, may we hail you as one of the coming provinces of "opportunity".

Hon. Mr. Roebuck: Honourable senators, may I ask Senator Irvine a question? I thank her for this map with which she supplied us, because it enabled us to follow her excellent speech more easily, and gave us a bird's-eye view of the whole area.

It is some time since I was active in the production of electricity, and I have failed to keep up with improvements in the art. I am sure all members of this chamber are much interested in this development because the present Government is contributing very largely to its success.

Some 30 years ago when I was an Ontario Hydro commissioner, the commission built a transmission line to bring electricity a distance of about 160 miles from Chats Falls to Toronto. Now, I understood that in the development which the honourable senator has been telling us about, they are bringing electric power some 575 miles to Winnipeg. Thirty years ago we had a line loss over 160 miles of about 15 per cent, and an expenditure on maintenance of about $1 million a year.

The honourable senator has made a very intensive study of this electrical proposal, and I am wondering if she can tell us what development has taken place over these last few years that has made it possible to develop those falls 575 miles north of Winnipeg,

and transmit the electric power over that distance. It is proposed to carry the power a further distance still into the United States. What development has taken place, with which I am not familiar—and I apologize for this—that makes such a transmission possible?

Hon. Mrs. Irvine: In answer to the honourable senator I would say that this will be fully discussed in the Legislature of Manitoba, at which time all the details will be made available.

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

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, March 24, 1966

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

Prayers.

DIVORCE

COMMONS BILLS REFERRED TO JOINT COMMITTEE

The Hon. the Speaker informed the Senate that messages had been received from the House of Commons to acquaint the Senate that the subject matter of the following bills has been referred by that house to the Special Joint Committee on Divorce:

Bill C-16, An Act to provide in Canada for the Dissolution of Marriage (Additional Grounds for Divorce).

Bill C-19, An Act to provide in Canada for the Dissolution and the Annulment of Marriage.

Bill C-41, An Act to amend the British North America Acts, 1867 to 1965 (Provincial Marriage and Divorce Laws).

Bill C-44, An Act to provide in Canada for the Dissolution of Marriage.

Bill C-55, An Act to provide in Canada for the Dissolution of Marriage.

Bill C-58, An Act respecting Marriage and Divorce.

Bill C-79, An Act to amend the Dissolution and Annulment of Marriages Act (Additional Grounds for Divorce).

Bill C-133, an Act to extend the grounds upon which courts now having jurisdiction to grant divorces *a vinculo matrimonii* may grant such relief.

The subject matter of Motion No. 11.

JOINT COMMITTEE—COMMONS MEMBERS

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons to acquaint the Senate that the following members of the House of Commons will serve on the part of that house on the Special Joint Committee to inquire into and report upon divorce in Canada: Messrs. Aiken, Baldwin, Brewin, Cameron (High Park), Cantin, Choquette, Chretien, Fairweather, Forest, Goyer, Honey, Laflamme, Langlois (Megantic), MacEwan, Mandziuk, McCleave, McQuaid, Otto, Peters, Ryan, Stanbury, Trudeau, Wahn and Woolliams.

CONSUMER CREDIT

COMMONS BILLS REFERRED TO JOINT COMMITTEE

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons to acquaint the Senate that the subject matter of the following bills has been referred by that house to the Joint Committee on Consumer Credit:

Bill C-4, an Act to provide for the Control of Consumer Credit.

Bill C-21, an Act to amend the Weights and Measures Act (Truth in Packaging).

Bill C-24, an Act to amend the Small Loans Act (Advertising).

Bill C-29, an Act to amend the Bankruptcy Act (Wage Earners' Assignments).

Bill C-39, an Act to amend the Bills of Exchange Act (Instalment Purchases).

Bill C-53, an Act to amend the Small Loans Act.

Bill C-65, an Act to amend the Bills of Exchange Act and the Interest Act (Off-store Instalment Sales).

Bill C-76, an Act to amend the Small Loans Act.

Bill C-91, an Act to amend the Small Businesses Loans Act.

Bill C-92, an Act to amend the Interest Act.

PENITENTIARIES

JOINT COMMITTEE—COMMONS MEMBERS

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons to acquaint the Senate that the following members of the House of Commons will serve on the part of that House on the Joint Committee on Penitentiaries: Messrs. Aiken, Allmand, Dionne, Fulton, Lachance, Macdonald (Rosedale), Matheson, McQuaid, Prud'homme, Ricard, Stafford, Tolmie, Watson (Châteauguay-Huntingdon-Laprairie), Winch and Woolliams.

CONSUMER CREDIT

JOINT COMMITTEE—COMMONS MEMBERS

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons to acquaint the Senate that the following members of the House of Commons will serve on the part of that

House on the Joint Committee on Consumer Credit: Messrs. Allmand, Andras, Basford, Bell (Saint John-Albert), Cashin, Clancy, Coates, Crossman, Deachman, Duquet, Hales, Lachance, Lefebvre, Macdonald (Rosedale), Mandziuk, Matte, McCutcheon, Nasserden, Olson, Otto, Ryan, Saltsman, Scott (Danforth) and Vincent.

PRINTING OF PARLIAMENT

JOINT COMMITTEE—CHANGE IN COMMONS MEMBERSHIP

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons to acquaint the Senate that the name of Mr. Richard has been substituted for that of Mr. Nixon on the Joint Committee on Printing.

PARLIAMENTARY RESTAURANT

JOINT COMMITTEE—CHANGE IN COMMONS MEMBERSHIP

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons to acquaint the Senate that the names of Messrs. Yanakis and Grégoire be substituted for those of Messrs. Ethier and Simard on the Joint Committee on the Restaurant.

LIBRARY OF PARLIAMENT

REPORT OF JOINT COMMITTEE

The Hon. the Speaker: Honorable senators, I have the honour to present four reports from the Joint Committee on the Library of Parliament concerning salary revisions, reclassifications and upgradings of positions in the Library of Parliament.

The Clerk Assistant (Reading): The Joint Committee on the Library of Parliament—

Hon. Senators: Dispense.

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

Hon. Mr. Connolly (Ottawa West): This is a lengthy report, and one which we should have an opportunity to examine. It will appear in the *Minutes of the Proceedings* of today. I move, therefore, that the report be placed on the Orders of the Day for consideration at the next sitting.

Motion agreed to.

DOCUMENTS TABLED

Hon. Mr. Connolly (Ottawa West) tabled:

Report of the Department of Trade and Commerce, intituled: "Private and Public Investment in Canada—Outlook 1966—and Regional Estimates". (English and French texts).

Report of the Central Mortgage and Housing Corporation, together with a Statement of its Accounts certified by the Auditors, for the year ended December 31, 1965, pursuant to section 33 of the Central Mortgage and Housing Corporation Act, chapter 46, and sections 85(3) and 87(3) of the Financial Administration Act, chapter 116, R.S.C., 1952, (English and French texts).

ADJOURNMENT

Hon. Mr. Connolly (Ottawa West): Honourable senators, for the information of some senators who may be obliged to leave the chamber early, I now move, with leave, that when the Senate adjourns today, it do stand adjourned until Tuesday next, March 29 at 3 o'clock in the afternoon.

The change to sitting at 3 o'clock instead of the usual hour of 8 o'clock in the evening is in keeping with the custom that has prevailed for a great many years on budget night. This is to accommodate honourable senators who wish to attend the sitting in the other place to hear the budget speech. I have already discussed this question with Senator Brooks —you will notice in my remarks yesterday, I no longer call him Leader of the Opposition—and we felt that the continuation of that practice is valid.

Hon. Mr. Crerar: May I ask the leader if any decision has yet been reached as to a probable Easter adjournment?

Hon. Mr. Connolly (Ottawa West: I cannot be precise about this, because I understand that no firm agreement has been reached as to the adjournment in the other place. However, depending upon how we progress with our work next week, it may not even be necessary to sit the following week. However, as honourable senators know, the budget debate will not conclude before the Easter adjournment in the other place. There will be the customary eight days assigned to the debate. In addition, there will be debates on the various resolutions arising out of the legislation to be introduced as a result of the budget.

In accordance with the normal practice that we follow in this house, I think the

Senate adjournment will be a little longer than that of the other place, but I am not able to predict exactly how long the recess will be.

I hope that satisfies the honourable Senator.

Motion agreed to.

PRIVATE BILL

BANK OF BRITISH COLUMBIA—AUTHORITY TO PRINT COMMITTEE PROCEEDINGS

Hon. Salter A. Hayden, Chairman of the Standing Committee on Banking and Commerce, presented the following report of the committee on Bill S-16, to incorporate the Bank of British Columbia:

> Your committee recommends that authority be granted for the printing of 800 copies in English and 300 copies in French of its proceedings on the said bill.

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

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

Report adopted.

PETITIONS FOR PRIVATE BILLS

EXTENSION OF TIME FOR FILING—REPORT OF COMMITTEE ADOPTED

Hon. Arthur L. Beaubien, Acting Chairman of the Standing Committee on Standing Orders, presented the committee's first report:

> Your committee recommends that the time limited for filing petitions for private bills which expired on Tuesday, March 1, 1966, be extended to Friday, March 25, 1966.

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

Hon. Mr. Beaubien (Provencher): Honourable senators, I move, with leave of the Senate, that this report be concurred in now.

Report adopted.

THE ESTIMATES

FINANCE COMMITTEE EMPOWERED TO EXAMINE AND REPORT—SUPPLEMENTARIES (E)

Hon. T. D'Arcy Leonard moved, with leave of the Senate:

> That the Standing Committee on Finance be authorized to examine and report upon the expenditures set out in Supplemantary Estimates (E) laid before Parliament for the fiscal year ending 31st March 1966;
>
> That the said committee be empowered to send for persons, papers and records, and to sit during sittings and adjournments of the Senate.

Hon. A. J. Brooks: Will there be a report from the committee on its deliberations in connection with these estimates?

Hon. Mr. Leonard: Honourable senators will recall that yesterday afternoon in the debate on the report submitted by the Finance Committee dealing with the Estimates for 1965-66, the honourable Leader of the Opposition raised a question as to Supplementary Estimates (E) and thought that they should be referred to the Finance Committee. I must take some blame for the report of the committee having been made before these supplementary Estimates were considered. I was under the impression, as I think were also the members of the committee when we made the report, that there would be no further supplementary Estimates. However, the Supplementary Estimates (E) were tabled after the report was passed by the committee, and I was in a little difficulty yesterday to know just how we should deal with them.

I have come to the conclusion that we should now adopt the suggestion made by the Leader of the Opposition, and to that end I make this motion today. If the motion is passed, the Supplementary Estimates (E) will then come before the Finance Committee, and I propose to have a meeting on Wednesday morning next at 10 o'clock to consider these supplementary Estimates. I have arranged for Dr. Davidson, Secretary of the Treasury Board, to be there as I think he is the appropriate witness to deal with questions on them.

If there are any particular items which honourable senators are interested in, they should let me or the secretary of the committee know and we will make sure that Dr. Davidson is in a position to deal with them. If he is unable to deal with them, then he could get the proper departmental official to do so.

Assuming that happens, and depending upon what the committee does in the consideration of these supplementary Estimates, I think there will be a further report to the Senate on these supplementaries.

In the meantime, there is on the Order Paper today a motion of mine referring the 1966-67 Estimates to the committee. I intend to proceed with that motion, subject to any

debate that any senators would wish to indulge in on it. However, that simply refers the new Estimates to us. It would be my thought that we would not consider the new Estimates until we had finished with the supplementaries and our reports on the 1965-66 expenditures were in. That might mean that consideration of the 1966-67 Estimates would stand over until after the Easter recess.

Also, as the first item on the Order Paper today there is the consideration of the report which is already before us and on which Senator Brooks has the adjournment. I think that that debate should not conclude until we have the report on the Supplementary Estimates (E), although I understand there are some other senators who would like to speak on it. Subject to the wishes of Senator Brooks and the other senators, perhaps they could participate in the debate but not conclude it until after we have the report of the meeting on Wednesday morning next.

Before concluding I need only remind the house that all senators are entitled to attend the meetings of the Finance Committee and of other committees of the Senate, and to ask questions and to take part in the discussions. As all senators are interested in this subject matter, they are certainly welcome at the Finance Committee, and by the fact that they may not have to vote, they do not lose a valuable franchise.

I move that these Estimates be referred to the Standing Committee on Finance.

Hon. Mr. Brooks: I think that the honourable chairman has made the matter quite clear. However, my point is this: can he assure us that after these Supplementary Estimates (E) have been considered by the Finance Committee, there will be a report on them made to the Senate?

Hon. Mr. Leonard: That is my intention, and I am sure that would be done.

Hon. Mr. Brooks: There are some items in it that I know some honourable senators wanted to discuss very briefly.

Hon. Mr. Leonard: I think I can give that assurance.

Motion agreed to.

FINANCE COMMITTEE EMPOWERED TO EXAMINE AND REPORT—EXPENDITURES 1966-67

Hon. T. D'Arcy Leonard moved, pursuant to notice:

That the Standing Committee on Finance be authorized to examine and report upon the expenditures proposed by the Estimates laid before Parliament for the fiscal year ending March 31, 1967, in advance of the bills based on the said Estimates reaching the Senate; and

That the said committee be empowered to send for persons, papers and records.

He said: Honourable senators, I do not think it is necessary for me to add much to what I have already said with respect to this motion. The motion is in the same terms as on previous occasions when the expenditures under the Estimates have been referred to the Standing Committee on Finance. If this motion carries, the Finance Committee will start its consideration of the new Estimates for the ensuing year as soon as it has finished with the Estimates for 1965-66.

Motion agreed to.

REPORT OF FINANCE COMMITTEE—DEBATE CONTINUED

The Senate resumed from yesterday consideration of the report of the Standing Committee on Finance with respect to the expenditures set out in the Estimates laid before Parliament for the fiscal year ending March 31, 1966.

Hon. A. J. Brooks: Honourable senators, I spoke briefly on this item yesterday afternoon. I did not complete my remarks at that time as I wanted to be assured by the chairman of the committee that there would be an opportunity to speak on Supplementary Estimates (E) which actually belong to 1965-66 and not to 1966-67. Therefore, I took the position that the report for 1966 was not complete until this item had been considered. The chairman of that committee has very graciously agreed that his committee will examine these Estimates and that there will be a further report. This I consider to be satisfactory. That was my main reason for my asking for the adjournment.

I have no objection to the report as presented by the honourable chairman of the committee; it is an excellent report. As I said yesterday afternoon, the work done by that committee in the few opportunities they had to meet during the past year is very satisfactory indeed.

Hon. Senators: Hear, hear.

Hon. Mr. Brooks: As far as the Estimates for 1966 are concerned, they have been before us or on the table of the house for a long time. I think it is the longest on record. However, now they are about to die of old

age, which perhaps is a good thing. We may as well forget them as soon as possible.

Besides being the longest before the house, I think they are also the largest. They amount to $8 billion, not including the $1 billion which we have had to raise for the pensions for the aged.

I also mentioned yesterday that there were in addition six supplementary Estimates passed on the 1965-66 Estimates; and now we have No. 7, Supplementary Estimates (E). All the supplementary Estimates were quite large and added materially to the main Estimates. Supplementaries (E), which we will discuss later, were a sort of posthumous son of the main Estimates, coming in about the time that the main Estimates had died. It is a fairly husky child—in the area of $174 million.

There are some items which we wish to consider later. I agree with the chairman when he quoted me yesterday as saying that we cannot deal with individual items in this committee. My view still is that it would be impossible to do so.

The chairman also mentioned the fact that they dealt with general problems affecting finance. In this committee they dealt with the Glassco Report, the municipal winter works program, parks etc. These are subjects which have always seemed to me should be considered by our Finance Committee.

Senator Leonard stated yesterday that the place of Government spending in the economic growth of the country is one of the main features to be considered by a committee of this kind. With that I am entirely in agreement. But it is a matter of selection. The main committee has a steering committee, and there are many important matters from which the steering committee could make a selection. I feel that the work of this committee this year, as indeed in the past, has been most satisfactory.

I wish to repeat that we should be well pleased with the work of our Finance Committee. We have some very outstanding committees in the Senate. I was about to say that the Finance Committee is the first, but on consideration, I would place it second to our Banking and Commerce Committee. At any rate it is an outstanding committee and accomplishes outstanding work.

Honourable senators, I did not intend to speak at any length. I am in perfect agreement with this report, which I consider to be a good one. My only hope is that this year the committee will have more time to sit and more time to carry on the work which they have so well begun.

Hon. Donald Smith: Honourable senators, I should like to speak quite briefly to this motion which deals with the report of the Finance Committee.

I know it has been said on a number of occasions that we have always been very fortunate in the personnel of all our committee chairmen and in the membership of the committees. They have always been of a very high standard. When changes have to be made it is difficult to select a person who in the first instance will be accepted as one who can completely fill the shoes of those very prominent persons who have gone before him. In the person of our present chairman of the Finance Committee, Senator Leonard, the Senate and indeed the country are favoured because of the high degree of ability and service he has given to Parliament. He has brought to his task a high degree of personal knowledge and a great deal of interest which dates back many years before he came to this chamber. We are indeed fortunate that these services are being made available to us through the channel of the Finance Committee of the Senate.

Hon. Senators: Hear, hear.

Hon. Mr. Smith (Queens-Shelburne): Mr. Speaker, with your permission I will divert for a moment to do what Senator Brooks did the other day, and express my warmest welcome to the new senators. I think you will all pardon me if I show a little higher degree of temperature in the warmth of my welcome to the former Nova Scotian, Senator MacKenzie. Senator MacKenzie, a native of Nova Scotia, now represents the Province of British Columbia in this chamber. Senator Urquhart, a native-born son of Nova Scotia, represents that province in this chamber. I welcome them all, but the temperature of my welcome is a little higher with respect of the two Nova Scotians.

Honourable senators, I rise to make a few remarks in connection with paragraph 5 of the report of the Standing Committee on Finance which deals with the municipal winter works program. To remind the house of what the committee had to say about this subject, perhaps I shall be permitted to quote the paragraph:

> Evidence with respect to the municipal winter works deserves special mention. This program is having its greatest effect in the Province of Quebec, due to the fact that the government of that province supplements the federal grant by an additional 40 per cent of payroll cost, so

that a municipality in that province receives from 90 per cent to 100 per cent of the total payroll cost of an approved winter works project. On the other hand, provinces in the Atlantic area, which are known to have relatively high winter unemployment, receive comparatively little benefit from the federal winter works municipal program, presumably because it is not sufficiently assisted by the provinces and municipalities in the area. Your committee therefore calls attention to this anomaly and suggests that the federal program might well be reconsidered, not with a view to changing its effectiveness in Quebec or other provinces where it is achieving its purpose, but rather to adapt it to assist unemployment in those provinces where it is not now making any substantial contribution to the relief of winter unemployment.

As a preface to my following remarks it might be helpful if I review the terms of the municipal winter works program touching the most important aspects that were outlined in the evidence presented to the committee.

The federal Government pays 50 per cent of the payroll costs of municipal winter works projects undertaken during the period from November 1 to April 30 in each year. In designated areas of high unemployment the federal share is 60 per cent. The projects which qualify include most capital undertakings of the municipalities, such as town halls, fire stations, and recreation centres, with respect to which the federal incentive is limited to a ceiling of $100,000 in each instance. Streets, sidewalks and works of that nature also qualify.

There are some important exceptions for which there are good reasons, which I do not think I need go into now. These exceptions include mainly schools and school grounds, hospitals and hospital grounds, and municipally-owned but commercially-used buildings; that is, municipally-owned buildings that are built for commercial use by private enterprise.

Another condition of the program is that the bulk of those employed must be unemployed at the time they are hired.

The benefits of the federal incentive of from 50 per cent to 60 per cent of payroll costs also apply to projects in unorganized settlements when sponsored by a community organization and carried out under acceptable supervision. This little known provision—in fact, it was totally unknown to me—is a very important one, and much more use can be made of it. I am thinking of villages, or groups of villages, which might be persuaded by the incentive to undertake the construction of community centres of modest design and, more important, sewage collection systems and community water supply systems. In respect of the latter I would think that in the interests of promoting public health the province concerned should assume a significant share of the cost.

I know of a project of this nature that has been given serious consideration, but the difficulties of financing it have not yet been overcome. This particular proposed project involved a rural area in Nova Scotia where for many years homes have been obtaining their drinking water from the same river into which their sewage is dumped. It might be practical for this type of community to undertake a project under the winter works incentive plan. It could be sure of at least two months free of severe winter weather during the period from November 1 to April 30 and could, under the terms of the agreements, carry the project over to the next season if that were necessary. The committee was given assurance of the possibility of that course.

In addition to the example I have mentioned, there have been other such proposals under consideration to deal with the pollution of our rivers, and these are much needed public works.

In his remarks yesterday, the Chairman of the committee pointed out the disparity between the Atlantice provinces and the rest of Canada in the use being made of the municipal winter works program. As he indicated, the obvious explanation of this situation is a lack of financial participation by the Atlantic provinces in the program. All honourable senators will agree that good evidence was placed on the record yesterday by Senator Leonard to make this conclusion acceptable. In those provinces which make the greatest use of the program the contributions range from 25 per cent to 40 per cent of payroll costs. But, I want to point to additional evidence which supports this conclusion very strongly.

Prince Edward Island, about which we hear so much in glowing terms from our colleague Senator Inman at least once a year, is the only Atlantic province which shares in the labour cost. It makes a contribution of 30 per cent. As this is a designated area, the federal contribution is 60 per cent, leaving a balance of 10 per cent to be paid by the municipality. The result of this favourable

situation is that the total labour payroll of the winter works program in Prince Edward Island amounted to $3.75 per capita of the population of the province. By comparison, in my own province of Nova Scotia the total payroll of the winter works program divided by the population provides a figure of 25 cents per capita. The impact on unemployment, in other words, of the program in Prince Edward Island is 15 times larger than it is in Nova Scotia.

The committee was informed also that there is an additional factor which influences the extent of participation in the program. As Mr. W. R. Dymond, one of the chief witnesses put it, this factor involves the influence of "a very vigorous activity on the part of the provincial government itself in promoting the program among its own municipalities." The example that Mr. Dymond gave to the committee was that of New Brunswick where the government, although it makes no contribution, is very active in promoting the program. The result of that promotion is indicated by the fact that during the year 1964-65 the program in that province was three and a half times what it was in Nova Scotia.

The facts that I have given, together with the material placed on the record yesterday by Senator Leonard, is the background of the recommendation of the committee which I quoted in the beginning of my remarks. The recommendation is simply for a reconsideration of the program with a view to increasing its effectiveness, especially in the Atlantic provinces.

My first suggestion in relation to this recommendation is that in the problem areas I have mentioned some of the provinces must be persuaded to do their share in actively promoting the program, such as is presently being done in New Brunswick. The figures would indicate that a high degree of promotion is also being done in other provinces. The responsibility for doing something about promoting winter employment opportunities certainly does not rest entirely on the federal authority. Simply to place a booklet in the hands of the municipal clerks is not good enough.

The second suggestion I would make is that a study be made of the comparative financial capacity of the provinces to share payroll costs.

The added incentive of a further sharing of labour costs, over and above the present formula, at both the federal and provincial level may be required in those provinces where winter unemployment is highest and financial resources of the municipalities and the provinces are the lowest. Each level of government must do its share in reducing winter unemployment, while at the same time lightening the load of the hard-pressed municipalities.

Hon. Jean-François Pouliot: Honourable senators, the outstanding witness that we had before this committee was Mr. Henderson, the Auditor General, who agreed that accounting is most certainly common sense. What he said was very informative, and his suggestions for reform will sooner or later be accepted by the officials concerned, inasmuch as they are supported by the Finance Committee.

At this point I wish to congratulate the Chairman of the committee and to tell my colleagues who are members of the committee that I consider it a privilege to sit with them.

There was a misunderstanding at one time on account of the projects that were accepted. Somebody noticed the fact that more projects for a larger amount had been accepted for various municipal winter works in the Province of Quebec than in some other provinces. That was due to two reasons. The first was that there are many designated areas in the Province of Quebec; the second was that those municipalities took advantage of the winter works program to submit a larger number of projects. If other provinces such as Ontario and the Maritimes had proportionately less, it was due to the fact that they submitted a smaller number of projects for approval.

Hon. Mr. Brooks: May I ask the honourable member a question? First of all, I commend the Province of Quebec for its efforts in this regard. However, is it not a fact that its situation was better than, say, the Atlantic provinces because it was able to put up the money for the municipalities, whereas the Atlantic provinces, although having the greater need, were unable to do so?

Hon. Mr. Pouliot: The honourable Leader of the Opposition (Hon. Mr. Brooks) and I agree on those matters. In this case the Government of the Province of Quebec has helped the designated areas by paying part of the amount that they should have paid according to the agreement. The example given by the Quebec government to the other provinces in this instance was a good one, and I hope that in the future it will have a good result and be followed by them.

Another most interesting witness before the committee was the Honourable Jean Marchand, Minister of Citizenship and Immigration, who took a special interest in the winter works program and gave illuminating evidence before the committee.

It seems to me that the winter works program was extremely helpful for a large number of our fellow citizens; and the purpose of the committee, if I correctly understand the Chairman, is to prevent any abuse of that program, and to see to it that it provides the greatest possible benefit to the Canadian people.

On motion of Hon. Mr. Beaubien (Provencher), debate adjourned.

DIVORCE (EXTENSION OF GROUNDS) BILL

SECOND READING—DEBATE CONTINUED

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Roebuck for the second reading of Bill S-19, to extend the grounds upon which courts now having jurisdiction to grant divorces *a vinculo matrimonii* may grant such relief.

Hon. A. B. Baird: Honourable senators, in saying a few words about Bill S-19 I am going to have to wear two different hats, so to speak.

Since the honourable Senator Roebuck has made it plain that he does not, at this stage, visualize the provisions of this bill applying to the divorces from Newfoundland or Quebec, unless we decide to amend his bill, there is theoretically little reason why I, as a senator from Newfoundland, should be selfishly concerned on behalf of my people, one way or the other. Apparently for us, things are to remain as they are. But I am above all a member of the Senate of Canada, so I shall speak very briefly, first in that capacity, and then as a senator from Newfoundland; because, far from being unconcerned, I believe this bill can be made to serve the people of Newfoundland if we will give it a chance to do so. I shall come back to that point in a few moments.

There is no question in my mind but that we should give unanimous support to this bill. I am not going to waste much time going over the reasons, most of which have already been advanced by honourable senators speaking to this bill. As I see it, there are three simple points to be made.

First, the bill is right. It is a bill which has no conceivable harm within it. It does not go too far, by making divorce so easy that marriage becomes a garment that can be slipped on for size and then discarded at the first sign of a bulge. No; it very carefully extends relief only to those who are helplessly caught up in an intolerable situation completely beyond their own control—those who are faced with circumstances which will likely be adjudged totally beyond remedy or repair by the presiding courts in each case.

It is interesting to note, too, that each of the proposed new grounds involves a circumstance or condition of the marriage which will have been of long standing. At present, in the case of adultery, the offence can happen one day and the spouse, in the heat of the moment of discovery, can immediately begin action which she or he may later regret, yet be too proud to withdraw. I think we all know or have heard about such cases. We even see proof from time to time in divorced couples who re-marry.

This is far less likely to happen when you apply for a divorce after your spouse has deserted you for three years, or has been of unsound mind for five years, or has been so repeatedly cruel that the action has reached the courts. I suggest the bill is not only right, from the standpoint of what it sets out to do, but it will be just, as an act, for what it will accomplish.

The second reason why I support this bill is that the public is unquestionably ready for it. I am in no position, of course, to speak for opinion within the Province of Quebec, but I will come back to that in a moment. I am perfectly satisfied that the people of Newfoundland would welcome such grounds if they were available to them, and I am completely convinced, because the General Council of the United Church of Canada has adopted a resolution approving similar grounds, that the majority of Canadians in other provinces are with us, too.

The third reason why I support this bill is one which, I am sure, will find response in the conscience of most, if not all, members of this house.

I refer to the fact that we find ourselves in the unhappy position of parading before the Divorce Committee a number of citizens who have found lying and collusion to be the better of two miserably bitter alternatives. We know it exists, even though we cannot always sort out who is lying and who is an honest petitioner. But I think we would all sleep a little better if we knew that those who were living with intolerable cruelty, those who have been deserted, or those who

appear to be shackled forever to a person of unsound mind, could come before this house and the courts of the other provinces, without having to consider that the inequities of our law might drive them to a degrading and unlawful subterfuge.

Let me now put on my Newfoundland hat.

The honourable Senator Roebuck has said that he will move that this bill be referred to a committee, and he has said that if it is moved that these grounds be extended to Quebec and Newfoundland he will be delighted to vote for it. Let me say at once that I shall support any such amendment, and I believe the sooner it is introduced the better. We tend to make ourselves the laughing stock of the whole country if we broaden the grounds for eight provinces but pussyfoot for fear of offending Quebec or Newfoundland.

Take my word for it, honourable senators, you will not be offending the good people of Newfoundland if you extend to those petitioners who must come before this house the same degree of relief that you extend to residents of the so-called common law provinces.

As the honourable Senator Roebuck has pointed out, what we are actually trying to do is avoid passing laws which might be deemed oppressive to the Province of Quebec.

As I said earlier, it is not my place to speak for the Province of Quebec. We have already had indications from some honourable senators from that province that they would appear to support such an amendment.

I am going to put one thought before you in this regard. If we believe in the extension of these grounds as a majority—and I think we do—is it not less hypocritical to propose from the outset that they apply to cases which come before the Senate, and see what the reaction is from Quebec?

In my view, it is better to phrase this bill as we honestly believe it should be phrased for all Canadians and let the Province of Quebec opt out if it will. As it stands now, we are, in effect, opting out for them before we know how they really stand. To me this is an abrogation of our responsibility, both as senators and Canadians. If the laws we believe to be right for all are altered or subtracted from before they are even presented, in the belief that a province might object, we are letting the people of that province down because we are not giving them a chance to decide for themselves.

There is a very important principle at stake here, and the principle can be briefly stated.

No federal legislation should be drafted in such a way that it denies to some Canadians rights or privileges which the federal body feels, as a majority, belong to the majority of Canadians. The onus for denying these rights or privileges should be placed squarely on the shoulders of those who would deny them. I like the sound of that: perhaps it will become known as "Baird's Law", and I can write a book about it and become famous as Professor Parkinson became with his law!

Honourable senators, I seriously believe the principle is a valid one. Of course, we can always amend as we proceed, as we indeed may in this case, and it may therefore be argued that the safeguard is always there. It has been said that we do not wish to appear to be "forcing" anything on any province. Can we really be accused of "forcing" if we include Quebec and Newfoundland at the outset and ask them to amend themselves "out" instead of "in"?

I am not trying to quibble. I am laying down a fine distiction which I feel should guide us in matters of this kind in the future. This, after all, is the Senate of Canada, and I maintain that we have a duty to all the people to put the interests of all Canadians first, whether we are framing legislation ourselves or passing on legislation framed in some other place.

Since it is my view that the interests of all Canadians, including those of Quebec and of my own province, are served by the extension of these grounds, I would ask that the honourable Senator Roebuck consider, as Senator Hollett has suggested, inclusion in this bill, in the definition of the word "court", the Divorce Committee of the Senate of Canada.

Hon. Mr. Choquette: Honourable senators, I would like to ask the honourable Senator Baird a question. I have put the same question to Senator Roebuck, but I do not think he was in a position to answer for the Province of Newfoundland.

Having heard this speech, I wish to ask Senator Baird if he knows of any valid reason why his province, since it joined Confederation in 1949, did not request the federal Government to delegate its powers to the provincial courts. If he knows of any valid reason, I would like to hear it.

Hon. Mr. Baird: The suggestion is that there are so few divorce cases in Newfoundland that we hardly thought it worthwhile.

Hon. Mr. Choquette: I have a supplementary question.

If that province had requested that the federal Parliament delegate its powers to provincial courts, the provisions of this bill would apply to them. The second way it can apply to the province is that, if both Quebec and Newfoundland are excluded, nothing would prevent the Province of Newfoundland from asking that its provincial courts have jurisdiction to hear divorce actions, and use these four grounds. I think that is all Newfoundland could ask.

Hon. Mr. Baird: I think that is what I have proposed in my speech.

Hon. Mr. Choquette: I do not think my friend has proposed that. He has proposed something tantamount to this Parliament imposing its views on those two provinces.

Hon. Mr. Baird: No. It is to be at their own request, if they wish it.

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

ELECTORAL BOUNDARIES READJUSTMENT ACT

BILL TO REPEAL—SECOND READING—DEBATE ADJOURNED

Hon. Jean-François Pouliot moved the second reading of Bill S-22, to repeal the Electoral Boundaries Readjustment Act.

He said: Honourable senators, I will be very brief, because there are three more items to come, and I hope that after a few remarks, you will not object if I adjourn this debate.

To save time now, this Bill S-22, is the same bill as C-143, which is being sponsored in the House of Commons by Mr. Real Caouette, M.P.

After I mentioned to the party that the redistribution bill of the session before last was unsatisfactory and should be repealed, I suggested that the Senate should do the work. Naturally, the Senate would be competent to do that work, as it is an impartial body. You, my honourable colleagues, come from all sections of the country and are familiar with the geography of each constituency, and you would make a report that would be satisfactory to all.

But after having discussed the matter with Mr. Caouette and with other members of the House of Commons and of the Senate, we came to the conclusion that it was a much easier thing to recommend that the act should be repealed, that the maps published and tabled by the commissioners should be declared null and void, that the same thing should be said of their reports, and that new maps should be drafted by a committee of the House of Commons, which should report to the Speaker of that House. That is the bill.

But in the preamble something very important is mentioned: it is that out of 265 members of the other house, 158 members of all political parties and groups coming from all parts of Canada have objected to redistribution made by the commission. It seems quite unusual that such a large number of members of the House of Commons have shown their dissatisfaction with this work, which has been very costly, as Senator Choquette pointed out, and which would create animosity throughout the land.

I am not going to repeat to you, honourable colleagues, what I said here on February 23 or 24, as you are familiar with the question, and I want to bring your attention to another matter before adjourning the debate.

I would like, with your leave, to place some names on the record. Yesterday I referred to a publication which bears the arms of Canada but which does not bear the name of the Queen's Printer. It does not seem to have been printed by the Printing Bureau, but nevertheless I accept it as being official. It contains the names of the members of the other House who have protested against the redistribution. Some of the names have been duplicated in the copies of the protests published in the Votes and Proceedings. So, I asked my secretary to write each name on a separate piece of paper and arrange them in alphabetical order so as to remove those names which had been duplicated. I have here the alphabetical list containing 158 names, and comprising 60 Liberals, including two former cabinet ministers; 72 Progressive Conservatives, including eight former cabinet ministers; Mr. T. C. Douglas, Leader of the New Democratic Party and ten of his supporters; Mr. Robert N. Thompson, M.P., and two of his supporters; Mr. Real Caouette and eight others who belong to his group; and then there is one Independent Liberal and one Independent Conservative.

I wonder, honourable senators, if I may have your leave to have that list printed as part of this speech. I would like the names to be printed in alphabetical order and in two columns rather than in paragraphs.

Some Hon. Senators: Agreed.

The list follows:

M. Allard
M. Asselin
P. T. Asselin
G. W. Baldwin
H. R. Ballard
T. S. Barnett
R. Basford
P. Beaulieu
R. A. Bell
T. M. Bell
Jack Biggs
G. Blouin
L. M. Brand
J. E. Brown
A. J. P. Cameron
Colin Cameron
J. C. Cantin
R. Caouette
A. Caron
C. Carter
G. Chatterton
A. Choquette
J. Chrétien
G. Clermont
R. C. Coates
D. M. Code
J. R. Comtois
G. Côté
R. Cowan
G. Crossman
L. Crouse
H. W. Danforth
G. Deachman
W. Dinsdale
C. E. Dionne
T. C. Douglas
G. Duquet
R. Emard
S. J. Enns
V. Ethier
G. Fairweather
F. J. W. Fane
H. J. Fleming
R. E. Forbes
Y. Forest
J. M. Forrestall
E. D. Fulton
C. A. Gauthier
R. Gendron
R. Godin
J. P. Goyer
H. E. Gray
G. Grégoire
L. E. Grills
R. Guay
D. R. Gundlock
J. A. Habel
A. Hamilton
D. S. Harkness
H. G. Harley
H. W. Herridge
Hugh M. Horner
F. Howard
M. Howe
W. D. Howe
J. A. Irvine
G. Isabelle
H. E. Johnston
W. H. Jorgenson
C. F. Kennedy
Lawrence E. Kindt
M. L. Klein
O. Laflamme
Marcel Lambert
M. Lamontagne
P. Langlois
R. Langlois
G. Laniel
G. Laprise
H. Latulippe
H. Laverdière
F. E. Leblanc
G. LeBlanc
B. R. Leboe
T. Lefebvre
H. P. Lessard
G. Loiselle
J. Loney
J. Macaluso
J. N. Mandziuk
J. Matte
D. S. MacDonald
H. R. MacEwen
G. MacInnis (Mrs.)
J. A. MacLean
H. Macquarrie
J. C. MacRae
J. E. Madill
M. Martin
R. J. McCleave
J. McCutcheon
J. McIntosh
A. McLean
R. D. McLelland
J. C. McNulty
M. McQuaid
J. Mongrain
H. A. Moore
K. H. More
J. Morison
G. R. Muir
E. Nasserden
G. E. Nixon
P. V. Noble
Terry Nugent
H. A. Olson
J. N. Ormiston
S. Otto
J. E. Pascoe
G. Pelletier
A. Peters
B. Pilon
R. W. Prittie
M. Prud'homme
R. Rapp
R. E. Régimbal
J. M. Reid
J. L. Rochon
P. B. Rynard
M. Saltsman
W. G. Scott
A. Simard
L. R. Sherman
W. Skoreyko
R. Simpson
C. S. Smallwood
H. E. Smith
R. R. Southam
H. Stafford
R. Stanbury
E. Stefanson
P. Tardif
A. Thomas
W. H. A. Thomas
R. N. Thompson
R. Tremblay
J. R. Tucker
G. Valade
G. Vincent
Jean Wadds
I. Watson
L. Watson
R. Webb
E. Whelan
H. E. Winch
E. A. Winkler
E. M. Woolliams
A. Yanakis

Hon. Mr. Pouliot: Thank you. That being said, I shall not insist any more and I shall move the adjournment of the debate. I would ask you, if you have the time during the weekend, and if you feel like doing so, to have a look at that most impressive list.

Having nothing more to say for the moment, I move the adjournment of the debate, if you please.

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

DIVORCE

RESOLUTIONS ADOPTED

The Senate proceeded to consideration of Resolutions numbered 337 to 390, inclusive, which were presented on Tuesday, March 22.

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, moved the adoption of the following resolutions:

Resolution 337, for the relief of Gloria June Hilton Monk.

Resolution 338, for the relief of Joan Audrey Miller Moos.

Resolution 339, for the relief of Sheila Leiba Polger Moosa.

Resolution 340, for the relief of Rae Ruda Morganstein.

Resolution 341, for the relief of David Keith Murray.

Resolution 342, for the relief of Ross Arthur John Ainslie.

Resolution 343, for the relief of Carol Goudreau Austin.

Resolution 344, for the relief of Ginette Pontbriand Cardinal.

Resolution 345, for the relief of Robert Bohdan Dulepka.

Resolution 346, for the relief of Joseph Leo Gauthier.

Resolution 347, for the relief of Andree Bock Morissette.

Resolution 348, for the relief of Pierre Villeneuve.

Resolution 349, for the relief of Evelyne Bartfeld Bell.

Resolution 350, for the relief of Cecile Audet dit Lapointe Bourgon.

Resolution 351, for the relief of Claude Brien.

Resolution 352, for the relief of Pietro Marco Capra.

Resolution 353, for the relief of Norma Margaret Craig Coley.

Resolution 354, for the relief of Elizabeth Rogers Love Earl.

Resolution 355, for the relief of Bernard Gariepy.

Resolution 356, for the relief of Corinne Ruth Abramson Golfman.

Resolution 357, for the relief of Gwyneth Elizabeth Daniel Harkness.

Resolution 358, for the relief of Helen Esther Craig Langguth.

Resolution 359, for the relief of Irene Pelletier Laperriere.

Resolution 360, for the relief of Pauline Morin Lapointe.

Resolution 361, for the relief of Joseph Ralph George LeBlanc.

Resolution 362, for the relief of Monique Crevier Renaud.

Resolution 363, for the relief of Mary Sylvia Lorraine Leeks Robinson.

Resolution 364, for the relief of Huguette Machabee Tougas.

Resolution 365, for the relief of Dilys Mary Orme Tucker.

Resolution 366, for the relief of Jeannine Savard Ballabey.

Resolution 367, for the relief of Lise Audy Barakett.

Resolution 368, for the relief of Jean Francis Hickey Burbridge.

Resolution 369, for the relief of Liette Josephine Marie-Jeanne Deleuze Butrym.

Resolution 370, for the relief of Leo Campeau.

Resolution 371, for the relief of Georges-Etienne Cartier.

Resolution 372, for the relief of John Chomicki.

Resolution 373, for the relief of Theresa Eileen Whalen Dixon.

Resolution 374, for the relief of Calvin Frederick Durdle.

Resolution 375, for the relief of Hilda Jocelyn Pangman Galt.

Resolution 376, for the relief of Janis Edgars Grunde, otherwise known as John Grunde.

Resolution 377, for the relief of Pamela Eileen Packham Johanson.

Resolution 378, for the relief of Esther Joan Glassco Lloyd.

Resolution 379, for the relief of Therese Marie Paulette Delamarche Vilaire.

Resolution 380, for the relief of Glenda Roberta Miller Mason.

Resolution 381, for the relief of Jacques Paul Mathieu.

Resolution 382, for the relief of Louise Mary Dawson Middleton.

Resolution 383, for the relief of Shirley Winnifred Myat Murray.

Resolution 384, for the relief of Pauline Trehub Pall.

Resolution 385, for the relief of Angeline Huguette Marie Mancuso Pilon.

Resolution 386, for the relief of Roger Patrick Plant.

Resolution 387, for the relief of Marcelle Blanchard Rochon.

Resolution 388, for the relief of Cornelius Robert Ryan.

Resolution 389, for the relief of Roger Thibodeau.

Resolution 390, for the relief of Micheline Demers Valade.

Resolutions adopted, on division.

The Senate adjourned until Tuesday, March 29, at 3 p.m.

23031—35

THE SENATE

Tuesday, March 29, 1966

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

Prayers.

BUDGET SPEECH

ACCOMMODATION FOR SENATORS IN COMMONS GALLERY

The Hon. the Speaker: Honourable senators, as previously announced, the Minister of Finance will deliver his Budget Speech in the other place this evening at 8 o'clock. May I be permitted to remind honourable senators that none but senators will be admitted to the Senate gallery of the House of Commons on that occasion. This step is being taken for the purpose of providing accommodation in the gallery for as many senators as possible. In this manner, senators will not be excluded from the gallery because of many of the spaces being occupied by relatives and friends of senators.

May I add that such instructions were first issued in 1931 by the then Speaker of the Senate, the Honourable P. E. Blondin, and this practice has been followed ever since by successive Speakers.

LIBRARY OF PARLIAMENT

JOINT COMMITTEE—CHANGE IN COMMONS MEMBERSHIP

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons to acquaint the Senate that the name of Mr. Saltsman be substituted for that of Mr. Schreyer on the Joint Committee on the Library of Parliament.

APPROPRIATION BILL NO. 3, 1966

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-157, for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1967.

Bill read first time.

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

Hon. John J. Connolly: Honourable senators, with leave, I move that this bill be read the second time later this day.

Motion agreed to.

DOCUMENTS TABLED

Hon. John J. Connolly tabled:

Statutory Orders and Regulations published in the *Canada Gazette*, Part II, of Wednesday, March 23, 1966, pursuant to section 7 of the Regulations Act, chapter 235, R.S.C., 1952. (English and French texts).

Budget Papers, 1966-67 (English and French texts), for the information of Parliament, as follows:

Part I—Economic Review of 1965.

Part II—A preliminary review of the Government Accounts for the fiscal year ending March 31, 1966.

Report on the Administration of the Canada Pension Plan for the fiscal year ended March 31, 1965, pursuant to section 118, chapter 51, Statutes of Canada 1964-65. (English and French texts).

Report of the Department of Public Works for the fiscal year ended March 31, 1965, pursuant to section 34 of the Public Works Act, chapter 228, R.S.C., 1952. (English and French texts).

HON. M. GRATTAN O'LEARY

RETIREMENT AS PRESIDENT, OTTAWA JOURNAL

Hon. John J. Connolly: Honourable senators, with the indulgence of the Senate, I would call attention to the retirement of our distinguished colleague Senator M. Grattan O'Leary from the presidency of the Ottawa *Journal*. The honourable senator from Carleton began his career with the *Journal* fifty-five years ago. The year 1911 has bitter memories for people on this side of the house, but the fact that our colleague began his career as newspaperman in that year has contributed also, in my opinion, to make it a noteworthy year.

In the intervening half century as a "journalist"—a term which G. K. Chesterton used to describe himself and the profession of letters, which he and Senator O'Leary have both adorned—Senator O'Leary has known the great and the near great both here and abroad. He has witnessed especially "the cut and thrust of parliamentary discussion." He has seen men reach the heights of statesmanship and he has been inspired thereby. He has watched the less attractive performances of Parliament without losing ever his love for Parliament and his optimism for the triumph

of the parliamentary process. If Senator O'Leary writes an autobiography—I hope he will—I am sure it will be "bright with names that men remember, loud with names that men forget."

The editorial pages of the *Journal*, particularly during election campaigns, have seldom been my favorite political authority. Nevertheless, the reputation of the *Journal*, developed under men such as P. D. Ross, E. Norman Smith and our colleague Senator O'Leary, has made it one of Canada's impressive enterprises in the field of enlightened journalism. I would add to that the name of Martin Burrell, the former Librarian of Parliament, and others who were part of the literary climate it generated. That tradition remains. In the eyes of experienced Parliamentarians, Senator O'Leary was and remains a realist. Few of us will forget the defence he made last session of the practice of appointing to this house persons of varied political experience. For me there was an aftermath to that speech, for afterwards the father of our Parliament, the gentleman from Gulf (Hon. Mr. Power), accosted me in the antechamber of the Senate—and I feel "accosted" is the appropriate word—and said in a loud and somewhat belligerent voice, "Connolly, after hearing that speech, O'Leary has become my leader." So far as I know he has never recanted, Mr. Speaker.

Symbolically, our friend from Carleton is in Parliament forever—and this is even better than an appointment to the Senate—for his features, along with those of our beloved colleague Senator Charlie Bishop, are carved in the stone of the Hall of Fame. But Senator O'Leary is no man of stone; his warm Irish heart and his capacity for friendship are too great for that.

I read last week that when he was appointed to be Editor Emeritus of the *Journal* he asked, "What on earth is an editor emeritus?" Perhaps he has since found out, but he need not search very far to understand that here we recognize him as "orator excellentissimus".

For years I have shared with him a high regard for the historical and political writings of Justin McCarthy, a longtime member of the Mother of Parliaments, and not only because McCarthy too was of Irish descent. McCarthy once wrote these words of John Morley:

> John Morley proved from his very first effort that he was of the House as well as in it. I have heard him make great platform speeches, and I think he comes nearer to the highest order of eloquence when addressing an ordinary political meeting than even when addressing the House. But it is quite certain that at the present time, the House... has no member who can more completely command its attention.

I apply that language with, I am sure, the commendation of all honourable senators to our colleague from Carleton.

Last week when I quoted Maurice Baring in my references to Senator Lambert, Senator O'Leary sent me a little note in which he referred to a line of Baring's which was the title of a book he wrote on that romantic and mysterious person, Mary Queen of Scots. The line reads, "In my end is my beginning."

I say to him that the end of his presidency of the *Journal* is, we would hope, the beginning of greater opportunities in his public life, and I personally would add, particularly in the field of letters.

Hon. A. J. Brooks: Honourable senators, when Senator Connolly (Ottawa West) rose to speak he intimated that it was not necessary for this matter to develop into a debate. However, I wish to say a few words about our good friend Senator Gratton O'Leary, and I am pleased that the subject has been introduced by the Leader of the Government.

May I say at once that this is a matter which I feel most inadequate to deal with and, that being so, of necessity my remarks will be brief. Moreover, as you know, it is difficult for a mere Englishman to follow an Irishman at any time in any undertaking, and particularly in making a speech.

Hon. Mr. Connolly (Ottawa West): Especially about the Irish.

Hon. Mr. Brooks: And, as the Leader of the Government says, especially when he is speaking about another Irishman. It is just impossible to do justice to the subject. Moreover, I have not adequate command of the language.

I recall reading the other day an editorial based on the fact that Senator O'Leary had retired, and it spoke about his command of the English language. It also stated that only an Irishman can speak good English. Yet I am again handicapped.

I agree with what my good Irish friend Senator Connolly (Ottawa West) said of our

mutual Irish friend Senator O'Leary. To my mind, to say more would be to try to paint the lily—and by that I do not mean to call Senator O'Leary a lily. However, I wish to repeat some of Senator O'Leary's own words recently quoted in an editorial in the Montreal *Gazette*. In addressing himself to what he considered to be some of the qualities of good leadership, he said:

> We need leaders, trained in the humanities, trained in those moral and spiritual things that have been our stay in the past and which, inescapably, must be our stay in the future. Civilization is something more than superior plumbing.

The Montreal *Gazette*, speaking of Senator O'Leary, commented:

> Such a leader he has been over the many years.

Some Hon. Senators: Hear, hear.

Hon. Mr. Brooks: I am sorry that Senator O'Leary has retired from the editorship of the Ottawa *Journal* which, as my good friend Senator Connolly (Ottawa West) has said, is an excellent paper. I can think of many editors I would sooner have seen retire from the editorial chair. I have always admired him as an editor and for his many other qualities. He was a good editor. He published a paper which, to my mind, was the best and was always on the side of truth and right.

Hon. Mr. Connolly (Ottawa West): Except during elections.

Hon. Mr. Brooks: May his successor follow in his footsteps. I do not know whether he made the paper great, or whether the paper made him great. In either case, an excellent job was done.

On his many other activities, both physical and mental, I have not sufficient time to comment. He now honours the Senate with his presence here, and I am sure I speak for all of us when I say: May he do so for many years to come.

Hon. Senators: Hear, hear.

Hon. T. A. Crerar: Honourable senators, you will not take it amiss if I add my few words of tribute to the excellent presentations made by Senator Connolly and Senator Brooks. A good many years have come and gone since I first met Senator O'Leary. I have always admired his editorials in the *Journal*, and very often disagreed with them.

He had the faculty of clear and lucid expression, but I may say to this house that his capacities in the field of journalism paled into insignificance when one got him on the golf course and he missed a four-foot putt.

I join with all of you in a tribute to Senator O'Leary. He was a great journalist. He is a very useful member of this house, and my hope is that he may long continue to adorn it.

Hon. Jean François Pouliot: Honourable senators, believe it or not, as a regular reader of the Ottawa *Journal* for 45 years, I must say a word of thanks for the most instructive and pleasant reading that newspaper offered me. In particular, I have always found the *Journal* editorial page lively. It was always interesting and informative. When I crossed swords with the *Journal*, as I very often did, I found that the sword of Senator O'Leary was always a rapier and never a dagger. Frequently we disagreed, but when I was really in trouble quite often it was the *Journal* that came to my rescue, and I am thankful to Senator O'Leary for that.

I congratulate him also on his having followed the tradition of Mr. P. D. Ross and Mr. Norman Smith, senior, and to have contributed so wisely and in such an efficient manner to the formation of his successors, all brilliant journalists like Mr. I. Norman Smith, Mr. James McCook and Mr. Richard Jackson, whom I know particularly well. One realizes that if they had not been under the guidance of Senator O'Leary they would not have made such a success of their careers.

Senator O'Leary is one of the best informed Canadians on the history of this country, of England, and particularly of dear old Ireland. What he says is always so timely, so well and so clearly said, that we keep it in mind.

I shall not repeat what has been said about our most distinguished colleague, but I express the thanks of the Pouliot family who have been so well entertained by reading the Ottawa *Journal* for many years. I wish Senator O'Leary to be happy. I hope he will keep an office in the building of the Ottawa *Journal*, where he will remain in a position to give us some of his thoughts and comments occasionally. He will now have more leisure for reading, and although he will be free from this responsibility, I know that his mind will always be active and that all the personnel of the *Journal* will benefit from it, as will its readers too.

Hon. M. Grattan O'Leary: Honourable senators, I have been sitting here during the last few minutes pinching myself to make sure that I had not died.

Of course, I wish to thank Senator Connolly, an old, old friend, and my own leader (Hon. Mr. Brooks), my very long-time friend, Senator Crerar, and Senator Pouliot, for the kindly, flattering inaccuracies of the eulogies they pronounced upon me.

I must say that Senator Connolly struck a very sensitive nerve when he said I had a love for Parliament. I was brought up to love and to reverence Parliament. In the little Irish Gaspé community in which I lived we learned to love Parliament, not by reading the debates and the discussions of the House of Commons of Canada; we learned to love Parliament and the great figures of Parliament by reading the debates that went on at Westminster over the question of Irish home rule. In fact, I knew far more about Mr. Gladstone, Mr. Bright, Mr. Parnell and Mr. John Redmond when I was a boy than I knew about Sir Wilfrid Laurier, Sir Robert Borden and even Sir John A. Macdonald.

But at last, after perhaps too long a wait, I came to Ottawa to join the Ottawa *Journal*. I arrived here at one o'clock, and instead of going to the *Journal* office to see that my position was there, I wended my way up to the old Parliament Buildings and sat in the gallery to see and hear Sir Wilfrid Laurier and Sir Robert Borden. I sat there so long that I endangered my job at the *Journal*, because I did not get there until 5 o'clock and they thought I was not coming.

Actually, if I had my way I would try to find some manner or means by which our public schools, high schools and universities would tell our young people more about the glories of Parliament, and about the meaning of Parliament. Personally, I am saddened whenever an occasion arises to besmirch or belittle Parliament in the eyes of our people. I do not join with those, and I cannot abide those, who go about in our country belittling and downgrading Parliament.

I remember years and years ago hearing that very gifted Englishwoman, Miss Rebecca West, speaking on the Mother of Parliaments. She told of the parties and the men who had come there down the centuries, of how they had fallen into decay and passed into extinction, and of how other parties and other men with new ideas, new hopes and a new social consciousness had come after them, and she said that with all there was to be said against them there was this to be said for them, that most of them, in all parties, had cared a great deal for the common good.

Honourable senators, that is true of our own country. We have had good men in this Parliament and bad, and some of the pages of history they have made for us we would gladly wipe out. But when the last word of censure has been spoken, when everything has been said against them, it still remains true to say that most of them throughout our history did care a great deal for the common good.

Those who hold differently betray ignorance, and I think they invite peril. They invite the fate that has come to so many areas of the earth where because of cynicism, indifference and a betrayal of democracy, we see now that saddest of all things in the human story, the epitaph of a vanished freedom.

Honourable senators, I do thank you for this testimony of courtesy, affection and kindness. From all sides of this house I have received nothing but courtesy and kindness since coming here. I thank you, and I hope I shall always be worthy of being with you in this chamber.

PRIVATE BILL

GUIDES CATHOLIQUES DU CANADA (SECTEUR FRANCAIS)—FIRST READING

Hon. Mariana B. Jodoin presented Bill S-24, to incorporate Guides Catholiques du Canada (secteur français).

Bill read first time.

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

Motion agreed to.

DIVORCE

APPOINTMENT OF SENATE MEMBERS TO JOINT COMMITTEE

Hon. Arthur L. Beaubien: Honourable senators, with leave, I move, seconded by Senator Macdonald (Cape Breton),

> That the following senators be appointed to act on behalf of the Senate on the Special Joint Committee of the Senate and House of Commons to inquire into and report upon divorce in Canada and the social and legal problems relating thereto, namely, the honourable Senators Aseltine, Baird, Belisle, Bourget, Burchill,

Connolly (Halifax North), Croll, Fergusson, Flynn, Gershaw, Haig and Roebuck; and

That a message be sent to the House of Commons to inform that house accordingly.

Motion agreed to.

PENITENTIARIES

APPOINTMENT OF SENATE MEMBERS TO JOINT COMMITTEE

Hon. Arthur L. Beaubien: Honourable senators, with leave, I move, seconded by Senator Macdonald (Cape Breton),

That the following senators be appointed to act on behalf of the Senate on the Joint Committee of the Senate and House of Commons to consider the state of penitentiaries under the control of the Government of Canada and the plans of the Government in relation thereto, namely, the Honourable Senators Benidickson, Cameron, Fergusson, Fournier (Madawaska-Restigouche), Gouin, Inman, Irvine, O'Leary (Carleton), and Prowse; and

That a message be sent to the House of Commons to inform that house accordingly.

Motion agreed to.

CONSUMER CREDIT

APPOINTMENT OF SENATE MEMBERS TO JOINT COMMITTEE

Hon. Arthur L. Beaubien: Honourable senators, with leave, I move, seconded by Senator Macdonald (Cape Breton),

That the following senators be appointed to act on behalf of the Senate on the Joint Committee of the Senate and House of Commons to inquire into and report upon the problem of consumer credit, more particularly, but not so as to restrict the generality of the foregoing, to inquire into and report upon the operation of Canadian legislation in relation thereto, namely, the honourable Senators Croll, Davey, Deschatelets, Gershaw, Hastings, Hollett, Irvine, McGrand, Smith (Queens-Shelburne), Thorvaldson, Urquhart and Vaillancourt; and

That a message be sent to the House of Commons to inform that house accordingly.

Motion agreed to.

PRINCE EDWARD ISLAND

TOURIST LITERATURE

On the Orders of the Day:

Hon. John J. MacDonald: Honourable senators, before the Orders of the Day are called, may I say that I understand that every honourable senator has received a copy of the tourist literature on Prince Edward Island. The booklet is much appreciated, and for it a bouquet should go to the honourable Senator Inman.

Hon. Mr. Connolly (Ottawa West): Hear, hear.

EXPORT AND IMPORT PERMITS ACT

BILL TO AMEND—SECOND READING

Leave having been given to proceed first with Item No. 7 on the Orders of the Day:

Hon. W. M. Benidickson moved the second reading of Bill S-23, to amend the Export and Import Permits Act.

He said: Honourable senators, this amending bill will not be unfamiliar to a great number of senators, inasmuch as it has appeared in similar form at three-year intervals on several occasions.

Perhaps the explanatory note in Bill S-23 explains the purpose of the bill better than I can. It reads:

> The purpose of this bill is to extend the duration of the Export and Import Permits Act for a further period of three years.

The necessity to have any control over exports and imports may be repugnant to some of us, but honourable senators will be aware that during the war, under the War Measures Act, there was control on this measure of trade. In 1947 a statute was introduced to supersede the authority under the War Measures Act, and that statute was superseded in the session of 1953-54 by a new act, the act which we are now proposing to amend again, by giving a three-year extension of authority in respect to certain matters of export to a certain number of designated countries throughout the world and authority to regulate imports under certain circumstances as outlined in the basic bill of 1953-54.

This is exactly the same type of amending bill as was presented to Parliament and explained in this chamber on June 5, 1963. The honourable Senator Hugessen explained the

necessity for continuing for another three-year period the authority that this basic statute authorizes.

I have indicated that the basic bill permits the Governor in Council to make regulations with respect to setting out certain commodities and products that are subject to export control. It permits the Governor in Council to designate certain areas to which export must be under control and it indicates under certain circumstances certain commodities that must be under import control subject to order in council.

Since honourable senators acceded to the amending bill of 1963 there have been presented to Parliament three annual reports of the administration of this act by the Minister of Trade and Commerce.

The reports for 1963, 1964 and 1965, which have been tabled and are available to all honourable senators, indicate any changes by order in council affecting those particular products which may be under export control, the countries under area control, or import items under control. Broadly speaking, these changes have been relatively few. Nevertheless, many of us may feel some concern about the necessity for this type of governmental control over trade. On that account, some reassurance may be derived from the fact that when the 1953 bill was introduced, the Parliamentary Secretary to the Minister of Trade and Commerce was able to tell the House of Commons that the use of this kind of authority had been reduced.

In 1948, under the previous act, 113,094 permits were issued by the Government. In 1953, when this new basic statute was introduced, that number had been reduced to 26,335 permits. The report for the calendar year 1965, which has been given to us, shows that the number of export permits has been further reduced to 8,182.

Considering our vast trade, that is an assurance as to the pronounced trend towards reduction in this type of bureaucratic authority and the necessity for it. There has been, of course, a continuing need to exercise control over certain strategic products which we have for export, and honourable senators will recognize that some governmental jurisdiction and supervision is necessary in such cases.

During the last few years very few formal revisions of orders in council were made with respect to the commodities under export control, the designated countries subject to area control, or the commodities under import control.

On the assumption that honourable senators will not expect me to analyse the three annual reports, 1963, 1964 and 1965, which are public knowledge, they might expect properly from me at this time some information about one or two changes made under the authority of this act since the 1965 calendar year report was made available to us. Before I refer to those items which would be current in the calendar year 1966, I may say that a change was made with respect to the area control.

In December 1965 six products—tobacco, chromium, certain manufactured meat products, and some others—relating to trade with Rhodesia were put under import control.

Honourable senators, in fairness to this chamber I should remind you of a point which does not appear in the 1965 report to which you have access. On February 3, 1966 the Minister of External Affairs made a statement in the House of Commons respecting our trade relationships with Rhodesia. He said that, in addition to these six commodities being subjected to import control, there was being introduced, as of that date, a general control of all products. On March 23 of this year, the Minister of Trade and Commerce announced in the House of Commons that further restrictions were being imposed under this act on the import of hides and related leather products.

Honourable senators, in 1963 when an identical extension of the authority of the act for three years came before the Senate, it was referred to the Standing Committee on Banking and Commerce. I believe the Leader of the Government feels that it would be appropriate to follow the same procedure on this occasion.

Hon. Mr. Connolly (Ottawa West): It is desirable to do so.

Hon. Mr. Benidickson: If that is the wish of the house, I propose to make a motion in similar terms on this occasion.

The last comprehensive list of products subject to export control became effective about January 1, 1965. There has been no change since then, apart from the alterations which I have mentioned.

Basically, our control on exports relates to strategic items, a term easy of comprehension by all honourable senators. In addition, there is an area of commodities subject to intergovernmental treaty or agreement where,

through NATO or some other intergovernmental conference or negotiation, a method of stability has been arrived at to which Canada has given agreement. Products of that kind then come under export control.

Some products remain on the export control list in order that we may maintain our own requirements on matters of defence. We do not restrict our rights under this statute simply to the control of strategic items or materials for defence. Some items are under export control because of our own domestic need. They may be in short supply and there may be such a commotion in obtaining them that the circumstances justify the Government's right to ensure that proper control of export extends over these products of ours.

Hon. A. J. Brooks: Honourable senators, I desire to congratultae my honourable friend, Senator Benidickson, on his first speech in the chamber.

Hon. Senators: Hear, hear.

Hon. Mr. Brooks: Of course I have heard him speak on many occasions in the House of Commons, and it is a further pleasure to hear him speak now in this chamber.

This short bill merely extends the life of the Export and Import Permits Act. That act, as Senator Benidickson has said, succeeded the 1954 Emergency Powers Act, which was familiar to us, especially on account of its extensive use during the Korean War.

He also pointed out there were three things provided for in this bill. It restricts the export of strategic goods; it allows us to set up what might be called the area control list; and it controls the import of agricultural goods into Canada so as to protect our farmers and agriculturists.

As Canadians and as members of the Commonwealth, we are particularly interested in the way this bill differs from those of 1960 and 1963 insofar as our relations with Rhodesia are concerned, a country which has been indirectly a part of the Commonwealth through Great Britain. I am not going to discuss to any extent whether the Rhodesian situation has been properly handled or not. We all have our own opinions on that subject. But I would say that my personal view is that it has been very poorly handled by the Prime Minister of Great Britain and by the Premier of Southern Rhodesia, if I may call him such. I feel they have both been very stubborn. It is most unfortunate that the situation there should be as it is today. As to Canada's part, I do not think we have improved the situation in any way. I read recently that our High Commissioner is being recalled for consultations on the Rhodesian issue. We will wait very anxiously to see what is the purpose of recalling Mr. Chevrier at this time and also to see what the results will be.

The honourable gentleman spoke about Canada's restricting trade and sanctions. I know that as far as Canada's trade with Southern Rhodesia is concerned, it has made absolutely no difference at all. Other sanctions were imposed on Rhodesia which are not having much effect either. He said that we were prohibiting the import of goods from Rhodesia, but we have never imported from Rhodesia anything of consequence. I read in the press the other day that a tobacco auction was being held in Salisbury at which they received over $70 million in revenue from this commodity. It is also understood that the sanctions on the importation of oil into Rhodesia have not been successful.

As I said a moment ago, this is a matter which could be debated at length, and we all have our own opinions on the subject. For instance, I believe that the Prime Minister of Great Britain and many people in other parts of the world, including the United States, think that the four million blacks in Rhodesia should have a vote. There are 300,000 whites in Rhodesia, and they are the people who are more or less governing the country. But there are many people who have watched the development of the new nations in Africa and who are very much concerned as to whether one can give wholesale votes to people who are uneducated and apparently wholly unfit for democratic government. There is hardly a government in Africa today that has not had internal trouble since they became independent.

However, as I said a few moments ago, we may have our High Commissioner, Mr. Chevrier, looking into this problem. The instructions which he will receive and what will be achieved thereby will be of great interest not only to Parliament but to all the people of Canada. If this bill goes before the committee or if there is further debate in the Senate, I hope this matter will be thoroughly discussed, because we have decided to play such an important part, and that whatever action is taken will be taken for the best as far as Rhodesia and the other members of the Commonwealth are concerned. It is a very serious problem not only for the new emerging countries but for other countries as well.

I have nothing further to say on this bill. It is necessary that we extend the time. We are living in times when there are difficulties all over the world. We cannot send goods to the Russo-Sino area without permit, which is perfectly right because we consider those countries might make difficulties for us. We cannot send goods to Viet Nam or that part of the world. It has been decided in the other place that this bill is necessary, as are the regulations under it, and I have no objection at all to its passage.

Before closing I would like to ask the honourable sponsor of the bill if he could give us some idea of the cost of imports to Canada from Rhodesia and the value of our exports to that country.

Hon. Mr. Benidickson: I regret to say that I cannot give those figures at this time. I felt this information would be elicited when we have officials from the Department of Trade and Commerce before us in committee.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Benidickson, bill referred to the Standing Committee on Banking and Commerce.

APPROPRIATION BILL No. 3, 1966

SECOND READING—DEBATE ADJOURNED

Hon. John J. Connolly, with leave of the Senate, moved the second reading of Bill C-157, for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1967.

He said: Honourable senators, this bill is known as Appropriation Bill No. 3. In view of the fact that it is the first bill of interim supply to be introduced during this session, I feel I should make some general observations which may be useful to have on the record, particularly for the information of some of our new members. I shall try to deal with this matter very quickly.

As honourable senators are aware, at the beginning of each fiscal year or thereabouts the main Estimates are tabled in the house. The Estimates for 1966-67 were tabled here on February 22 and were referred to the Finance Committee. These are the Estimates contained in what is known as the Blue Book, which I now hold in my hand, and they total some $7,950 million-odd. They contain the foreseeable financial requirements of the Government for the coming fiscal year.

In the other place, as honourable senators are aware, the Estimates are examined by the members in great detail. They now have a system there, however, by which the Estimates are referred to various committes in the hope that the work will be done in a more businesslike and speedy way, with a view to giving the various items closer scrutiny.

Without patting ourselves on the back too much, I think the procedure the Commons has adopted in this respect has been copied to some extent from the treatment we normally give bills in this chamber. As I understand it, the members there will be able to discuss items in the Estimates in committee with officials from the departments concerned. When the final Estimates are passed, the bill passes this house too and the final appropriation bill is thereby enacted.

As I have said, when the main Estimates reach us and are tabled, they are referred to the Finance Committee; in this house the approach is vastly different from that adopted in the House of Commons. For many years our finance Committee has been following the practice of making special studies under the successive chairmanships of Senator Crerar, Senator Hawkins, Senator Emerson, and Senator Leonard. Honourable senators will find that the reports of the Finance Committee have dealt with certain aspects of the fiscal problems of the Government of Canada. Speaking only from my own experience I say to new senators that I have found it a source of great help to be thoroughly familiar with the reports that have been made over the years on the various studies conducted by the committee.

Perhaps I should add that in theory there is almost unlimited power vested in this house to deal with the Estimates, with one exception, namely, that we cannot increase the imposte made upon the public. It has been argued that we cannot decrease the amount of any item, and the leaders on both sides of this house have always resisted changes in the Estimates on the ground that such changes would conflict with what is known as ways and means. So, generally speaking, the Senate really makes very little change in the Estimates after they have been passed by the other place.

Hon. Mr. Farris: That is not on constitutional grounds.

Hon. Mr. Connolly (Ottawa West): No, I believe it is a matter more of house practice

than anything else. In that respect may I be permitted to divert the house and tell a story about a personal experience?

As honourable senators probably know, Canada has been designated as the country providing the chairman of the Commonwealth Parliamentary Association this year, and I had the honour to be elected to that post at the annual meeting in Wellington, New Zealand, in December.

Hon. Senators: Hear, hear.

Hon. Mr. Connolly (Ottawa West): I can assure honourable senators it was not because of any particular virtue on my part; it was just because of a desire on the part of the Government to have a member of the cabinet do all that was possible to make this coming meeting a success—and after Easter there will be an opportunity to discuss this matter in greater detail. However, having been elected, and being in that part of the world and with no expectation of ever going back—incidentally, I feel lucky I ever got out—I thought I should make some courtesy calls on the presidents of the individual Commonwealth Parliamentary Associations.

The first president I visited was in Canberra. Let me hasten to add, honourable senators, I could not have received a warmer or more interesting welcome than I did in the capital of Australia. On the day of my arrival their Senate, which is elective, had just concluded rejecting a financial measure of the Government that had arisen out of the budget, and they had a constitutional crisis on their hands. Of course I was on the side of the Senate. They solved it, as the Australians in their easy-going way do. There were two objectionable sections in the bill in question, so they proceeded to withdraw the bill and break it into two parts. They put one objectionable section in one bill and the other objectionable section in a second, quickly passed the two bills through the lower house and sent them to the Senate. Then the senators who were obdurate with respect to one section voted against that bill but voted for the other, and vice versa. So in that way they solved their constitutional problem.

So much for the main Estimates. Now I think a word should be said about the supplementary Estimates.

Certainly, large amounts of money are involved in the supplementary Estimates, but they can generally be described as the requirements of the Government to cover unforeseen contingencies—sometimes disasters resulting from acts of God, sometimes, disasters resulting from poor estimating on the part both of the ministers and of the officials. If I may be permitted, I shall use as a concrete illustration an occurrence from the war years when I was with the Honourable Angus L. Macdonald as his assistant at the Navy.

One morning he was asked to change the amount of an estimate for a building the Navy required, and the amount of the increase was very substantial. Being a Scot, this infuriated him and he said to the officials responsible, "Some day when I am asked to make an increase like this I am going to refuse and I am going to insist on a building going up with only three sides to it as a monument to the kind of estimating that is done in this department."

I do not say that happens often and I do not attach any blame, but I do say that supplementary Estimates are required from time to time by the Government of the day. They come before us in due course and, as was done the other day, they are referred to our Finance Committee for consideration.

Interim Supply, with which we are concerned today, is another matter. Of course, Parliament is supreme with regard to expenditures proposed by the Government, and the historic control of the purse; the power of the purse which was wrested originally from the kings has been jealously guarded by Parliament, and particularly the lower house. The consideration of the main Estimates in that place usually takes a long time, but the expenditures of the Government, whether the Estimates have been approved or not, continue from day to day as money is required to pay those day-to-day accounts. Parliament by frequent interim supply allows certain percentages of the total requirements of each and every department to be met as the occasion requires. Usually these allotments or allocations are made in terms of months, and we ask for one, two or three months' supply. That is what this bill does. It is an interim supply bill for two months, for the months of April and May 1966, and it asks for two-twelfths or one-sixth of the total Estimates of all the departments. This is contained in clause 2 of the bill that is before us. The amount of one-sixth of the total of these Estimates is a little over $817 million.

In addition to one-sixth of the amount estimated to be required by each department sought to be approved by this bill, there are

certain departments of government at certain times of the year which have unusual money requirements, and these special requirements are detailed in Schedules B to E of this bill. I invite honourable senators to look first at Schedule A which is in respect of the Department of Transport. These amounts are in addition, as I have said, to the two months' supply that is granted generally by clause 2.

Schedule A asks for $408,000, being nine-twelfths of the amount of Vote 103 in the estimates of the Department of Transport for the National Harbours Board. This amount, as the schedule indicates, has to do with the Canadian Universal and International Exhibition in Montreal, and the money is needed for urgent spending required to complete certain work there. This work, I am informed, covers the widening of McKay pier and the filling and grading of a parking lot for Expo '67. The work has to be finished by July 1, 1966; it is obvious, therefore, that the money has to be voted at this time if the contractor is to be accommodated.

In Schedule B the amount proposed to be granted is $3,382,966.67, which is four-twelfths of the total of certain items for the Production and Marketing Branch of the Department of Agriculture and for the Atomic Energy Control Board. The total amount of the item for the Plant and Plant Products Division of the Production and Marketing Branch of the Department of Agriculture is $8,148,900. The bulk of this vote is for the cost-sharing program of assistance to livestock producers for the purchase of feed during the year ended March 31, 1966. Provision is also made for contributions to British Columbia for losses suffered by the tree fruit and grape producers during the year ended last November 30, and for the barberry eradication program in Ontario and Quebec, and for the agricultural lime assistance program. The bulk of this vote, I am informed, covers time already passed. By the end of May it is expected that claims totalling some $4 million, or about half the vote, will have been processed for payment, and the others will follow very shortly.

With respect to the item of $2 million for the Atomic Energy Control Board, being for grants for research and investigations with respect to atomic energy, this vote provides for grants for research projects carried out at universities. It is customary to pay 50 per cent of these grants in the early part of the fiscal year to allow the universities to make the necessary plans.

May I refer honourable senators now to Schedule C which proposes that the sum of $19,582,100, being three-twelfths of the total of the several items in the schedule, be released. In the Department of Finance there are contingencies for the whole of the Government service, and this vote is to make up for underestimates of salary requirements resulting from improvements in recruiting and salary increases on the one hand, and for unforeseen non-paylist requirements on the other. An additional proportion is requested to meet anticipated additional salary requirements which were approved too late for inclusion in the main Estimates, particularly the interim increases approved for the A and B groups in the Civil Service.

In respect of the National Research Council, including the Medical Research Council, an amount of $41 million is proposed for scholarships and grants in aid of research. The awards to be made by the National Research Council for scientific research amount to $28 million-plus, and those to be made by the Medical Research Council amount to $12,350,000. It is usual to pay 50 per cent of the amount required under these items at this time of year.

Schedule C also contains an item in the amount of $22 million for the Canadian Maritime Commission in connection with the construction of commercial and fishing vessels, in accordance with the regulations that have been laid down. This vote covers the program of subsidies by the federal Government of 35 per cent of the cost of constructing commercial carriers for which applications were received prior to February 1965, and subsidies of 50 per cent of the cost of constructing steel trawlers. This is a continuing program; there is, therefore, no time lag between the beginning of the fiscal year and the due date for the various progress payments. I am informed that some $9.2 million, or five-twelfths of the vote, will be payable by May 31.

Under the National Harbours Board, Vote 104, it is proposed that approval be given for the payment of the deficit expected to be incurred in the calendar year 1966 in the operation of the Jacques Cartier bridge in Montreal. By May 31 five months' payments will be due.

Hon. Mr. Isnor: What is the amount of the deficit?

Hon. Mr. Connolly (Ottawa West): The amount of that deficit is $328,400. By May 31

five months' payments will be due on that, and this interim supply bill provides funds to meet the commitment.

I refer honourable senators to Schedule D whereby an amount of $959,816.67 is requested. This is two-twelfths of the amount required under Vote 20, for the general administration of the House of Commons. This vote provides for the estimates of the Clerk and the Sergeant-at-Arms. The reason why this amount is proposed to be allocated at this time is because the amount of the vote is calculated for a session rather than for a calendar year.

Schedule E deals with certain departments, and requests approval for the spending of $27,945,245.83, which is one-twelfth of the total of several items under several departments.

The first of those is the Department of External Affairs, and this vote covers the cost of the representation Canada maintains abroad. It covers the appointment and fixing of salaries of high commissioners, ambassadors, ministers plenipotentiary, consuls, secretaries and staffs. These are not capital expenditures. When these funds are released they will be allocated to the many posts abroad on a one-twelfth one-month basis, because it is impossible to estimate which posts will require more than one-twelfth per month. This additional proportion is requested to avoid having to examine the accounts of all the posts periodically to meet payments due at some posts in excess of the general proportion.

Under the Department of Justice, Vote 1 totals $2,719,950, and an additional one-twelfth of that amount is requested. This includes the cost of the operation of the office of the Superintendent of Bankruptcy, and gratuities to the widows or such dependents as may be approved by the Treasury Board of judges who die while in office, also it gives authority to make recoverable advances for the administration of justice on behalf of the Government of the Northwest Territories and the Yukon Territory.

In the same Schedule E, under Mines and Technical Surveys, an additional one-twelfth of the $8,589,400 for field and air surveys, mapping and aeronautical charting work is requested. This is for air photography, maintaining boundary range lights, and the like. The work is normally carried on in the spring of the year when the demands are particularly heavy.

Likewise, an additional one-twelfth of item 25, Marine Surveys and Research, in the amount of $9,181,200 is requested. This is for administration, operation and maintenance including Canada's fee for membership in the International Hydrographic Bureau.

Item 35, for the Geological Research section—this again is work done for the most part in the summer time. This item is for research in the geological sciences, Canada's share of the cost of the Geological Liaison Office, British Commonwealth Scientific Conference, London, England, Canada's fee for membership in the International Union of Geological Sciences and $150,000 for grants in aid of geological research in Candian universities. The total amount requested is an additional one-twelfth of the $6,927,000 set out in the item.

Item 55, under Geographic Surveys and Research, in the amount of $962,300, is for administration, operation and maintenance, including the expenses of the Canadian Permanent Committee on Geographical names, the National Advisory Committee on Geographical Research and the National Committee for Canada of the International Geographical Union, Canada's fee for membership in the International Geographical Union, and grants as detailed in the Estimates. Here, again, an additional one-twelfth is required.

There is also sought an additional one-twelfth of the $2,638,000 provided for Research in Astronomy and Geophysics.

There is a further request for one-twelfth of the $5,609,000 under item 70 of the Department of Mines and Technical Surveys, dealing with the International Executive Council of the World Power Conference, authority to make recoverable advances in amounts not exceeding in the aggregate the amount of the shares of the Province of Manitoba and of the Province of Ontario of the cost of regulating the levels of Lake of the Woods and Lac Seul, and the amount of the shares of provincial and outside agencies of the cost of hydrometric surveys, and $50,000 for grants to universities for hydrologic research.

Under "General" is a further item 85, requesting one-twelfth of the $1,695,000 allotted for non-capital expenses for field surveys in connection with the polar continental shelf project.

Item 41, under National Health and Welfare in the amount of $3,550,000 relates to payments made in respect of children of

immigrants and settlers. This vote provides for payments during the first year after admission to Canada in respect of children not eligible for family allowances. Payments are made at the rate of $6 per month up to 10 years of age and $8 per month for ages 10 to 16. An additional one-twelfth of this item is also sought.

The latest trends of family assistance payments indicate that the immigration movement to Canada during the first two or three months of the fiscal year will be higher than forecast when this vote was made up last fall.

Hon. Mr. Farris: Will the trend continue to be higher?

Hon. Mr. Connolly (Ottawa West): There will be no difficulty about that, because the records of the Department of Immigration are matching the records of the Department of National Health and Welfare which administer the votes; and of course the payments are made to the parents of the child who is to receive the benefit of the money paid.

An additional one-twelfth of Department of National Revenue, item 5, $44,986,300 is requested. I need not tell the lawyers and accountants in this house that the first quarter of the fiscal year is a peak period for this department, which has to spend a considerable amount of money to process the various tax returns made to them.

The Department of Northern Affairs and National Resources, item 1, provides for a grant of $2,196,100, which covers the head office administration costs and the expenses of the Northern Co-ordination and Research Program. An additional one-twelfth of this vote is requested because in the month of May many of the payments are made of the grants in aid of northern research which is carried out in the summer.

Secretary of State, item 40, for the Centennial Commission, in the amount of $9,519,500, provides for various centennial programs of an historical, cultural and ceremonial nature. An additional one-twelfth of this vote is also requested.

Large amounts will be due early in the fiscal year for 64 trailers being constructed as centennial caravans to visit 800 towns and rural centres in 1967.

Continuing with Schedule E—I am sure this is of some oratorical interest as a recital, but I think it should go on the record—under Solicitor General, item 5, $34,769,200: an additional one-twelfth of that amount is required for administration, operation and maintenance, including compensation to discharged inmates permanently disabled while in penitentiaries. This is a non-capital vote. An additional proportion is required for the costs associated with changes in the rates of remuneration of the custodial staff.

Hon. Mr. Isnor: Is that expenditure for upkeep in connection with the penitentiaries?

Hon. Mr. Connolly (Ottawa West): It is described to me as non-capital expenses of the Canadian Penitentiaries Service and for the expenses of administering the Parole Act. So I presume the amount would be for upkeep.

Hon. Mr. Farris: It reads as if the inmates were disabled while in the penitentiaries. That is an awful lot of money.

Hon. Mr. Connolly (Ottawa West): The amount is not only for that, senator, but for the general administration as well. This item, of course, will be examined in detail like all other items, and can be discussed in detail in the Senate Finance Committee.

The Department of Transport, under item 85, requests an additional one-twelfth of $466,000 to provide for administration of the Canadian Maritime Commission and the degaussing of Canadian Government ships and Canadian-owned merchant ships of from 3,000 to 20,000 gross tons, of Canadian registry or of United Kingdom registry if subject to re-transfer to Canadian registry under special inter-governmental arrangement.

It is only because I was in the Navy that I know that "degaussing" a ship means to make it less magnetic so that it does not attract things magnetic in the water.

Under the Department of Veterans Affairs, item 25, is an item of $182,403,000 for pensions for disability and death, including pensions granted under the authority of the Civilion Government Employees (War) Compensation Order P,C. 45/8848 of November 22, 1944, which shall be subject to the Pension Act; Newfoundland Special Awards, and Gallantry Awards (World War II and Special Force).

An additional proportion is requested to cover expenditures during the early months of the fiscal year. Expenditures tend to diminish as the year progresses so that during the early months of the year they remain in excess of one-twelfth per month.

In addition to the amounts allowed to be granted, as is customary in the first bill for

interim supply, authority is sought for borrowing of $1 billion for the purpose of refunding various issues of securities that are made by the Government from time to time during the fiscal year. The authority for the Government to raise new money through the issue of securities must be obtained only from Parliament. At about the beginning of each fiscal year an appropriation bill like this one provides for cancellation of any unused borrowing authority under previous appropriation acts and seeks new authority for the Minister of Finance to raise new money by the issue of new securities. The terms and conditions for such borrowing are laid down by order in council from time to time, depending upon the conditions prevailing in the market.

New money raised through the issue of securities is used for financing the ordinary operations of the Government, including non-budgetary cash requirements such as loans and advances to crown corporations.

The types of securities issued by the Government include treasury bills, marketable and non-marketable bonds, including Canada Savings Bonds.

Appropriation Acts Nos. 1 and 6 of 1965 provided borrowing authority of $1,750 million. By the end of the fiscal year 1965-66, this authority will have been used to the extent of an estimated $820 million only. The Government's practice is to have available at all times sufficient unused borrowing authority to enable it to finance, for example, the unpredictable requirements of the Exchange Fund Account and to provide for other new expenditures which may be introduced. It is customary for the first appropriation bill to request, as in this case, $1 billion net new borrowing authority.

I assure honourable senators that in no instance is the total amount of any item being released by this bill.

The form in which the bill appears is the usual one for bills of this kind.

I give the assurance, although it is scarcely necessary to do so, that the passing of this bill will not prejudice the right of any senator to criticize any item in the Estimates, either here or in the Standing Committee on Finance.

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

ELECTORAL BOUNDARIES READJUSTMENT ACT

BILL TO REPEAL—SECOND READING—DEBATE CONTINUED

The Senate resumed from Thursday, March 24, the adjourned debate on the motion of Hon. Mr. Pouliot for the second reading of Bill S-22, to repeal the Electoral Boundaries Readjustment Act.

Hon. Jean-François Pouliot: Honourable senators, the bill before us mentions in its preamble that 158 members of the House of Commons have protested against the redistribution made by the ten commissions, one in each of the provinces of Canada. Therefore, I have 158 strong and powerful arguments for the repeal of what was done by those commissions.

Clause 1 of this bill proposes the repeal of the Electoral Boundaries Readjustment Act. Clause 2 proposes that the reports and maps made by the Commissions be declared null and void for all purposes of the law.

Clause 3 would empower a committee of the House of Commons to draw new maps and report to the honourable the Speaker of the House of Commons.

Honourable senators, my original suggestion to you was that the work should be done by the Senate, which is competent and well qualified to do it to the satisfaction of Members of Parliament and of the people of Canada. However, having duscussed the matter with Mr. Réal Caouette, M.P., who agreed to sponsor this legislation in the House of Commons, we came to the conclusion that it would be much more simple and more practical to have the new redistribution made by the House of Commons itself, as it has been done for nearly a century, rather than by the Senate.

If it had been done by the Senate, a Senate committee would have to report to our honourable Speaker, who would then have had to confer with His Honour the Speaker of the House of Commons, and the discussions might have been interminable.

As to why I did not protest against the redistribution legislation when it came for the approval of Parliament two years ago, my answer is obvious. At that time all parties wished to have the redistribution done as well as possible. I do not speak in a partisan way, I do not blame anyone and I say that all acted in good faith. I found the legislation absurd, but no one would have considered

any objection to it then. It was accepted under the pretence that this would be an independent way of fixing the boundaries of Canadian constituencies. Ten justices of the Superior Court or courts of similar jurisdiction, with the halo of sanctity and infallibility around their heads, were selected to do the work. I could not discuss it with anyone. Nobody would have listened to me; nobody would have listened to anyone suggesting a so-called partisan redistribution made by vulgar politicians like members of the House of Commons. That is not the right expression—I do not choose that language, but I can imagine what would have been said to me at that time. I believe that the members of the House of Commons are able parliamentarians and have the confidence of their constituents. I have differred with them on many occasions, but on this occasion I want to help them against themselves.

If I did not protest when the first bill came it was precisely to give more rope in order that those who were so enthusiastic could hang themselves. They did. Now everybody sees that the work that has been done by each one of these commissions is pitiful.

There are complaints about everything; there are complaints about the names that have been changed. Imagine giving the name of an oyster to one constituency in Newfoundland! Why not use several kinds of oysters to describe a province if they feel like it? I feel it is crazy to give the name of an oyster to a constituency, but the judge who was in charge of the Prince Edward Island redistribution did so. The foolishness of this whole business is pitiful. Not only that, but in Quebec City, the capital city of the Province of Quebec, the name has been struck off and replaced by the names of streets, etc. The people are incensed about it and the papers have written long editorials to say how silly it is.

I want to be honest with you and I would like to make a suggestion to see if my proposal would be successful or not. But I have something else to say before I come to that. I have made a serious study of the whole matter: I have done some legal research and some geographical research on it.

I am familiar with redistribution because, at the request of the late Mr. Ernest Lapointe, I prepared with my secretary of that time, who was a very able person, as I have always trained them, the story of the eight redistributions in the Province of Quebec from 1855 to 1935. It is on record. I have seen some gerrymanders which were corrected ten years later by one government. But in my personal view—I have known 1,500 members of the House of Commons—I believe there is more genius in the membership of that house and they are more familiar with their own constituencies than any one judge could ever be with a whole province.

Think of it! Do you believe there is one man, however clever he may be, who could make such important decisions for a whole province, whether it be one of the Maritimes, or the Province of Quebec, or Ontario, Manitoba, one of the Prairie provinces or British Columbia? Do you think there is any judge who can do that? It is the foolishness of the new wave and of the people who thought that a judge could do that.

Honourable senators, when the Judges bill comes before us I shall have a question to ask about how many judges have been sitting on commissions rather than hearing the cases before the court. It is stupidity when you come to think of it. They like it; they are crazy about it. If you ask a chief justice or an acting chief justice whether he knows a judge who is free to take on a commission, what does he say? He says, "I will see. I will talk to my colleagues. I will consult." These are the sacramental words—"I will consult my colleagues." Then he consults no one and after a certain time he says to the Minister of Justice or the Prime Minister, "I have consulted my colleagues and there is no one available, but I will make a sacrifice and take it." Do not laugh, honourable senators, that is the way it is done. They do it and then they pontificate ponderously.

Of course, there have been very good commissions. You will forgive me if I illustrate, but all lawyers know I am telling strictly the truth. There was the commission headed by Chief Justice Robert Taschereau, and quite amazingly by Mr. Justice Kellock on the spy probe, where they defined for the first time the word *patrie* which had never been defined elsewhere before, and they made a very good job of it. Then there was the commission on patents and copyright which was headed by Chief Justice Ilsley, and which was remarkably well done. There was a probe on education in the Province of Nova Scotia which was very well done by my friend Justice Pottier, and there is at present a probe being carried out on criminology by a judge of great experience in criminal cases, Mr. Justice Roger Ouimet. He is an expert in these matters. He too is doing very well. But there are not so many.

There are others who know nothing, and I am at a loss to know why they did not understand the sensible arguments referred to them. They paid no attention to them. This is the case of Commissioner Paul Langlois, who was the redistribution commissioner for the Province of Quebec.

Honourable colleagues, there is no longer much sanctity around the heads of some judges, since the papers have reported to us what happened in some cases. I do not say anything against the character of the commissioner for the Province of Quebec, but I say he is dumb and has not the least degree of intelligence.

Hon. Mr. Choquette: You are certainly not saying anything against him!

Hon. Mr. Pouliot: No; I tell the truth. It is unfortunate, but it must be said. I said that to him, and he replied, "Well, you complain that we understand nothing." I said, "You said so, sir; you said you understood nothing."

Now, I told you I was dissatisfied with it. What I did in the first place was to publish articles in *Le Saint-Laurent* of Rivière du Loup; and one day I intended to make the speech which I am delivering now, but there was an important bill to pass, or royal assent or something taking place, and I did not make it. However, with your leave I tabled the articles which had appeared in *Le Saint-Laurent* weekly which is published in Rivière du Loup, and they are to be found at page 179 and following of *Hansard* of February 23. I could not repeat all that is there; so with your consent, I put the articles on the table. They have been translated, so that my colleagues who speak French and my colleagues who speak English can take notice of them. They tell you what has happened in the ten counties from Levis to Gaspé. All the boundaries of the constituencies are like the photographs we see of lightning, they zigzag. There is not a straight line between Levis and Gaspé; all the boundaries zigzag. When I asked for some information, none was available, and the commissioner was rude to all those who were there. I was acting as solicitor for the County Council of Rivière-du-Loup.

Well, this tells you the story of three years ago, and I did not know that so many Members of Parliament would complain bitterly about the work that had been done. This was on the bill to approve redistribution as outlined in the report that was made then. The next day I continued my argument by speaking on the Speech from the Throne debate—my speech was divided between two sittings. The first day I spoke on the bill it had to be passed at once; it was important to pass it in a hurry. So, with your help I succeeded in giving you some information which you can now obtain from *Hansard* at the pages I mentioned. That was on February 23. The following day I explained to you what was the matter—you will also see that in *Hansard*—and I did it more to enlighten you and to make your job easier.

What did I do? Not long ago there was the shapeless publication, a compilation of the protests that had been made in the House of Commons. I took the trouble to make a calculation of the number of members who belonged to each party. You could not understand the official publication I mentioned to you without having a look at Senate *Hansard* of March 3, which summarized the whole thing and stated how many Liberal members, how many Conservative members, how many members of the other opposition groups had protested against it. The names are here. I supplied the Leader of the Government, the Leader of the Opposition, and some other members, with all the names and afterwards you agreed to have the whole thing placed on *Hansard*. Therefore, the Senate is the only place in Parliament where the list has been put in order and where clear-cut, concise and understandable information is available about it. If you go to the House of Commons you will find a shapeless paper, and when you come to the Senate you will find everything in a concise manner in an answer given by the honourable Senator Hugessen as Acting Leader at page 224 of *Hansard*, and you will also find the names recorded at page 338.

I have played the game with my party. I went to the caucus and informed the party of my intention to sponsor legislation to have the work done by the Senate. Then, after discussion with many leading legal minds of this chamber and of the House of Commons, Mr. Caouette and I came to the conclusion, as I told you, that the thing to do was to have it done by the House of Commons. I notified the caucus the second time. In fact, I did more than that: I went to see the Right Honourable Mr. Diefenbaker, Leader of the official Opposition; I went to see Mr. Douglas and Mr. Thompson, and I explained the situation to them.

Hon. Mr. Choquette: Did you see Mr. Pearson?

Hon. Mr. Pouliot: I saw the whip, and the whip is the party itself. I saw the Liberal whip, Mr. Bernard Pilon, M.P., and I kept him informed of what was going on. I have no secret, because I do not consider it a matter of politics: it is a matter of having order in redistribution.

One of my colleagues who is not in the house at the moment gave me this argument. "It has been delayed long enough. Why should we delay it any longer?" That is not a serious argument, because there are so many committees for useless purposes in the House of Commons that the first thing they should do is to look after the redistribution of their own counties according to the census of 1961. We come with a life preserver, we come to rescue them, we come to help them, and it would not take long. It could be done very easily. One must know how to work. It could be done very easily in a non-partisan manner. It could be done with the assistance of the county councils before they disappear from the map of Canada.

I have the greatest respect for juries, I have argued cases before juries, and I respect my fellow citizens who sit there and who have to make a decision according to the dictates of their conscience. I also have great respect for the county councils which are composed of the mayor of each municipality within a certain territory, which is the county or constituency—you may call it what you will. Those people are familiar with the local interest. They have been harmed from coast to coast by illogical and absurd redistributions, and people are worrying about it.

One of the most atrocious decisions has been made in the case of the County of Gaspé, the union of the Magdalen Islands to the County of Bonaventure. The County of Gaspé has been split. I remember at the time of Joseph Edouard Caron, who was Minister of Agriculture in the Taschereau government, I said that he had gone far away into the middle of the Gulf of St. Lawrence to find a haven from which to be elected. The Magdalen Islands are the counties now where people go when they cannot be elected anywhere else, and the trouble we had in the ten counties of eastern Quebec was due to the fact that the Magdalen Islands were put in the wrong place. However, I will not insist about it. Read the articles in *Le Saint-Laurent*, and you will be familiar with the situation.

I am not to betray any confidence, but I had a most favourable reaction to the bill from Liberal and Conservative members of the House of Commons.

If I may I will take this one opinion from a Liberal first. He said:

> Now that the protestations against redistribution have begun to be heard in the House of Commons the Liberal party is in a dilemma. We have insisted previously that redistribution should not be a political affair, and, not satisfied with present results, we must again become politicians but too late.

It is not too late. If my honourable colleagues wish the French text, then I shall give it to them. In doing so I shall not be betraying a confidence because you will not know who has written this to me. I will say, however, that it is a very important Liberal member of the House of Commons. He wrote:

> Maintenant que les protestations contre la redistribution commencent à être soulevées en Chambre, le Parti libéral se trouve dans un dilemme. Nous avons insisté au préalable pour que la redistribution ne soit pas une affaire politique et, non satisfaits des résultats actuels, nous redevenons des politiciens, mais trop tard.

It is far from being too late.

Would you like now to know what is the opinion of some Conservative members? I have received many letters but I shall mention only two. The first one I shall mention to you comes from a Conservative from the Prairie provinces. He wrote to me in these words:

> I personally am not affected at all by the redistribution but I know what has happened in my province, and I am so much incensed by the injustice of which the Commission was responsible that I will support my friends and colleagues who have protested against that redistribution.

He was not affected.

I have another letter from which I shall strike the name. I might say that I have a large file of letters of approval and encouragement, but there is also the silent acknowledgment. There are those who say it is bad, but who are afraid to speak. They hide themselves behind the columns. They will not say a word. There are many like that, in my view, who do not say a word.

I will read you one of the best letters I have received. I have chosen it with great care. I have some from people who use profane language sometimes. They come from all parties, but I have too much respect for the ladies to read those letters in the Senate because I would not like to offend them. There are others who use not profane but very strong language. This letter reads:

> I have read the Senate *Hansard* with very great interest. I am not fully convinced that the Senate might be the proper body to handle redistribution, but I do know that the commissions which were established have done an—

wait for the word.

—atrocious job.

That word is enough.

> That work so completed by them has only reminded me of what our old friend John T. Hackett, the late Senator, frequently said in attacking proposals for a so-called independent and impartial redistribution, "Independence and impartiality in this matter will prove to be only the cover for ignorance and incompetence."

Those are very good words. You will see that I am not alone in using flowery language.

Honourable senators, you have been kind in listening to me. I have now a proposal to make to you. The information has been on your desks for over a month in both the French and English languages. You know what it is about. The newspapers said that it was an unbelievable bill, or something like that, when Mr. Caouette sponsored it. I shall explain to you that if it is an unusual bill it is because its purpose is to remedy an unusual situation.

Before telling you what I want to tell you, I have something here that I have kept for such an occasion as this, and which I shall read to you now. I refer to the conclusion, the last two sentences, of an article which appeared in the magazine section of a large newspaper, the Toronto *Globe and Mail*, on Saturday last. I am wondering if honourable senators have read this article. It is by Norman Webster. I do not know Mr. Webster, but he writes very well. What he did was to take up the defence of the Senate. I read this article yesterday to one of our most distinguished colleagues who did me the honour of calling on me, and he said that I should mention it on the Orders of the Day today. However, there were so many other things that I did not think it was timely to do so, but now it is. Honourable colleagues, you will be pleased and comforted to hear these two sentences:

> The only saving grace thus far has been, praise be, the performance of the Senate. In the Red Chamber they still behave like gentlemen, play the game fairly and actually do a bit of work. The Senate is clearly being outcamped by the house—and that in itself is a powerful statement about parliamentary democracy as practiced these days in Ottawa.

Are you satisfied with that? I was not sure, honourable senators, if I could raise it on a question of privilege because usually questions of privilege are mentioned when one is in trouble, but this time I am elated by that article. I appreciate it, and I want you to share my joy.

Honourable colleagues, I have something else to tell you. I have news for you. I was in the diplomatic gallery of the House of Commons on last Friday afternoon. I was alone in the first row, and one of my colleagues was seated just behind me. I told him to come ahead with me into the first row where we had the best place from which to listen to the debate. I heard the debate on a bill to amend the Constitution with respect to the Senate. Very good speeches were delivered by Mr. Caouette, by Mr. Deachman of Vancouver, and especially by Mr. Neveu, the new member for Shefford, Quebec.

I must tell you that if you take the trouble of reading Mr. Neveu's speech you will see that we still have French in the House of Commons. Therefore, if the article by Mr. Norman Webster was eulogistic of the Senate, and rightly so, it is not absolutely fair to the House of Commons.

Honourable colleagues, I come now to my conclusion. I have something to ask you. I wonder if I will succeed, because somebody told me that there are potholes and boulders in the Senate at times. I protested; I said that that is all wrong, that there are no potholes and no boulders in the Senate. However, he said, "Yes, yes, there are." I contradicted him flatly. But yesterday it was my birthday and I reached the venerable age of 75.

Hon. Senators: Hear, hear.

Hon. Mr. Pouliot: It is not that I think that I am venerable, I am simply referring to my age.

Now I want to ask you for a gift, a gift that you have already bestowed upon me with great generosity. I ask your kindness. I want a double gift, not only your kindness but your understanding. I come to you not precisely as one comes begging for a gift but as one who has friendship for you and who respects you, and who believes that the Senate could accomplish marvels if it wished to do so.

I have a suggestion to make, but before doing so I must remind you of a precedent. There are highly distinguished lawyers here, and when they appear in court they are asked the question, "Have you a precedent to cite?" Then of course, they consult the law books to find a precedent.

My precedent is in *Hansard* of the House of Commons during the session of 1936, and it was for the repeal of the bill concerning the establishment of the Economic Council and all the other pieces of social legislation that had been declared *ultra vires* by the Privy Council. The legislation concerning the establishment of the Economic Council in 1935 had not been subjected to the court, and so I moved the repeal of the bill.

I admit that there was a thunderous scene at the caucus that morning, but in the afternoon the bill passed like butter in the pan. I wonder if my honourable friend, the Leader of the Opposition (Hon. Mr. Brooks), was there and remembers that the bill received first, second and third reading in ten minutes; and the Mr. Woodsworth asked Mr. Mackenzie King, "How is it that you let a private member sponsor public legislation of this kind?" Mr. King answered, very wisely, "I have enough advisors, and I do not need more." The bill passed. It is a precedent, and a good one, with the authority of no less a parliamentarian than Mackenzie King.

Now, will you come to the rescue of the House of Commons? That is my question. You are free to decide yes or no. If you decide "yes," then it seems to me, and I say this earnestly, that you could pass second and third reading of the bill, send it to the House of Commons and tell them over there that the Senate passed this bill in ten minutes. It would give a good example to the House of Commons to follow.

There may be objections to that, as the Senate is the haven of second thought. But now I ask you to put aside the second thought. We have discussed this matter for so long, and I wonder whether you will be willing to do that to show how the Senate can accomplish things and to give a good example to the House of Commons.

Honourable colleagues, you have listened to me with courteous attention, and I thank you. Some of you may have different views from mine, and you are entitled to them. However, I have spoken to you with great sincerity and for the last time, and if I rise again it will be to move the third reading after the bill has received second reading. But I wonder if it is an illusion or not.

On motion of Hon. Mr. Beaubien (Provencher) debate adjourned.

LIBRARY OF PARLIAMENT

REPORT OF JOINT COMMITTEE

The Senate proceeded to consideration of the report of the Joint Committee on the Library of Parliament concerning salary revisions, reclassifications and upgradings of positions in the Library of Parliament which was presented on Thursday, March 24.

Hon. John J. Connolly moved the adoption of the report.

Hon. Lionel Choquette: Honourable senators, I should like to make a few remarks regarding this report.

In a recent article written by one Sally Barnes, in the Ottawa *Citizen*, we find a great eulogy of the new research branch that is available to senators and to members of the House of Commons in the Parliamentary Library. This is regarded as another major step in improving the services of Canada's historic library on the hill, but the fact that so few members of Parliament and so few senators have availed themselves of these new advantages calls for some comment.

I do not know how many honourable senators have taken seriously the literature received recently from the Librarian, with which there was a questionnaire requesting that if you wish to deliver a speech to either of the Houses of Parliament or to the public, to so state and to ask for any references that you may require.

Recently I had the advantage of observing the workings of that new research department. I went in with several quotations which I had heard quite often, but I did not know their source. Within two or three minutes time I had the answer, and the complete information was delivered to my own office within 15 minutes. It is an amazing service; it provides not only the sources of the quotations, but the authors, the year in

which they were made and where, as well as other related quotations and remarks made by politicians or writers.

I have before me an excerpt of an article about which I wish to comment. The subtitle is "Unfortunate". It quotes Mr. Spicer, the Parliamentary Librarian, as saying:

> —it is "most unfortunate" that the Joint Committee on Libraries did not meet in 1965. The new research branch could have greatly benefited from such a meeting and the computer system could have been discussed.

I realize there had been quite a lengthy adjournment due to the election. However, I believe that the Speakers of both houses are co-chairmen of this committee. I do not know if there is any other reason than the election or the lengthy recess why this joint committee did not meet in 1965. However, I do hope that in view of the advantages offered by this new research department this committee will meet more often than it has in the past.

Hon. Malcolm Hollett: Honourable senators, I also wish to pay tribute to the Library of Parliament. On several occasions I have wished to find certain facts and figures on various subjects, and by visiting the library I was able to ascertain the facts and have the necessary information delivered to me speedily.

I wish to pay tribute to Mr. Spicer and all his aides for their courtesy and for the knowledge and experience which they pass on to us.

Report adopted.

DIVORCE

REPORTS OF COMMITTEE ADOPTED

The Senate proceeded to consideration of reports of the Standing Committee on Divorce Nos. 401 to 448, inclusive, which were presented on Wednesday, March 23.

On motion of Hon. Mr. Croll for Hon. Mr. Roebuck, Chairman of the Standing Committee on Divorce, reports adopted.

RESOLUTIONS PRESENTED

Leave having been given to revert to Presentation of Petitions:

Hon. Mr. Croll, for Hon. Mr. Roebuck, Chairman of the Standing Committee on Divorce, presented the following resolutions:

Resolution 391, for the relief of Genevieve Clementine Marie Rose Rigaux Vulpe.

Resolution 392, for the relief of Joseph John Paul Raymond Phelps.

Resolution 393, for the relief of Gisele Paquet Pageau.

Resolution 394, for the relief of Marie Virginia Gloria Denise Baillargeon Dodd.

Resolution 395, for the relief of James Baxendale.

Resolution 396, for the relief of Susan (Susana) Hore Brydon.

Resolution 397, for the relief of Sylvia Bernstein Polansky.

Resolution 398, for the relief of Marie Eugenie Rose Armande Lemay Lessard.

Resolution 399, for the relief of Mireille Neiderer Miron.

Resolution 400, for the relief of Eileen Margaret Rose Stamper Morton.

Resolution 401, for the relief of Jennifer Anne Edgar Anderson.

Resolution 402, for the relief of Charlotte Laurine Montgomery Craigie.

Resolution 403, for the relief of Julius Illesy.

Resolution 404, for the relief of Rita Lord Wolverson.

Resolution 405, for the relief of Bernice Frances Batchelor Jack.

Resolution 406, for the relief of Robert Rickerd.

Resolution 407, for the relief of Gloria Sefton Saxe.

Resolution 408, for the relief of William David Henry Robinson.

Resolution 409, for the relief of Alta Dawn Kean Vokey.

Resolution 410, for the relief of Steve Zalac.

Resolution 411, for the relief of Michel Durocher.

Resolution 412, for the relief of Pauline Guillet Ampleman.

Resolution 413, for the relief of Steven Palkovic.

Resolution 414, for the relief of Bronius Buja Bujunas.

Resolution 415, for the relief of Russell Burton Call.

Resolution 416, for the relief of Gilles Audet.

Resolution 417, for the relief of Joseph Richard Hetherington.

Resolution 418, for the relief of George Thompson.

Resolution 419, for the relief of Eva Mae Cochrane Wilson.

Resolution 420, for the relief of Hazel Jean Appleton Ramage.

Resolution 421, for the relief of Leonard Noel Booth.

Resolution 422, for the relief of Maxine Joann Rushworth McKenzie Foster.

Resolution 423, for the relief of Monique Archambault Walsh.

Resolution 424, for the relief of Maureen Lenora Robinson Thomas.

Resolution 425, for the relief of Raynald Douville.

Resolution 426, for the relief of Yvette Sabourin Tasse Grant.

Resolution 427, for the relief of Marie Fabiola Poitras Morin.

Resolution 428, for the relief of Pauline Hatcher Leduc.

Resolution 429, for the relief of Patricia Portelance Turgeon.

Resolution 430, for the relief of Benjamin Horace Waldron.

Resolution 431, for the relief of Edward Wilson Aldous.

Resolution 432, for the relief of Carol Ann Elizabeth Parkes McAllan.

Resolution 433, for the relief of Alvira Evelyn Ward Ward.

Resolution 434, for the relief of Albert Edward Cooley.

Resolution 435, for the relief of Claudette Langaniere Dufour.

Resolution 436, for the relief of Joyce Claudine Pauley Ley.

Resolution 437, for the relief of Marie Irene Edoilda Monast Turcotte.

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

Hon. Mr. Croll: Honourable senators, I move that these resolutions be considered on Thursday next.

Motion agreed to.

FINANCE CHARGES (DISCLOSURE) BILL

SUBJECT MATTER REFERRED TO JOINT COMMITTEE ON CONSUMER CREDIT

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

The Hon. the Speaker: It has been moved by the honourable Senator Croll, seconded by the honourable Senator Burchill, that this bill be now read the second time. Is it your pleasure, honourable senators, to adopt the motion?

REFERRED TO COMMITTEE

Hon. John J. Connolly: Honourable senators, I move in amendment, seconded by the honourable Senator Smith (Queens-Shelburne), that this bill be not now read the second time, but that the subject matter thereof be referred to the Joint Committee on Consumer Credit.

Motion in amendment agreed to.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, March 30, 1966

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

Prayers.

APPROPRIATION BILL NO. 4, 1966

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-159, for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1966.

Bill read first time.

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

Hon. John J. Connolly: Honourable senators, with leave, I move that this bill be read the second time later this day.

Motion agreed to.

DOCUMENTS TABLED

Hon. John J. Connolly tabled:

Report of Air Canada for the year ended December 31, 1965, pursuant to section 29 of the Trans-Canada Air Lines Act, chapter 268, R.S.C., 1952. (English and French texts).

Report to Parliament of the Auditors on the Accounts of Air Canada for the year ended December 31, 1965, pursuant to section 29 of the Trans-Canada Air Lines Act, Chapter 268, R.S.C., 1952, (English and French texts).

Specimen of letter dated March 18, 1966, addressed by the Minister of Finance to certain financial institutions with respect to securities issued by certain United States corporations and subsidiaries. (English and French texts).

THE LATE SENATORS F. GORDON BRADLEY AND ALLAN L. WOODROW

TRIBUTES

Hon. John J. Connolly: Honourable senators, I regret to have to report to the Senate the reception today of two pieces of extremely sad news. The first is of the death of our colleague Frederick Gordon Bradley, P.C., Q.C., whose designation in this house was Bonavista-Twillingate.

Senator Bradley was 78 years of age. As honourable senators know, he has been in ill health for many years. He was a lawyer. He had a long career of public service to his country and, indeed, to Newfoundland long before it became one of the provinces of Canada. He was first elected to the House of Assembly in Newfoundland in June 1924 and was a member of the administration in that province for several years. He was Solicitor General for some time and Leader of the Opposition there from 1932 to 1934.

Senator Bradley's federal career began by his election to the House of Commons after the federation of Newfoundland with Canada. He was appointed Secretary of State for Canada on April 1, 1949, and was the first minister from his province in the Government of Canada. He was summoned to the Senate in June of 1953, the year in which I too became a member of the Senate.

When Senator Bradley was introduced to the Senate in 1953, Senator Petten welcomed him in these words:

> We in Newfoundland will never forget that his was the last voice raised in defence of representative institutions at the time when they were temporarily extinguished in our province, and it was fitting that his should have been the first voice raised in the parliament of Canada as the representative of the people of Newfoundland.

I am sure that I speak on behalf of all senators when I say how deeply grieved we are at his death. I convey to his widow and the members of his family our heartfelt sympathy.

Honourable senators will remember that barely a week ago I commented with regret on behalf of all members of this chamber upon the retirement of Senator Allan Woodrow of Toronto. This morning I was informed that Senator Woodrow, who was in his eightieth year, had today died unexpectedly in a Toronto hospital.

Allan Woodrow was born in Saint John, New Brunswick, that province which has given so many people to the public life of this country. His professional career was mainly in the business of the chartered banks of this country, and he was most closely associated

with the Bank of Nova Scotia. He had served as manager in Boston, U.S.A., in Hamilton and in the main office in Toronto for a number of years. He, like Senator Bradley, was summoned to the Senate in May 1953 and, as I have said, he retired just ten days ago.

Allan Woodrow was a quiet man; he was a friendly man; he was a man who made a lasting impression of friendship on people in all parts of this house and in all parts of this Parliament. He was a faithful attendant here; he did not speak often in the chamber, but he made a fine contribution to the work of the committees of this house, and in particular the Standing Committee on Banking and Commerce, at which he was a faithful attendant at all times.

He was at one time Honorary Treasurer of the National Liberal Federation and later became its President.

It is a sad coincidence that I should be sending a message of sympathy to Mrs. Woodrow on behalf of the Senate on the same day as receiving a letter from her thanking me for a note I had sent her on the occasion of Senator Woodrow's resignation just a week ago. I am sure that in the message I am expressing the sentiments of all honourable senators.

Hon. A. J. Brooks: Honourable senators, like the Leader of the Government I learned only shortly before entering the chamber of the sudden death of two of our members.

The Leader of the Government has told you of the many fine qualities of both these senators; he has mentioned in particular the accomplishments of our late colleague, Senator Bradley. We know that because of ill-health Senator Bradley had not been very active in the deliberations of the Senate in recent years. I often thought that probably he did not care too much for the activities in Ottawa, but when he spoke of his native province there was never any doubt as to the great love he bore Newfoundland.

I recall one of the first times I met Senator Bradley in Ottawa he recited the Ode to Newfoundland, and some of those words came to my mind this afternoon on being told of his death. I do not think it would be out of place to quote just one verse, because I think it typifies him:

> As loved our fathers, so we love,
> Where once they stood we stand,
> Their prayer we raise to heav'n above,
> God guard thee, Newfoundland.

He was a great Newfoundlander.

Speaking personally, I knew Senator Bradley when we were both members of the House of Commons, and where he became a minister of the Crown. Of course I also knew him in the Senate, and was familiar with his many excellent qualities, as are all honourable senators. One of his qualities which I do not think was very well known was his wonderful sense of humour. I have heard some excellent stories told of which Senator Bradley was the author.

I join with Senator Connolly (Ottawa West) in extending my sincere sympathy to his widow and the other members of his family.

I saw Senator Woodrow just the other day, and yesterday I was greatly surprised to hear he had retired from the Senate. As Senator Connolly has told you, he was an active New Brunswicker. He left New Brunswick in the early days and joined the bank, becoming a successful banker; he was the manager of some of the largest branch banks in Canada and in Boston. He took a keen interest in education and was active in business and in public affairs in every town and city in which he lived.

I wish to extend to his widow and family my sincere sympathy.

Hon. A. B. Baird: Honourable senators, it becomes my sad duty to pay tribute to the memory of a senator from Newfoundland whom we have lost by death, one who not only occupied a prominent position in this chamber, but also in his native province. His passing will be mourned by us all.

Gordon Frederic Bradley, having a passionate desire for education, decided to study law at Dalhousie University in Nova Scotia. Upon his graduation he returned to Newfoundland, and was admitted to the Bar in 1914. It was in 1924 that he started his political career. He became solicitor general in 1929, and it can be truthfully said that he was one of the finest solicitor generals Newfoundland has ever had.

As all honourable senators know, Senator Bradley was one of the fathers of the Confederation. I venture to say that Newfoundland would never have joined Confederation without "Joey" and Bradley. He was an outstanding man in the country where he lived. He was deeply interested also in business, and for many years was a director of the Bonavista Cold Storage Company.

I join with other honourable senators in extending to Mrs. Bradley and her two sons our sincere sympathy in their great loss.

I wish to be associated also with former speakers in sending my sympathy to Mrs. Woodrow and her two daughters.

Hon. Donald Cameron: Honourable senators, upon coming into the chamber I was quite shocked to hear the honourable Leader of the Government announce the death of my late seatmate, Senator Woodrow. It was only yesterday that I wrote him a belated note in connection with his retirement, expressing the good wishes of myself and my colleagues for his recovery and the enjoyment of his retirement for some considerable time.

Senator Woodrow was a quiet man. He had been my seatmate ever since I came to the Senate. I shall never forget his kindness and courtesy to a new member upon his arrival here, and his constant sympathy and understanding of all the problems that arose. As others have said, he seldom spoke, but he took a kindly interest in everything, particularly the work of the Standing Committee on Banking and Commerce and all financial matters. We have lost a friend and a kindly colleague, and I join with all those who have spoken in expressing my sincere sympathy to Mrs. Woodrow.

Honourable senators, I am often astonished at how first impressions change. When I first came to the Senate and met the late Senator Bradley I felt he was a very austere man. However, he was a member of the Standing Committee on Divorce for many years, as my friend and colleague, Senator Roebuck, will confirm, and I felt fortunate on those occasions when Senator Bradley was the chairman of a particular subcommittee of which I was a member. He had a rare sense of humour. It used to bubble out at the most unexpected times. His knowledge of the law was very helpful to the work of the Standing Committee on Divorce. I join with my other colleagues in extending to Mrs. Bradley and her two sons our sincere sympathy.

Hon. Arthur W. Roebuck: Honourable senators, I can add very little factually to what has already been said about the passing of Senator Bradley and Senator Woodrow.

Senator Woodrow came from my own city of Toronto, where I knew him intimately for a long time. I heard of his death only a few moments ago; that news came to me as a great shock, although I knew he had been ill for some time. I shall say only that I join with those who have preceded me in sending to his widow, whom I know well also, our heartfelt sympathy in the great loss she has suffered.

Senator Cameron has just mentioned that the late Senator Bradley was a member of the Standing Committee on Divorce. In bygone days the Divorce Committee heard a considerable number of cases. It was one of those jobs that we had to do—not very inspiring, perhaps, but nevertheless necessary to the work we were carrying on in the Senate. Senator Bradley was a faithful and highly capable member of that committee. As a lawyer he frequently presided over the subcommittees in the hearing of evidence, and most frequently in contested cases, where his wide knowledge of law and his sound knowledge of legal principles, his keenness of mind, and capability as a presiding officer in the hearing of evidence was of great value. He was not well, but he was always generous in giving of himself and doing the work that fell to his lot, willingly, capably and acceptably.

Honourable senators I wish to convey my sympathy to his widow and daughters. This chamber is poorer today for the loss of these two distinguished senators.

Hon. John J. Kinley: Honourable senators, I wish to pay a tribute to our two departed friends. Senator Bradley, an old friend from Newfoundland, was a colourful man with a keen sense of humour and a bright mind. For years he occupied the room next to mine at the Chateau Laurier, and he and his wife were great friends of ours.

Senator Bradley had a distinguished record in the public service. He served in the legislature of Newfoundland, and the service he rendered when Newfoundland became a province of Canada was a fine example of service and achievement.

I wish to express sympathy to his widow and family and to say how much we regret their loss.

Senator Woodrow visited my office almost every day. He was a former New Brunswicker and was married to a lady from Nova Scotia. He was one of nature's gentlemen. He performed valuable service as a banker, both at home and abroad. He had been secretary and also president of the Liberal party in Canada, and he served that party well.

The Honourable C. D. Howe was responsible for Senator Woodrow devoting that service to the party. Senator Woodrow told me that Prime Minister Mackenzie King had sent for him and told him that Mr. Howe had

recommended him, to which the Senator replied, "I am a businessman, not a politician." To this Mr. King responded, "That is what I want, a businessman." Senator Woodrow accepted, and he was highly successful in his duty.

Before Senator Woodrow went home the other day he told me that the doctor had forbade him to return. However, he came back and said he was going to resign. I felt sorry about that decision on his part.

The passing of these two gentlemen brings quickly to my mind a verse from the Rubaiyat of Omar Khayyam.

For some we loved, the loveliest and the best
That from his Vintage rolling Time has prest,
Have drunk their Cup a Round or two before,
And one by one crept silently to rest.

I wish to express to Mrs. Woodrow, who is a dear friend of my wife and myself, and to their family, our sincere sympathy in their bereavement, and wish for them that time and faith will support them in the belief that life is still pleasant and happy, in the memory that they had had a good husband and father.

PRIVATE BILL

THE NORTH WEST LIFE ASSURANCE COMPANY OF CANADA—FIRST READING

Hon. David A. Croll presented Bill S-25, to incorporate The North West Life Assurance Company of Canada.

Bill read first time.

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

Motion agreed to.

EXPORT AND IMPORT PERMITS ACT

BILL TO AMEND—AUTHORITY TO PRINT COMMITTEE PROCEEDINGS

Hon. David A. Croll, Acting Chairman of the Standing Committee on Banking and Commerce, presented the following report of the committee on Bill S-23, to amend the Export and Import Permits Act:

> Your committee recommends that authority be granted for the printing of 600 copies in English and 300 copies in French of its proceedings on the said bill.

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

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

Report adopted.

REPORT OF COMMITTEE

Hon. David A. Croll, Acting Chairman of the Standing Committee on Banking and Commerce, reported that the committee had considered Bill S-23, to amend the Export and Import Permits Act, and had directed that the bill be reported without amendment.

MOTION FOR THIRD READING NEXT SITTING

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

Hon. John J. Connolly: I move that the bill be placed on the Orders of the Day for third reading tomorrow.

Honourable senators, we had a very satisfactory meeting this morning, and a full explanation was given by the officials. Therefore, unless someone has a further contribution to make I would ask that the bill receive third reading tomorrow.

Hon. Gunnar S. Thorvaldson: Honourable senators, I propose to make a few remarks on the bill on third reading. However, I am perfectly content if it is more convenient that I speak tomorrow.

Hon. Mr. Connolly: Speak to the bill now.

Hon. Mr. Thorvaldson: Honourable senators, I shall not detain the house for long.

The reason I wish to make a few remarks in regard to this bill is contained in certain circumstances that were referred to in the excellent presentation made by Senator Benidickson on second reading yesterday. It appears at page 345 of the *Debates of the Senate*:

> In December 1965 six products—tobacco, chromium, certain manufactured meat products, and some others—relating to trade with Rhodesia were put under import control.
>
> In the next paragraph appears the following: On February 3, 1966 the Minister of External Affairs made a statement in the House of Commons respecting our trading relationships with Rhodesia. He said that, in addition to

these six commodities being subjected to import control, there was being introduced, as of that date, a general control of all products. On March 23 of this year, the Minister of Trade and Commerce announced in the House of Commons that further restrictions were being imposed under this act on the import of hides and related leather products.

Honourable senators, I am not debating the validity or the merit of this country's policy in applying trading sanctions in regard to Rhodesia. However, as we are all aware, these sanctions are being applied under this act, namely, the Export and Import Permits Act.

I also make this observation. In my opinion, it is quite contrary to law that sanctions of that nature be made under this act. If I am right in that contention, then I submit that the Government of Canada is acting quite illegally, without legal authority or justification, in regard to these sanctions.

As far as I am aware, this is the first time, certainly since the war, and it is perhaps the very first occasion except in wartime, that total trade sanctions have been applied to any country in the world. Certainly, it is the first time that steps of this nature have been taken in regard to a Commonwealth country.

Let me make some observations in regard to the statute.

Hon. Mr. Croll: May I interrupt the honourable senator for a moment. In reponse to that question, did not the witness before the committee say that under section 3(b) and under section 5 there was no authority to do exactly what the honourable senator says we have no right to do?

Hon. Mr. Thorvaldson: Yes, that is right.

Hon. Mr. Croll: Are you questioning the validity of the whole act?

Hon. Mr. Thorvaldson: No. I am merely questioning the legal validity of the position taken in the committee this morning. I admit that the action being taken by the Government is presumably being taken under sections 3 and 5 of the act, but I say that this action is illegal and consequently the sanctions being applied against Rhodesia by this country are unlawful.

Everyone knows the real purpose of the act, which is chapter 27 of the Statutes of Canada, 1954. Its main and essential purpose is well known: it is to prevent the export or the re-export of strategic materials to other countries and particularly to countries that are either at war with us or with our friends and neighbours, and especially of course to prevent export of such materials to countries behind the Iron Curtain.

Indeed, in the past the act has been used for that purpose and only for that purpose, subject to one exception which I will refer to.

The act, as is well known, gives power to the Government to exclude or regulate the importation of certain agricultural products that are subject to price support in this country.

I think section 3 of the act is very clear. It is headed: "Establishment of Control Lists". It says that the government of the day is entitled to list certain specific materials:

> (a) to ensure that arms, ammunition, implements or munitions of war, naval, army or air stores or any articles deemed capable of being converted thereinto or made useful in the production thereof or otherwise having a strategic nature or value will not be made available to any destination wherein their use might be detrimental to the security of Canada;
>
> (b) to implement an intergovernmental arrangement or commitment; or
>
> (c) to ensure that there is an adequate supply and distribution of such article in Canada for defence or other needs.

Reference was made in the committee this morning, as my honourable friend Senator Croll has suggested, that the power of the Government was contained in section 3(b) referring to "intergovernmental arrangements." The gentleman before the committee referred also to section 5(c) which likewise refers to "intergovernmental arrangement."

Hon. Mr. Leonard: Would the honourable senator permit a question from me?

Hon. Mr. Thorvaldson: Yes.

Hon. Mr. Leonard: It was my understanding that the witness before the committee said that this did come under clause (b), to implement an intergovernmental arrangement, by arrangement with the United Kingdom. Do I understand the honourable senator correctly, that he disagrees with that?

Hon. Mr. Thorvaldson: Yes. I do not suggest that I wanted to try to correct the honourable gentleman: I want to suggest that I desire to disagree with his point of view. I made reference a short while ago to section 5(c). If honourable senators refer to the act,

they will see that this subsection is similar to section 5(c), namely:

> (c) to implement an intergovernmental arrangement or commitment;

My main point is that section 5(c) and section 3(b) do not empower this Government to apply wholesale, 100 per cent sanctions against any country in the world and that the act is limited essentially to the two things, namely, the export of strategic materials and the limiting of imports of agricultural products which otherwise would affect our agricultural price supports.

In support of what I have said, I wish to refer to the debate which occurred in this house in 1954, in which some of the most eminent members of the Senate participated.

The bill was introduced in this house on March 25, 1954. The motion for second reading was made by the late Senator James A. McKinnon. It was then spoken to by the late Senator Haig and by the honourable Senator Crerar. No suggestion was made in that presentation to the house that the two subsections which I have referred to, namely 3(b) and 5(c), contained the authority now being ascribed to them by the Government of Canada.

I should like to quote from Senator McKinnon's statement, as reported on page 389 of Senate *Hansard* of 1954:

> In conjunction with our allies—the United States, Great Britain and other members of NATO—we have a real interest in ensuring that no strategic materials find their way behind the Iron Curtain. One of the great problems faced by us, however, is not so much how to control the initial export of these materials from Canada, but how to exercise control in such a way as to ensure that the goods are not diverted in transit to destinations other than those originally indicated. The real purpose of this legislation is to plug any holes through which such diversions might occur.

Then Senator McKinnon proceeded to give examples of methods by which diversions could occur to other countries and the purposes for which that would occur—not only to stop exports from Canada of strategic materials, but to prevent strategic materials coming into Canada and then being diverted by subversive means or otherwise to other countries.

Then I would like to read this paragraph:

> In addition to the control of strategic materials, we must control the export of certain items because of supply reasons. This, of course, includes atomic materials which remain under strict export control.

And perhaps atomic materials would be the only materials the export of which we would want to control because of supply reasons.

Then he said:

> The control of imports is largely the same as that set out in the present legislation, except that the purposes for which import control may be exercised include specific authority "to implement an inter-governmental arrangement or commitment". This change is necessary to define powers required to carry out arrangements with other governments, particularly the United States. It is readily understandable that we control our imports at the request of a foreign government, particularly the United States, rather than leave it to them to impose export controls on shipments to this country.

Honourable senators, I submit that Senator MacKinnon gave the very purpose of this legislation when he outlined the limits of those two subsections. They were simply this: Instead of the United States, say, applying control of an export into Canada, the United States Government might desire to make an arrangement with our Government to apply an import control on the commodity in question and vice versa. The same action might be taken as between the governments of Great Britain and Canada. We might do the same as between any other country and Canada. But it was never intended that the act should give broader powers than the bilateral arrangements to which I have referred.

I want to quote again from Senator Benidickson's speech, when he said at page 345 of yesterday's *Hansard*:

> Basically, our control on exports relates to strategic items, a term easy of comprehension by all honourable senators. In addition, there is an area of commodities subject to intergovernmental treaty or agreement where, through NATO or some other intergovernmental conference or negotiation, a method of stability has been arrived at to which Canada has given agreement. Products of that kind then come under export control.

I submit there is no authority in the act whatsoever for any operation of that kind, either through NATO or through the United Nations or the Commonwealth organization or any other. The legislation is very clear, as was stated by Senator MacKinnon, that these two subsections to which I have referred relate entirely and exclusively to arrangements between one government and another. I submit, therefore, that it is quite illegal for this country, under this legislation, to apply trading restrictions in the way they have now been applied to Rhodesia. Resulting from that position I submit that Canada has no legal power to apply sanctions against Rhodesia under present legislation, and consequently this question should be presented to Parliament and debated there. We can legally apply these sanctions only after the passage of appropriate legislation. I would point out that Senator Crerar and the late Senator Haig also spoke extensively on this bill, and nowhere in their remarks is there any suggestion that this legislation can be used in the broadside fashion that characterizes its use in this instance.

As I said at the outset, this statement has nothing to do with the rights or wrongs of the controversy between Rhodesia and the United Kingdom. I maintain, however, that in this matter, as in others, the Government of Canada should act within the law and that they require the sanction of Parliament, following parliamentary debate, to implement the decisions that this country should take as a consequence of the present controversy over Rhodesia.

Hon. John J. Connolly: Honourable senators, in the first place I remind the honourable gentleman of the well-known legal adage that he knows so well: "The law is always speaking." I think the sections which he has quoted from the act itself would indicate much more general authority than examples which people explaining a bill in earlier years, or even in this year, might have given to illustrate the kind of situation to be covered.

When this act was passed, no doubt some of the problems were those facing the countries of the NATO alliance, but the act itself has very broad language indeed.

My memory is not precisely clear on the point and I intend to bring it up to date overnight, because I am not going to move third reading today. But it seems to me that when the question of sanctions to be imposed upon Southern Rhodesia was raised initially, it was as a result of consultation with the authorities of the United Kingdom and other Commonwealth countries. The U.D.I. was considered to be an illegal act, and it was to counteract that illegal act and the effects of it that the arrangement was made between various governments of the Commonwealth, including the United Kingdom and Canada, to take steps to try to avoid armed conflict, and to adopt other methods which would not involve the loss of life.

As I say, at the moment I am not positive in my recollection, but I think I was told that the law officers of the Crown gave it as their opinion that there was authority under the act to impose these sanctions. The Government does not take steps of this kind without giving it very thorough consideration—no government would. I shall refresh my memory on the point and report tomorrow to the Senate upon it.

I would add a further comment. At the meeting of the Commonwealth Parliamentary Association in New Zealand last November and December the speakers who came from countries of Southeast Asia and Africa spoke about the sanctions that were applied and were to be applied by Great Britain and other Commonwealth countries, and I never heard a more bitter denunciation of the inadequacy of the steps taken to deal with this situation which had been created in Rhodesia, than I heard there.

The British, upon whom most if not all the responsibility fell, were bitterly criticized on several occasions and on points of order in open debate in a manner that shook me.

Hon. Mr. Burchill: They were criticized by whom?

Hon. Mr. Connolly (Ottawa West): Criticized by representatives of both the African and southeast Asian countries. The Government surely has authority to deal with matters of this kind. My recollection is that the law officers of the Crown were consulted before this action was taken under the authority which the honourable gentleman has quoted.

Hon. Mr. Choquette: They are not always right.

Hon. Mr. Connolly (Ottawa West): Certainly they are not always right, and certainly, too, lawyers are entitled to disagree on the interpretation of a section. I am glad the honourable gentleman has raised the point though. I felt I should give this explanation

of the discussion conducted here in respect of this matter this afternoon, and tomorrow when third reading is called I shall know whether I have expressed myself correctly.

On motion of Hon. Mr. Connolly (Ottawa West), bill placed on the Orders of the Day for third reading at the next sitting.

PRIVATE BILLS

BANK OF BRITISH COLUMBIA—REPORT OF COMMITTEE ADOPTED

Hon. David A. Croll, for Hon. Salter A. Hayden, Chairman of the Standing Committee on Banking and Commerce, reported that the committee had considered Bill S-16, to incorporate Bank of British Columbia, and had directed that the bill be reported with certain amendments.

For text of report see Appendix A, pp. 381–4.

He said: Honourable senators, may I say just one word in explanation. The amendments contained in the report are lifted directly from the Bank of Canada Act, as proposed to Parliament in 1965; and they are identical to those contained in the Bank of Western Canada bill which was passed by the House of Commons.

Hon. Mr. Crerar: May I ask my honourable friend a question? These amendments were contained in the bill introduced last year. That bill did not pass, and it was to be re-introduced. Is there any guarantee that these amendments will be carried forward into the new act, because there is now a different Minister of Finance?

Hon. Mr. Croll: When the Bank of Western Canada bill was passed, like amendments were included in that bill and approved by the Government and by the committee as recently as last month.

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

Hon. Mr. Croll: With leave of the Senate, I move that this report be taken into consideration now.

Motion agreed to and report adopted.

THIRD READING

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

Hon. J. W. de B. Farris moved, with leave of the Senate, that the bill be read the third time now.

Motion agreed to and bill read third time and passed.

THE TRUSTEE BOARD OF THE PRESBYTERIAN CHURCH IN CANADA—REPORT OF COMMITTEE

Hon. Maurice Bourget, Chairman of the Standing Committee on Miscellaneous Private Bills, reported that the committee had considered Bill S-20, respecting The Trustee Board of the Presbyterian Church in Canada, and had directed that the bill be reported without amendment.

THIRD READING

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

Hon. John J. Kinley moved, with leave of the Senate, that the bill be read the third time now.

Motion agreed to and bill read third time and passed.

THE ESTIMATES

AUTHORITY TO PRINT FINANCE COMMITTEE PROCEEDINGS—SUPPLEMENTARIES (E)

Hon. T. D'Arcy Leonard, Chairman of the Standing Committee on Finance, presented the following report of the committee, to which was referred the Supplementary Estimates (E) laid before Parliament for the fiscal year ending March 31st, 1966:

> Your committee recommends that authority be granted for the printing of 800 copies in English and 300 copies in French of its proceedings on the said Supplementary Estimates (E).

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

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

Report adopted.

REPORT OF COMMITTEE ADOPTED

Hon. Mr. Leonard, Chairman of the Standing Committee on Finance, to which was referred the Supplementary Estimates (E) laid before Parliament for the fiscal year

ending 31st March 1966, presented the following report:

> The Standing Committee on Finance to which was referred the Supplementary Estimates (E) laid before Parliament for the fiscal year ending March 31st, 1966—

Some Hon. Senators: Dispense.

For text of report see Appendix B p. 385.

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

Hon. Mr. Leonard: With leave, I move that the report be considered now.

Honourable senators, perhaps I should explain the request for leave and also for dispensing with the reading of the report. The report is not long, being only four paragraphs, and in my explanation I wish to deal with it almost word for word, as I think that would save a little time.

The report deals with Supplementary Estimates (E). Honourable senators will recall that when the previous report of the Finance Committee was placed before the Senate for consideration last week, Senator Brooks raised the question of the Supplementary Estimates (E) which had been tabled after the Finance Committee's report had been presented. In the result, the Senate directed that Supplementary Estimates (E) be referred to the Standing Committee on Finance in advance of the appropriation bill based thereon reaching the Senate.

That appropriation bill passed the House of Commons yesterday and was introduced in this chamber today as Bill C-159. Honourable senators have copies on their desks, and second reading will be moved later. In view of the fact that the house asked the committee to report on the supplementary Estimates which are the basis of this bill, it seems appropriate that the report of the committee should be presented first.

Supplementary Estimates (E) are the last estimates of expenditures for the year ending tomorrow, March 31, 1966. Therefore, the report of the committee commences in paragraph 1 by reciting:

> Pursuant to the said order of reference your Committee proceeded to examine the expenditures set out in the above-mentioned Supplementary Estimates (E) and called as witness Dr. George F. Davidson, Secretary of the Treasury Board.

Paragraph 2 of the report gives the total of the amounts in Supplementary Estimates (E) and adds to them the total of the previous Estimates to give the full total for the year. Supplementary Estimates (E) total $173,701,576 and, as paragraph 2 of the report states, this brings the total for the year up to the sum of $7,999,605,015. These figures do not include Loans, Investments and Advances amounting to $96,605,791, which brings the total of such Loans, Investments and Advances for the whole fiscal year to $425,040,892.

Paragraph 3 of the report gives the figure of the increase of this year's expenditures over those of the previous year. This amounts to $781,605,015, and represents an increase of 10.8 per cent. This compares with the estimated increase in the gross national product of approximately 8 per cent. These figures which I have just given, and which are contained in this report, bring up to date and replace the comparable statistics that are in the report of the committee which was submitted to the Senate on March 10. An amended table is also attached to this report.

Paragraph 4 of the report reads simply as follows:

> In his evidence before the committee, the Secretary of the Treasury Board explained the various items of expenditures and answered all questions of the members of the committee to their satisfaction.

Paragraph 4 is the most pertinent paragraph in so far as the consideration of this report is concerned, because the others are merely formal.

At this point perhaps I should mention that all members of the Senate are entitled to attend the meetings of the Standing Committee on Finance and, indeed, of all other standing committees of the Senate, although they must refrain from voting if they are not members of the particular committee. As a number of honourable senators now present were not at the committee meeting this morning, perhaps I should tell the house that Dr. Davidson, in explaining Supplementary Estimates (E), divided them into five main categories which comprise about 80 per cent of the total figure of $173 million. I must say he dealt with them very adequately.

His first division was the agricultural division, and there the large item is an amount of $40,700,000, which is included in Vote 17e and which appears in the schedule on page 3 of the bill. Vote 17e includes some other figures,

but the main item is the amount of $40,700,000 which is required for the operation of the Agricultural Stabilization Board.

As honourable senators know, that board has two main functions. One is the purchasing of agricultural commodities and holding them when prices have fallen below what might be called a basic price, and then in time reselling them. It also has authority to make deficiency payments. Instead of a purchase and sale arrangement, it makes a deficiency payment to a farmer with respect to products covered by the act, which is the difference between the market price and the basic price. The operations of this board, of course, go on throughout the year, and the figure of what it requires as a result of its operation is put in the final estimates, in this case Supplementary Estimates (E), where the amount is $40,700,000.

The next major item that Dr. Davidson dealt with in detail was that of $12 million for the Municipal Development and Loan Board, which appears on page 5 of the bill. This amount arises as a result of the extension of the provisions of the Municipal Development and Loan Act until September 30, 1966. This act has been in operation for several years, and under it loans are made for certain municipal developments. Provided the terms are complied with and the work completed within a certain length of time, a proportion of the loan is forgiven by the federal Government. The extension of the provisions of the act to September 30, 1966 enables a number of projects to be completed, and 25 per cent of the loans made in respect of them will be forgiven. This requires a vote of $12 million.

The third item is the reimbursement to the Central Mortgage and Housing Corporation of $20,347,687, and this appears on page 8 of the bill. The Central Mortgage and Housing Corporation carries on its operations throughout the year, and some of them are for the benefit of other departments or governments for example, in connection with slum clearance and various other activities. At the end of the year it, in effect, bills the Government for the losses or expenses it has incurred in these operations. These appear on page 8 of the bill as Votes 15e to 35e which, as I have said, total $20,347,687.

The next item, which is on page 10 of the bill, deals with the Canadian National Railways' deficit. This is a perennial we have always with us. When the loss of the Canadian National Railways for the year is ascertained the amount required from the Government to make it up is placed in the final supplementary Estimates. In this case it is Vote 27e on page 10—$34,718,000.

The fifth large item is $25 million in Vote 84e, also on page 10, under Board of Transport Commissioners for Canada, and it is to increase from $70 million to $95 million the payments that are made by the Government to railway companies to maintain the freight rates at a level lower than the rate the Board of Transport Commissioners approved some years ago. The Government at that time decided that instead of the increased rates being put into effect, it would freeze the rates and pay the railways a subsidy. There have been subsequent wage negotiations and other increased costs, and the subsidy has been increased to include them.

In addition to dealing with those major items, Dr. Davidson dealt with what are called the $1 items. These have been the subject of considerable comment in this chamber, and this morning the committee had a very good opportunity of questioning Dr. Davidson about them, and hearing from him his explanation of them. He pointed out that all these $1 items are not necessarily, shall I say, disguised legislation. He put them into three categories. The first was a category which involved a change purely in the wording of the vote. Had the wording in the main Estimates been spelled out more clearly it would have included the change now being asked in the $1 item in the supplementary Estimates. This seems to be a perfectly proper use of a $1 item.

A second category is where there may be available moneys that are unexpended in a vote and further moneys are required for expenditures that were not included in the previous Estimates. They could be put through in the proper amount, such as $50,000 or $60,000, or whatever the amount might be, but by using the dollar device the unexpended funds that are available in the department are used for these new votes of expenditure.

The third category is one to which I think all of us feel some objection, and that is where instead of a bill or a piece of legislation a vote is used in the Estimates to give legislative sanction to something that is sought to be done, although the most appropriate method to use would be to have a bill. Some of such $1 items in the Estimates are of a special character, and these were explained by Dr. Davidson. Perhaps the only one I need

to mention today is a $1 item which concerns the case of an annuity to a senator who had elected to retire. The wording in our retirement legislation uses language which in effect says that where a senator who is in receipt of an annuity dies, his widow is entitled to receive an annuity. I think the proper wording should be that when he dies entitled to an annuity, then the widow would also be entitled to her annuity.

This particular $1 vote does effectively take care of the one case that has occurred, but there should be an amendment to the act to cover future incidents of this kind.

I think I have covered the main matters that came before the committee this morning. Other members were present, and if I have overlooked anything I am sure they can bring it to the attention of honourable senators. Dr. Davidson dealt with other matters but I think it is sufficient for me to say at the present time that I believe the questions put by senators were adequately answered.

Some of the matters I have dealt with and that were in the Estimates could be made the subject of a more detailed report, but in all cases similar items will appear in the 1966-67 Estimates. Perhaps it would be more appropriate if we studied them more thoroughly, and in a subsequent report dealing with the 1966-67 Estimates we could cover with greater precision matters such as the $1 items and others not specifically mentioned in the report today.

Honourable senators, I move the adoption of the report.

Hon. A. J. Brooks: Honourable senators, it is not my intention to speak at length on this report. I was present in committee this morning, and the meeting was an excellent one. Senator Leonard mentioned that I had asked that these Estimates go before the committee. That is true. Undoubtedly the intention was to have them before the committee in any event, because the 1965-66 Estimates would have been incomplete if we had not considered Supplementary Estimates (E).

Senator Leonard stated that the items in these Estimates are quite similar to the items which will appear in supplementary Estimates which come before us from time to time during this year. I agree that they are practically the same as supplementary Estimates which came before our committee previously. When one makes a thorough study of one set of supplementary Estimates, this similarity becomes evident. That is borne out by the fact that this morning Dr. Davidson divided the Estimates under five headings and dealt with each heading, as Senator Leonard explained, extensively.

I have nothing further to say. I had intended to speak on many of the items that had not been brought to the attention of the committee, but I am satisfied, and I do not think it is necessary to extend my remarks.

May I urge honourable senators to read the proceedings of today's meeting, when they are printed, as well as the comprehensive account which Senator Leonard has given us.

Report adopted.

APPROPRIATION BILL NO. 4, 1966

SECOND READING

Hon. John J. Connolly moved, with leave of the Senate, second reading of Bill C-159, for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1967.

He said: Honourable senators, Bill C-159 is also known as Appropriation Bill No. 4, 1966. As honourable senators will observe, it contains five sections and a schedule of some considerable length.

The position of the Leader of the Government in respect of this measure, in view of the debate this afternoon, is somewhat anomalous, because on second reading of a bill it is normally the duty of the sponsor not only to explain the bill but at least to make some comprehensive reference of the items in the schedules.

We are in the happy position of reversing that procedure here today, and I do not intend to refer to the schedules at all in this discussion, in view of the report which has just been adopted. However, I would like for the record to endorse what has been said by Senator Leonard and by the Leader of the Opposition (Hon. Mr. Brooks) about the extreme importance, particularly to new members of the Senate, of meetings like the one held by the Senate Finance Committee this morning. I know of no way that senators can get a better appreciation of how the finances of government are managed and operated than by attendance at the meetings of that committee. I say that without attempting to disparage what may be done elsewhere.

I say again and again that honourable senators who are not members of our committees should make it their business to find out when committees meet so that they can

attend and receive training in the kind of work that the committees do. This would prove to be invaluable to them, and by doing so they would be able to render better service to the Senate.

Honourable senators, the bill contains five sections. The first section is simply the title section. Section 2 provides for the granting of $270,207,367, as detailed in the schedule. Section 3 provides that in respect of the purpose and effect of each item, the amount authorized by each item may be paid or applied only for the purposes and subject to the terms and conditions contained in the item, that the provisions of each item in the schedule shall be deemed to have been enacted by Parliament on the first day of April, 1965, which was the first day of the fiscal year to which the supplementaries apply.

Section 4 is the customary provision with reference to commitments. In brief, it says that a commitment may be entered into only in accordance with the terms of such item, and if the Comptroller of the Treasury certifies that the commitment proposed to be entered into, together with all other commitments, does not exceed the total amount provided for in the item.

Section 5 is an additional section in this bill which is not found in all bills respecting supplementary Estimates. It reads:

> Notwithstanding the provisions of the Financial Administration Act, the amounts appropriated by this Act may be paid at any time on or before the thirtieth day of April, one thousand nine hundred and sixty-six, and such payment shall be deemed to have been made in and be chargeable to the fiscal year ending the thirty-first day of March, one thousand nine hundred and sixty-six.

The reason for this is obvious. Today is the 30th day of March. If this provision were not there, all the payments provided for in these supplementary Estimates, which cover the fiscal year ending tomorrow, would have to be made by tomorrow. Leeway of one month is given to make the payments authorized by the act.

Section 6 is a usual section. It provides that the amounts paid or applied under the authority of the act shall be accounted for in the public accounts in accordance with section 64 of the Financial Administration Act.

Honourable senators, this is the kind of bill which scarcely needs re-explanation each time. However, at the beginning of the session, it may be worthwhile giving this explanation, which I hope is satisfactory to all honourable senators.

Motion agreed to and bill read second time.

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

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

Motion agreed to.

APPROPRIATION BILL NO. 3, 1966

SECOND READING

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Connolly (Ottawa west) for the second reading of Bill C-157, for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1967.

Hon. Jacques Flynn: Honourable senators, as this is the first time for several years that an interim supply bill has reached the Senate in time to allow a few days for debate on it, I did not hesitate yesterday to move the adjournment of the debate. Usually we are forced to go through the three readings of the bill in quick succession.

We are all indebted to the honourable Leader of the Government in the Senate for the explanation he has given of what constitutes an interim supply bill. At the risk of repetition, I would also like to put on the record my views of the mechanism of interim supply.

By asking Parliament for interim supply the Government is asking authority to make some expenditures before Parliament has actually studied and been able formally to approve those expenditures. In other words, it says, "Give me authority to spend now and you will approve later." It is like the airline slogan: Fly now and pay later.

Hon. Mr. Connolly (Ottawa West): Spend now and approve later.

Hon. Mr. Flynn: Yes. This is the principle under an interim supply bill. On that account, when you extend the practice to the point where it was extended, say, last year, when we voted eleven-twelfths of the expenditures of the budget before completing the study in

the other place, the principle of the supremacy of Parliament over the expenditure or the control of the purse is greatly eroded. There is no doubt about that.

In principle, it is possible for Parliament to approve the budget or the Estimates before the fiscal year commences. This fiscal year, as you know, will commence on April 1. Usually the Estimates are tabled in January. If my memory serves me aright, this year the Estimates were tabled around January 26. That means that Parliament has had two months to deal with them. Of course, I agree that is not sufficient, but usually if Parliament had about three or four months to consider the Estimates it could deal with them in time—for instance, if the Estimates were tabled four months before the beginning of the fiscal year and Parliament was in session at the time.

In practice, this is rather impossible, as sessions do not always start at the same time and the program, especially in the other place, is subject to changes due to circumstances. In the other house the review of the Estimates of the budget usually takes up to 60 or 80 days of sitting. An improvement should result from the adoption of the new rules, which limit the debate on the Estimates in the house itself to 30 days. If I am not mistaken, this would include the six supply motions concerning the Estimates of a given year. Therefore, it would probably be possible from now on, when you have a session beginning in January, to complete in the other place the study of the Estimates in time to adopt the final appropriation bill in June, that is, only two and a half or three months after the fiscal year has begun.

I suggest that if Parliament were able to examine the Estimates in that space of time, the study would be much more useful, instead of our being faced, as we were on the occasion of the last appropriation bill, with the situation that eleven-twelfths of the budgeted money had already been spent, thus making it seem a rather futile exercise to discuss it.

As far as the role of the Senate is concerned, I am in general agreement with the Leader of the Government. However, in my own view, the Senate has all the powers of the other place, except that a money bill cannot be initiated here. I suggest that the Senate may very well, if circumstances warrant it, not only vote against an appropriation bill but also may reduce a given item or may vote against a certain item. This is, of course, looking at the situation from a strictly constitutional viewpoint. In practice it has not been exercised very often and I agree it should not be done as a simple caprice, but again the right of this house to vote against or to reduce the Estimates or an item of expenditure in the Estimates should not be doubted in any manner.

I want to add that the Finance Committee has been helping the Senate very much indeed since it resumed its sittings two years ago, inasmuch as it enables the members to examine the Estimates and to obtain some knowledge, fairly appropriate knowledge I would say, of the Estimates before they come to us, whether in the form of interim supply, supplementary Estimates or as the last appropriation bill. I feel we should commend the work of the Finance Committee and continue the practice of referring all the Estimates to it.

Honourable senators, I want to add just a word specifically about the present bill. Usually when Parliament is sitting the Government seeks only one-twelfth of the Estimates by way of interim supply. If a recess is foreseen as, for instance, during the summer, then they sometimes ask for two months' or three months' supply. In the present instance Parliament is seeking two months' supply, and I have not seen in the debates of the other place the reason for this. I can appreciate, of course, the case for the Government in this bill asking for more than one-sixth where there are special reasons as, for example, where expenditures have to be made during a given season. But I am speaking at the moment of the general clause of the bill which seeks one-sixth instead of the usual one-twelfth.

I have nothing else to add, honourable senators, except to say that we are making progress in our procedure for considering appropriation bills. We have less reason for complaints as this system has been improved over the years, I remember some years ago we had bitter, and in my view justified, complaints, but I feel that everybody is very happy with the changes which have occurred.

Hon. John J. Connolly: Honourable senators—

The Hon. the Speaker: May I remind honourable senators that if the honourable Senator Connolly speaks now it will have the effect of closing the debate.

Hon. Mr. Connolly (Ottawa West): Honourable senators, I have only a word to add to what has already been said. At the outset may I thank honourable Senator Flynn for the remarks he has made this afternoon.

On the question of the reduction of Estimates or certain items in the Estimates, I have sat in the Senate now for 12 years, at times on the Government side and for a time on the Opposition side, and while it has never been my lot to have to take this stand, I have seen successive leaders stand in this place and say, "If we reduce an item in the Estimates we will upset the ways and means"; and this is the traditional position that governments have always taken. I hope I shall not have to take this stand at any time, but I realize that the time may come when I shall have to stand here and say, "I must oppose on behalf of the Government the reduction of this item." I hope I shall be able to say it and at the same time not concede that the Senate has not the right to do so, because there is constitutional authority for this right. In practice, leaders have stood in this place and have had to take this stand, and perhaps the matter of cabinet solidarity, as much as anything else, has played its part in the position taken.

I am not altogether sure that Senator Flynn is completely right about the customary practice of seeking only one month's supply. In modern practice in Parliament—and perhaps we are getting to the point where we can do this, particularly in the other place where they can negotiate a longer period—this is done by agreement and I think it helps greatly. In my view it does us no damage here having regard to the work being done by the Senate Finance Committee. I thank the honourable senator for the remarks he has made.

Motion agreed to and bill read second time.

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

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

Motion agreed to.

THE ESTIMATES

REPORT OF FINANCE COMMITTEE— DEBATE CONTINUED

The Senate resumed from Thursday, March 24, the report of the Standing Committee on Finance with respect to the expenditures set out in the Estimates laid before Parliament for the fiscal year ending 31st March, 1966.

23031—37½

Hon. T. A. Crerar: Honourable senators, I should like your indulgence at the beginning of my remarks, and I also ask for leniency from His Honour in the Chair if I transgress the rules, to make a reference to those who have departed from this chamber by death over the last year. Unfortunately I was not here when tributes were paid to them at the opening of the session.

Senator Wood was not one of the most active members of this house; he was stricken with a serious illness which incapacitated him. He was a genial gentleman and was very highly respected in his native province. I join with others who have already paid tribute to his memory in extending sympathy to his family.

Senator Comeau came from the Atlantic provinces, being a product of the Acadian community. The Acadians suffered a cruel wrong when they were dispersed a little over two hundred years ago. The evidence of their virility and their power to survive lay in the fact that many of them returned to the province in which they had been born and in which they had hoped to spend their future years.

Senator Comeau occupied a room on the fourth floor not far from mine, and I saw him frequently, we visited back and forth as senators do. He was a rugged man: when I entered his office and saw him sitting at his desk he reminded me of the Rock of Gibraltar. He was not an eloquent man and took little part in the debates of this house, but he was very wise. I doubt if there was anyone in this chamber who had a better understanding of the weaknesses and the foibles of human nature. It was a pleasure to talk with him; it was a pleasure to listen to his comments, always grounded in sound common sense. I think we are all the poorer because he has left us.

Now I come to Senator Paul Bouffard. Senator Bouffard was an adornment to this house. He did not have the volatile characteristics of some of his compatriots. He was not guided by his emotions so much as by his reason, and to the practice of law in his native province and to his approach to all the questions that came before the Senate he brought a clear, logical, concise mind, unemotional in its approach, arriving at judgments based on the facts as he saw them. I am bound to say that Senator Bouffard was, among all our other colleagues, one who deserved the highest respect of every member of this house.

I want to say a word now about my old friend Senator Lambert, and here let me confess that it is difficult for me to speak without some emotion. I met Senator Lambert first about 55 years ago. He had graduated from Toronto University and had chosen the profession of journalism as a career. He joined the staff of the old Toronto *Globe* as a reporter under the guidance of Stewart Lyon who was then its editor. After preliminary training in Toronto, Mr. Lyon sent him to western Canada for two years. In the second year he returned to Toronto and the next year he was made a permanent representative of the *Globe* in that vast expanse which was known as the prairie country. It was then that I met him. We were associated together in the old Progressive movement of 1921. He was not only a journalist, not only a keen observer, but he was intensely interested in all that was going on around him, and it was not long before he developed a sympathy for what was known as the "agrarian movement" on the prairies, and gave it his unstinted support.

Later he came to Ottawa and engaged in the the political sphere. Still later he was appointed to this house, and I may say that in my judgment he was one of the ornaments of the Senate.

Senator Lambert was interested in life; he was interested in politics; he was interested, above all, in good government.

There were times when he exploded quickly. It reminded me of a sultry summer's day out on the prairies when a thunderhead, as we called it, sailed across the heavens and the sunshine. Then there was a flash of lightning and a loud clap of thunder, and then the whole thing dissolved. Senator Lambert was like that in some of the emotional statements he made, which were only emotional for the moment.

He had a good mind and was well read. I doubt if there was anyone in this house who had a clearer understanding and better knowledge of the history of the Senate. He was a staunch friend at all times. If you were going into battle you never needed to look around to see if Norman Lambert was coming along with you; he was always there. He had those qualities of friendship that engage good people everywhere. We shall all miss him. I personally shall miss him very much indeed.

This morning I paid a visit to St. Vincent Hospital where Mrs. Lambert, ill with a disease from which she may not recover, is living. All I can do, along with others, is extend to her and to the family my deepest sympathy in their loss and the loss to the community in which he lived.

As to the news we have received today of the passing of Senator Bradley and Senator Woodrow, I have little to add. Senator Bradley entered Parliament after the achievement of Confederation with Newfoundland, and was a member of the Government for a time, representing that province. Later he was appointed to the Senate. It was well known to those of us who saw him frequently that his health had become impaired. To his widow and all who were associated with him in Newfoundland, I extend my heartfelt sympathy.

I now come to discuss for a few moments the report which is before us. Honourable senators, I am now in order, although if I had felt up to it, the discussion should have taken place last week on the motion to refer the 1966-67 Estimates to the Finance Committee.

I believe that over the years the Finance Committee has done an excellent job, but as a member of it and as its chairman quite a number of years ago I have always been a little pessimistic as to what we have really achieved. It is true we have the Estimates before us of the various departments, and we have the officials—some of whom are very capable men—who come and explain to us what the items represent and the scope they cover. However, they do not initiate the Estimates; they do not initiate the spending directly. The Government has to take the responsibility for that. I think it would be very difficult indeed to curtail these Estimates, these expenditures, by any effort of the Finance Committee or any action by the Senate.

My thoughts on it have evolved to some extent around the idea that the examination of the Estimates might be made somewhat subsidiary to the consideration and examination of other matters arising out of the Estimates.

Let me refer to the Canadian Broadcasting Corporation, for instance. This year we shall be asked to vote a little over $110 million for that corporation. One of the things that impresses itself upon my mind is the fact that the C.B.C. is more and more becoming a little empire, complete unto itself. It reports only through a minister of the Government. That has been so ever since it was established, on the theory that there must be no political partisanship or influence operating in the conduct of the affairs of the C.B.C. Quite

frankly I do not like a situation where $110 million of the money of the taxpayers of this country is handled in what appears to me to be a rather irresponsible fashion.

One suggestion I have to make is that the Finance Committee could quite properly call the top officials of the C.B.C. before it, and ask them: "How do you justify this expenditure? We want to know." We could do that quite properly and quite legally, and it would be quite within the powers of the Senate and of the Standing Committee on Finance.

Let me give you an illustration. It was announced in the press two or three weeks ago, when this famous lady whose name was before the public was discovered living in Germany, that the C.B.C. paid her $5,000 for a 20-minute television interview. I say to you there is no fundamental reason why that money should have been so spent. Not only did the C.B.C. pay the lady $5,000, but they sent a battery of so-called experts with all the necessary television apparatus to interview her, and that cost money. I think the C.B.C. management should be put on the carpet for these things. It should be asked to explain and justify them. The Finance Committee could do that, and could make a report on the whole thing.

There is much else in the administration of the C.B.C. to which exception can be taken.

It is a curious thing, honourable senators, but nevertheless true, as has been proven by history, that if you give people unlimited authority without control or regulation, then 99 times out of 100 they abuse it. It is in the very essence of human nature to do that. That is why we need these checks and controls. It is my hope that the genial chairman—and a very excellent chairman he is too—of the Finance Committee will give some consideration to this suggestion.

There are two or three other matters that I should like to refer to briefly. I have been appalled at times, surprised at times, and angered at other times, by the quantity of franked mail that comes from Government departments to my desk. I have opened envelopes to find announcements I have already read in the morning paper. The extent of this has grown outrageously. Of course, some of my older colleagues in the house know that I am old-fashioned. Some of the newer senators who are cutting their eye teeth in the Senate may not understand this. But, the degree to which we have expanded the governing machinery of this country is frightening and something beyond my understanding.

If I may make a personal allusion, I will say that I was a member of Sir Robert Borden's Government during the First War for nearly two years, until the war was over and the troops were back home. Throughout the period of the last war I was a member of Mr. Mackenzie King's Government. Indeed, I sat on the War Committee of the Cabinet which met every day. I am not complaining about the burden of work, but I can say to this house that my working day was at least from 12 to 14 hours, and sometimes more, six days a week, and sometimes on Sunday. But, we did not feel at that time it was necessary to surround ourselves with a number of private secretaries, public relations men—heaven forbid that we should ever get more of those—executive assistants, and all that paraphernalia. Let me say to this house that I think the War Committee of the Cabinet, and indeed the whole cabinet during the last war, had to deal with problems that certainly were the equal of any that a government has to deal with today. When I see a minister—and I do not care if he is the Prime Minister himself—who has to surround himself with three, four or five executive assistants or parliamentary secretaries and what-not, I simply say to myself that that gentleman does not know how to organize his own office. I say that deliberately, and I have said it repeatedly.

Mr. Mackenzie King introduced this business of parliamentary secretaries. In a country like Britain where the Parliament at Westminster deals with all of the problems that are dealt with by our provinces here, there might be some excuse for having them. When Mr. King asked me one day, "Well, Crerar, who do you want for your parliamentary secretary?" I said that I did not want one. He said that I should have one. I replied, "What good would it do? I cannot delegate a parliamentary secretary to settle a matter with the deputy minister or any other official of the department. That is my responsibility." I would not tell a parliamentary secretary to take a certain matter up with a deputy minister; I would call in the deputy minister and settle it with him myself. The result was that I never had a parliamentary secretary, and I do not think I lost anything by it.

Another matter that the Standing Committee on Finance might take a look at is this very substantial item in the Estimates which appears under the head "Loans, Investments and Advances." If my memory is right—it may be failing, and I was not here last year

for reasons beyond my own control—I have a recollection that there was a loan of $10 million made to the Canadian Broadcasting Corporation. I recall that there was some comment on it at the time. I do not know whether that loan is still outstanding, but when it came up it struck me as being an odd thing. What was the sense of making a loan to the Canadian Broadcasting Corporation which depends for every dollar it spends on a vote from the Government? Where is it going to get the money to repay the loan? There are others of these loans and investments that could be scrutinized. In that field there is a place for inquiry to be made.

The important thing is to establish sound basic principles upon which government is conducted. Of course, government has greatly changed over the years, and people say it must change with the times. That to me is nonsense. Principles do not change. There was a time when our forefathers looked upon the institution of democratic government as a means of keeping people in order so that every man could work in peace and security, in accordance with the dictum of the old Hebrew prophet who, three thousand years ago, looked forward to a time when every man should sit under his own vine and fig tree and no one dare molest him or make him afraid.

Now a new concept of democratic government is being preached vociferously by quite a number of people who have little sense of responsibility. The new concept is that the main function of democratic government is to look after everyone from the cradle to the grave. I do not go for that. I may be outdated, I daresay I am, but I do not agree with that concept.

Another matter that might engage our attention is that of loans and investments. I suggest to the Chairman of the Finance Committee that it would be worth while to call the Auditor General and get his comments on this matter. He is the servant of Parliament, not of the Cabinet.

The next point I wish to mention is the amount of expenditures. My remarks on this subject will not appear as a new feature to my colleagues in this house, who have heard me talk about it *ad nauseum* at times. However, I observe that our Estimates this year, with the supplementaries that we may expect before March 31, 1967, will probably reach $10 billion. That to me is a sizeable amount of money. May I suggest that we could reduce that volume of spending by 10 per cent, reduce the amount by $1 billion. No doubt some will be horrified at the suggestion, but I say that if we could import into government administration something of the quality to be found in business administration, such an economy could be effected. If we could apply to government administration, for instance, the efficiency that a corporation like the Canadian Pacific Railway applies to its operations, or that of a bank, steel company, or any industrial concern, I am confident we could reduce the amount by 10 per cent.

Undoubtedly someone will say that cannot be done, that you can never equate governmental administration with private business administration, that they are in different categories and you can never expect to conduct a government administration as efficiently as a private administration. Anyone who believes that is true—and I will not admit it—should advocate keeping government out of administration of all these things.

Honourable senators, I am speaking under somewhat of a handicap and perhaps I should not have made these observations. As some of you know, it is my intention to retire from the Senate at the end of May.

Hon. Mr. Roebuck: Oh, no!

Hon. Mr. Crerar: Perhaps I should not take up the time of the house in the consideration of all these matters that I am suggesting to the Chairman of the Finance Committee would be worth while examining. However, they are matters that come within the purview of the committee; there is no doubt in my mind about that. If these matters could be examined, perhaps some light could be thrown in some dark places, and if we get the right kind of an inquiry and the right kind of a report, the report should be circulated to every newspaper in Canada.

The only way we can improve the mechanism of government and make it more efficient is, in the end, through the pressure of public opinion.

Believe me, honourable senators, if I am any judge—and I have been observing the scene for many years—there is a growing feeling that all is not going as it should in the Parliament of Canada. It is interesting to reflect that all the great revolutions in history had their origin mainly in oppressive taxation, and I am not one of those who are so confident that we have our democratic system so strongly anchored that the forces of passion cannot move people to upset it. That is possible.

Part of the responsibility of leadership in public life, and also of Parliament, is to create and maintain and earn the confidence of the people generally in their democratic institutions. If that is not done, then we are, at large, on a rough and stormy ocean.

I regret to say that in recent years we have failed to instill that confidence in our people. As a result, what do you find about the body politic? You find criticism and a growing lack of confidence, following which every adverse wind that blows is listened to, and every adverse criticism is heeded.

Honourable senators, to sum up I would say that in the past ten years, indeed ever since the end of World War II, we have been governing ourselves largely through our emotions. It is the emotional appeal which has carried weight—the slogans, the headlines. Everything we do tends to emotional disturbance or appeal. All I can say is that if we want to preserve and hand down to future generations the freedom that was won for us by hard-fought battles of those who went before us, we shall never do so by emotional appeal.

The democratic system of government is based essentially on the theory that human beings are reasonable and can be appealed to in a reasonable way. Get the facts—that is what Senator Leonard's committee is all about—and let the people judge. I have faith enough in the Canadian people that they will do that.

I believe that 80 per cent of the Canadian people are the finest people in the world. They do the work of this country; they look after our municipal institutions, our schools, our churches, our hospitals, our agricultural affairs, irrespective of what their religion or politics may be, and they do it well. Then we have 20 per cent of the people who create 90 per cent of the problems with which governments have to deal. To my way of thinking it is unfortunate that we have tended to cater too much to the 20 per cent and not recognized the worth of the 80 per cent as we should have done.

Honourable senators, I hope to make still one more speech before I walk out of the doors for the last time and it will be on the address in reply to the Speech from the Throne, which the whip and our leader (Hon. Mr. Connolly, Ottawa West) have kindly offered to keep open for debate until after the Easter recess. My remarks will not deal so much with the Speech from the Throne; I might endeavour to tell you what I would try to do if I were Prime Minister of Canada.

I am grateful for your patience. Let me say, as I have said before: I have an abounding faith in Canada, I have an abounding faith in its future. After the war there was no country in the whole wide world more highly regarded than Canada. We had made tremendous contributions to the stabilization of the world. I fear that we have lost some of that regard, and one of the tasks of Parliament should be to try to regain that position.

Honourable senators, may I close by wishing you a very happy holiday.

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

DIVORCE (EXTENSION OF GROUNDS) BILL

SECOND READING—DEBATE CONTINUED

The Senate resumed from Thursday, March 24, the adjourned debate on the motion of Hon. Mr. Roebuck for the second reading of Bill S-19, to extend the grounds upon which courts now having jurisdiction to grant divorces *a vinculo matrimonii* may grant such relief.

Hon. F. Elsie Inman: Honourable senators, I would like to join with those senators who have already spoken, in extending sympathy to the families of our two late colleagues, Senator Woodrow and Senator Bradley. With the indulgence of the Senate, I wish to welcome the new senators. I hope they will enjoy their sojourn in this chamber, and I feel sure they will contribute much to our deliberations and live up to the traditions and principles that are forever a part of our democratic system of government.

Honourable senators may be interested to hear that Prince Edward Island has the oldest divorce legislation in Canada, a divorce law having been passed back in 1778. This act apparently was never repealed.

In 1835 an act was passed for establishing a court of divorce on the Island, which was a colony at that time, and for repealing a certain act therein mentioned. This former act was the one passed by the General Assembly in 1933, as above mentioned, in the third year of the reign of King William IV.

The act of 1835 set up a divorce court under the jurisdiction of the Lieutenant Governor, or other administrator of government, and five members of His Majesty's Council. At the same time it was enacted that the jurisdiction of the other courts in matters apart from divorce could not be altered or

affected. It also made provision for the Lieutenant Governor, or other administrator, to deputize the Chief Justice of the Supreme Court to act in his place or stead if for any reason he could not act. It gave the grounds for divorce which named other grounds besides adultery; it provided that children should not in any way be prejudiced or affected with any disability thereby, and the wife should not be barred of her dower, or the husband be deprived of tenancy by the courtesy of England unless it should be expressly adjudged and determined by such sentence of divorce.

In 1869 an additional act was passed to provide for the service of divorce process on absent parties.

In 1949 an act was passed to amend an act for establishing a court of divorce in the Province of Prince Edward Island and for repealing a certain act therein mentioned, the act of 1835.

This amendment gave jurisdiction to the Supreme Court of Judicature, concurrently with the Court of Judicature. It provided for transfer of causes upon application to the court of divorce. The court of the Chief Justice presiding in chambers could order that any action or proceeding on record, or pending, in the court of divorce should be transferred to the Supreme Court provided no such order should be granted if the application was opposed by any party to the proceeding or by the King's Proctor.

In 1952 a further amendment to the divorce act was enacted which struck out the above provision and substituted the following:

> (a) an order for transfer of an action or proceeding to the Supreme Court may be made upon the consent of the Queen's Proctor, and either upon the consent of all parties by or against whom any relief is claimed; or
>
> (b) after notice to such parties and in such manner as the Court or Chief Justice may direct.

Honourable senators, this is the history of our divorce legislation in Prince Edward Island. Speaking to Bill S-19, I may say that during the many divorce cases I have listened to while a member of the Divorce Committee of the Senate, I have been impressed with the fact that our laws regarding divorce are too severe. After all, while adultery is considered the unforgivable sin—perhaps in this day and age it is not quite alone in being unforgivable. I have heard women testify to almost unthinkable insults, indecencies, and indignities suffered at the hands of brutal husbands. Also, we have heard husbands tell of trying to live with wives who made life with them utterly impossible. I feel the time has come when our laws regarding divorce must be broadened.

Of course, the problem of children is always a factor and it is regrettable that when children are involved, a divorce resorted to by parents who cannot live together is particularly sad. I remember reading one time an article about broken homes. It said that a bad father was better than no father and that a bad mother was still a mother to a child. That is debatable, for I think that the influence and effect of irresponsible parents and an unhappy home cannot be good for children morally, physically or mentally. The example set in such a home must be very tragic, and must leave with children memories that can well affect them throughout their lives.

Today the general consensus seems to be that our federal divorce laws are outdated and must be broadened to take in grounds other than adultery. Those other grounds are cited in the bill before us, so I will not name them. I must say though that I do not think that a marriage should be dissolved on grounds of insanity for a period of only five years. I have known of cases where a party recovered after a lapse of more than five years.

I wish to pay tribute to Senator Roebuck with whom I have been associated in the Divorce Committee and whom I have known to be a most able, conscientious, faithful and hard-working Chairman of the Divorce Committee. In bringing in this Bill S-19, he has taken a big step toward improving our divorce laws and thereby enabling many unhappy and ill-used people to find a better way of life. I am happy to support this bill.

Hon. John Hnatyshyn: Honourable senators, I had thought at one time of making a more lengthy speech on this bill but in view of the fact that there is some urgency in having it referred to the joint committee, with your permission I would make but two or three points.

In the first place I congratulate the sponsor of the bill (Hon. Mr. Roebuck) in bringing it before this house. As a result of questions asked by Senator Choquette and Senator Deschatelets as to whether this bill applies to the Province of Quebec and the Province of Newfoundland, some discussion has arisen. I

believe the sponsor of the bill was wise in framing it as he did, so that it does not apply to those provinces.

Honourable senators, I would like to see an equal law for all. On the other hand, it is the privilege and the right, especially of the Province of Quebec, to take the stand which they take on divorce, and if it is to apply to that province I would agree with the honourable sponsor that the initiative should come from that province and not from someone else. That is not the way things have been done in this chamber since I have been here, and that is not the way they have been done so far as I know in the history of the Senate. There has never been any attempt by one section of the community to force their opinion on another. Perhaps I am transgressing, but let me say that in my opinion by following that course this chamber has done more than any other body in Canada to maintain unity and good understanding between the various parts of this country. While we may differ on some questions we have also learned to respect the opinions of those who differ from us.

As I have said before, in my view the sponsor has very wisely framed this bill in its present form. If it is to be amended it can be done after discussion in committee. In this bill we are not discussing the principle of divorce because we already have divorce in Canada. I heartily support the principle of this bill in enlarging the grounds for divorce. I do not say that because I believe in divorce. Personally I abhor divorce, and I do not think anyone in this chamber is in favour of it. I accept the proposition that family life is the very bulwark of our civilization and our nation. But let me add that in some 34 years' practice of my profession of law—and while I was not specializing in divorce you cannot help but have some regular clients come to you with family troubles—and after seven years of service on the Divorce Committee, I have not yet seen a case where a divorce was applied for where there was any family life. Usually in the cases we had to deal with the home was broken beyond any repair, and in my opinion to talk of the sanctity of the home in such cases makes no sense.

We are not encouraging divorce. If I thought we were, or if I thought we were making it as lax as it appears to be in some of the states south of us, I would be against enlarging the grounds, but all I think we are doing is providing some corrective measure for homes that are already broken. I have seen cases of desertion—where the wife and family lived in destitute circumstances, having been deserted for years, without a cent being contributed to their welfare. In such circumstances, in my view, it is not a question of the sanctity of the home, for there is no home. A divorce would merely be a corrective measure to help that person seek another chance for a happy life.

The principle of enlarging the grounds for divorce was before this house in 1938 and again in 1955. Perhaps the late Senator McMeans, who sponsored the bill in 1938, and Senator Aseltine, who sponsored the bill in 1955—and the present sponsor who took a very active part in that debate and had the same opinions as he has now—were ahead of the times. I do not know. It seems to me that at the present time, especially in the common law provinces where divorce is tried by the courts, there is a vast majority of people who feel that our law as to the grounds is archaic, that it should be brought up to date to meet the circumstances of life as txisting in this country. I do not intend to go into all the reasons why conditions have changed. I could speak on that for a long time—about the two world wars, about people not living in rural communities any more but living in cities and mostly in apartments—but I simply want to say that for the first time the General Council of the United Church of Canada have taken a stand on this important question. I read all the debates on this subject in 1938 and in 1955, and if I remember correctly it was mentioned by one or two of the senators participating in those debates that no church had ever taken a stand in this regard. Well, I am sure that the General Council of the United Church of Canada took this stand not because they want divorce or because they believe in divorce. I believe they took it after seeing many of these broken homes where the grounds in most cases are much more important than adultery, and they felt that the grounds should be enlarged. It has been said that there is a danger that if you allow desertion for three years or so as a ground for divorce, there will be too much collusion. I submit to you, honourable senators, that if a person is ready to obtain a collusive divorce why wait three years? It would be much easier to commit adultery by collusion and obtain it immediately.

Honourable senators, there has been criticism in the press about the way divorces were handled in the committee of this house, but it seems to me that during the seven

years I was a member of that committee every case was given as careful and attentive consideration as it would have been given in any court of any of the common law provinces having jurisdiction to grant divorce. The members of that committee did their work conscientiously and in a thorough manner. Naturally with adultery being the only ground for divorce some cases might have gone through that were collusive, but collusion is very difficult to detect either in the committee of this house or in the courts. We cannot say how many cases went through that were collusive, for if there was any suspicion of collusion a divorce was never granted any more than it would have been granted in the courts.

In conclusion I compliment the sponsor of this bill, the Chairman of the Divorce Committee, for the very wise and intelligent way in which this question has been handled throughout.

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

The Senate adjourned until tomorrow at 3 p.m.

APPENDIX "A"

(See p. 367.)

PRIVATE BILL

BANK OF BRITISH COLUMBIA—REPORT OF COMMITTEE

Wednesday, 23rd March, 1966.

The Standing Committee on Banking and Commerce to which was referred the Bill S-16, intituled: "An Act to incorporate Bank of British Columbia", has in obedience to the order of reference of February 9th, 1966, examined the said Bill and now reports the same with the following amendments:

1. Page 2: Immediately after clause 5, insert as new clauses 6, 7, 8, 9, 10, and 11, the following:

" '6. (1) In this section and sections 7 to 10

(a) "agent", in relation to

(i) Her Majesty in right of Canada or in right of a province, or

(ii) the government of a foreign state or any political subdivision thereof, means an individual or corporation empowered to perform any function or duty on behalf of Her Majesty in either such right or on behalf of the government of a foreign state or any political subdivision thereof, other than a function or duty in the administration or management of the estate or property of an individual;

(b) "corporation" includes an association, partnership or other organization;

(c) "non-resident" means

(i) an individual who is not ordinarily resident in Canada,

(ii) a corporation incorporated, formed or otherwise organized, elsewhere than in Canada,

(iii) the government of a foreign state or any political subdivision thereof, or an agent of either,

(iv) a corporation that is controlled directly or indirectly by non-residents as defined in any of subparagraphs (i) to (iii),

(v) a trust

(A) established by a non-resident as defined in any of subparagraphs (ii) to (iv) other than a trust for the administration of a pension fund for the benefit of individuals a majority of whom are residents, or

(B) in which non-residents as defined in any of subparagraphs (i) to (iv) have more than fifty per cent of the beneficial interest, or

(vi) a corporation that is controlled directly or indirectly by a trust defined in sub-paragraph (v) as a non-resident; and

(d) "resident" means an individual, corporation or trust that is not a non-resident.

(2) For the purposes of sections 7 to 10 a shareholder is deemed to be associated with another shareholder if

(a) one shareholder is a corporation of which the other shareholder is an officer or director;

(b) one shareholder is a partnership of which the other shareholder is a partner;

(c) one shareholder is a corporation that is controlled directly or indirectly by the other shareholder;

(d) both shareholders are corporations and one shareholder is controlled directly or indirectly by the same individual or corporation that controls the other shareholder;

(e) both shareholders are members of a voting trust where the trust relates to shares of the Bank; or

(f) both shareholders are associated within the meaning of paragraphs (a) to (e) with the same shareholder.

(3) For the purposes of this section and sections 7 to 10 a "shareholder" is a person who according to the books of the Bank is the holder of one or more shares of the capital stock of the Bank and a reference in sections 7 to 10 to a share being held by or in the name of any person is a reference to his being the holder of the share according to the books of the Bank.

(4) For the purposes of sections 7 to 10 where a share of the capital stock of the Bank is held jointly and one or more of the joint holders thereof is a non-resident, the share is deemed to be held by a non-resident.

(5) Where a corporation or trust that was at any time a resident becomes a non-resident, any shares of the capital stock of the Bank acquired by the corporation or the trust while it was a resident and held by it while it is a non-resident shall be deemed, for the purposes of sections 7 and 8, to be shares held by a resident for the use or benefit of a non-resident.'

'7. (1) The Bank shall refuse to allow a transfer of a share of the capital stock of the bank to a non-resident to be made or recorded in a register of transfers of the Bank

(a) if, when the total number of shares of the capital stock of the bank held by non-residents exceeds ten per cent of the total number of the issued and outstanding shares of such stock, the transfer would increase the percentage of such shares held by non-residents; or

(b) if, when the total number of shares of the capital stock of the bank held by non-residents is ten per cent or less of the total number of the issued and outstanding shares of such stock, the transfer would cause the total number of such shares held by non-residents to exceed ten per cent of the total number of the issued and outstanding shares of such stock.

(2) The Bank shall refuse to allow a transfer of a share of the capital stock of the bank to any person to be made or recorded in a register of transfers of the Bank

(a) if, when the total number of shares of the capital stock of the Bank held by such person and by other shareholders associated with him, if any, exceeds ten per cent of the total number of the issued and outstanding shares of such stock, the transfer would increase the percentage of such shares held by such person and by other shareholders associated with him, if any; or

(b) if, when the total number of shares of the capital stock of the Bank held by such person and by other shareholders associated with him, if any, is ten per cent or less of the total number of the issued and outstanding shares of such stock, the transfer would cause the total number of such shares held by such person and by other shareholders associated with him, if any, to exceed ten per cent of the issued and outstanding shares of such stock.

(3) The Bank shall refuse to allow a transfer of a share of the capital stock of the Bank to

(a) Her Majesty in right of Canada or in right of a province or an agent of Her Majesty in either such right, or

(b) the government of a foreign state or any political subdivision thereof or an agent of the government of a foreign state or any political subdivision thereof, to be made or recorded in a register of transfers of the Bank.

(4) The Bank shall not accept a subscription for a share of the capital stock of the Bank

(a) by Her Majesty in right of Canada or in right of a province or an agent of Her Majesty in either such right or by the government of a foreign state or any political subdivision thereof or an agent of the government of a foreign state or any political subdivision thereof, or

(b) except as otherwise provided in subsection (5), in circumstances where if the subscription were a transfer of the share the Bank would be required under subsection (1) or (2) to refuse to allow the transfer to be made or recorded; but in the case of a subscription pursuant to an offer under section 36 of the Bank Act the bank may count as shares issued and outstanding all the shares included in the offer.

(5) Subject to paragraph (a) of subsection (4), where an offer of shares of the capital stock of the Bank is made under section 36 of the Bank Act, the bank may accept any subscription

(a) if the terms of the offer contain provisions to the effect that in the case of a share offered to a shareholder whose recorded address, at the time fixed for determining the shareholders to whom the offer is made, is a place within Canada and who is not at that time, to the knowledge of the bank, a non-resident, a subscription will not be accepted if the share is to be recorded in the name of a non-resident;

(b) if the subscription is accompanied by a declaration by the subscriber

(i) as to whether the person in whose name the share is to be recorded is a resident or a non-resident, and

(ii) to the effect that the total number of shares of the capital stock of the Bank that will, if the subscription is accepted, be held by such person and by other shareholders associated with him, if any, will not exceed ten per cent of the total number of the shares of the capital stock of the Bank that will be issued and outstanding on the issue of all shares included in the offer; and

(c) if, on the basis of such declaration, the acceptance of the subscription is not contrary to the terms of the offer.

(6) Default in complying with the provisions of this section does not affect the validity of a transfer of a share of the capital stock of the Bank that has been made or recorded in a register of transfers of the Bank or the

validity of the acceptance of a subscription for a share of the capital stock of the Bank.'

'8. (1) Notwithstanding section 34 of the Bank Act, where a resident holds shares of the capital stock of the Bank in the right of, or for the use or benefit of, a non-resident, the resident shall not, in person or by proxy, exercise the voting rights pertaining to those shares.

(2) Notwithstanding section 34 of the Bank Act, where the total of

(a) the number of shares of the capital stock of the Bank held in the name or right of or for the use or benefit of a person, and

(b) the number of shares of the capital stock of the Bank held in the name or right of or for the use or benefit of

(i) any shareholders associated with the person mentioned in paragraph (a), or

(ii) any other person who would be deemed under subsection (2) of section 6 to be associated with the person mentioned in paragraph (a), if both he and such other person were shareholders, exceeds ten per cent of the issued and outstanding shares of such stock,

(c) no person shall, in person or by proxy, exercise the voting rights pertaining to any of the shares referred to in paragraph (a) that are held in the name of a resident, and

(d) no person shall, in person or as proxy, exercise the voting rights pertaining to any of the shares referred to in paragraph (a) that are held in the name of a non-resident.

(3) Notwithstanding section 34 of the Bank Act, the voting rights pertaining to any shares of the capital stock of the Bank shall not be exercised when the shares are held in the name or right of or for the use or benefit of

(a) Her Majesty in right of Canada or in right of a province or an agent of Her Majesty in either such right; or

(b) the government of a foreign state or any political subdivision thereof or an agent of the government of a foreign state or any political subdivision thereof.

(4) Where it appears from the register of shareholders of the Bank that the total par value of the shares of the capital stock of the Bank held by a shareholder is less than five thousand dollars, a person acting as proxy for the shareholder at a general meeting of the Bank is entitled to assume that the shareholder holds the shares in his own right and for his own use and benefit and that he is not associated with any other shareholder, unless the knowledge of the person acting as proxy is to the contrary.

(5) If any provision of this section is contravened at a general meeting of the shareholders of the Bank, no proceeding, matter or thing at that meeting is void by reason only of such contravention, but any such proceeding, matter or thing is, at any time within nine months from the day of commencement of the general meeting at which the contravention occurred, voidable at the option of the shareholders by a resolution passed at a special general meeting of the shareholders.'

'9. (1) The directors may make such by-laws as they deem necessary to carry out the intent of sections 6 to 10 and in particular, but without restricting the generality of the foregoing, the directors may make by-laws

(a) requiring any person in whose name a share of the capital stock of the Bank is held to submit a declaration

(i) with respect to the ownership of such share,

(ii) with respect to the place in which the shareholder and any person in whose right or for whose use or benefit the share is held are ordinarily resident,

(iii) whether the shareholder is associated with any other shareholder, and

(iv) with respect to such other matters as the directors may deem relevant for the purposes of sections 6 to 10

(b) requiring any person desiring to have a transfer of a share to him made or recorded in a register of transfers of the Bank or desiring to subscribe for a share of the capital stock of the Bank to submit such a declaration as may be required pursuant to this section in the case of a shareholder; and

(c) providing for the detemination of the circumstances in which any declarations shall be required, their form and the times at which they are to be submitted.

(2) Where pursuant to any by-law made under subsection (1) any declaration is required to be submitted by any shareholder or person in respect of the transfer of or subscription for any share, the Bank may refuse to allow such transfer to be made or recorded in a register of transfers of the Bank or to accept such subscription without the submission of the required declaration.

(3) The Bank and any person who is a director, officer, employee or agent of the Bank, may rely upon any information contained in a declaration required by the Bank pursuant to this section or any information

otherwise acquired in respect of any matter that might be the subject of such a declaration; and no action lies against the Bank or any such person for anything done or omitted in good faith in reliance upon any such information.

(4) Where for any of the purposes of section 7, the Bank requires to establish the total number of shares of the capital stock of the Bank held by non-residents, the Bank may calculate the total number of such shares held by non-residents to be the total of

(a) the number of shares held by all shareholders whose recorded addresses are places outside Canada; and

(b) the number of shares held by all shareholders each of whose aggregate individual holdings of such shares has a par value of five thousand dollars or more and whose recorded addresses are places within Canada but who to the knowledge of the Bank are non-residents; and such calculation may be made as of a date not earlier than four months before the day on which the calculation is made.

(5) Where by any calculation made under subsection (4) the total number of shares held by non-residents is under ten per cent of the total issued and outstanding shares of the capital stock of the Bank, the number of shares the transfer of which by residents to non-residents the Bank may allow to be made or recorded in the registers of transfers of the Bank shall be so limited as not to increase the total number of shares held by non-residents to more than ten per cent of the total issued and outstanding shares of the capital stock of the Bank.

(6) Notwithstanding subsections (1) and (2) of section 7 where in the case of a transfer of any shares of the capital stock of the Bank to a transferee it appears that

(a) the aggregate par value of all shares of the capital stock of the Bank held by the transferee as shown by the register of shareholders of the Bank at a date not more than four months earlier is less than five thousand dollars, and

(b) the aggregate par value of the shares included in the transfer and any shares acquired by the transferee after the date mentioned in paragraph (a) and still held by him as shown by the register of transfers of the Bank in which it is sought to have the transfer made or recorded is less than five thousand dollars, the Bank is entitled to assume that the transferee is not and will not be associated with any other shareholder and, unless the address to be recorded in the register of shareholders of the Bank for the transferee is a place outside Canada, that he is a resident.'

'10. (1) Notwithstanding section 7 the Bank, upon its incorporation and with the prior approval of the Treasury Board, may, either before or after the first general meeting of the shareholders of the Bank, accept subscriptions for shares by residents without regard to the provisions of section 7 but no such subscriptions for shares may be accepted by the Bank except in accordance with and subject to such terms and conditions as the Treasury Board may by order prescribe.

(2) Notwithstanding subsection (2) of section 8, the voting rights pertaining to any shares of the capital stock of the Bank acquired through the acceptance of a subscription pursuant to subsection (1) of this section and held in the name of and for the use or benefit of a resident may be exercised by or on behalf of the holder thereof in accordance with and subject to such terms and conditions as the Treasury Board may by order prescribe.'

'11. Sections 6 to 10 inclusive of this Act shall have effect notwithstanding anything in the Bank Act but unless otherwise provided by Parliament shall cease to have effect upon the last day upon which the Bank may carry on the business of banking under the provisions of section 6 of that Act.' "

2. Renumber original clauses 6 and 7 as clauses 12 and 13 respectively.

All which is respectfully submitted.

Salter A. Hayden,
Chairman.

APPENDIX "B"

(See p. 368.)

THE ESTIMATES

REPORT OF COMMITTEE—SUPPLEMENTARIES (E)

Wednesday, March 30, 1966

The Standing Committee on Finance to which was referred the Supplementary Estimates (E) laid before Parliament for the fiscal year ending March 31st, 1966, has in obedience to the order of reference of March 24th, 1966, examined the said Supplementary Estimates (E) and now reports as follows:

1. Pursuant to the said order of reference your committee proceeded to examine the expenditures set out in the above-mentioned Supplementary Estimates (E) and called as witness Dr. George F. Davidson, Secretary of the Treasury Board.

2. The expenditures contained in the said Supplementary Estimates (E) amounted to $173,701,576. These are the final estimates for the fiscal year ending March 31st, 1966, and they bring the total of expenditures for one year as set out in the main and all supplementary Estimates to the total sum of $7,999,605,015. This figure does not include Loans, Investments and Advances which amounted to $96,605,791 in Supplementary Estimates (E), bringing the total of such Loans, Investments and Advances for the whole fiscal year to $425,040,892.

3. The expenditures of $7,999,605,015 are an increase over the previous year of $781,605,-015 and by percentage they are 10.8% more than the total for the year 1964-65. This compares with the estimated increase in the gross national production of approximately 8%. These figures bring up to date and replace the comparable statistics in the report of your committee submitted to the Senate on March 10th last, and an amended table is attached to this report showing the expenditures since 1955 and the percentage increases from year to year.

4. In his evidence before the committee, the Secretary of the Treasury Board explained the various items of expenditures and answered all questions of the members of the committee to their satisfaction.

All of which is respectfully submitted.

T. D'Arcy Leonard,
Chairman.

THE SENATE

Thursday, March 31, 1966

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

Prayers.

PROPERTY QUALIFICATION OF SENATORS

SUPPLEMENTARY RETURN PRESENTED

The Hon. the Speaker presented a supplementary return, submitted by the Clerk of the Senate in accordance with Rule 105, listing the names of members of the Senate who have renewed their declaration of property qualification.

ROYAL ASSENT

NOTICE

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

GOVERNMENT HOUSE
OTTAWA
31 March, 1966

Sir,

I have the honour to inform you that the Hon. Robert Taschereau, P.C., Chief Justice of Canada, acting as Deputy to His Excellency the Governor General, will proceed to the Senate Chamber today, the 31st March, at 5.45 p.m. for the purpose of giving Royal Assent to certain bills.

I have the honour to be,
Sir,
Your obedient servant,
A. G. Cherrier
Assistant Secretary
to the Governor General.

The Honourable
The Speaker of the Senate.

ADMIRALTY ACT

BILL TO AMEND—FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-161, to amend the Admiralty Act.

Bill read first time.

SECOND READING

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

Hon. John J. Connolly: Honourable senators, yesterday with commendable expedition the other place gave first, second and third readings to two relatively minor and noncontentious bills. Bill C-161 is the first of these. Though these bills are noncontentious, they are important in the sense that it is desirable that they should receive Royal Assent before the Easter recess.

Honourable senators, I would ask for unanimous consent to deal with these bills today.

Hon. Senators: Agreed.

Hon. Nelson Rattenbury moved, with leave of the Senate, that the bill be read the second time now.

He said: Honourable senators, Bill C-161, which was passed in the other place yesterday, is, as the honourable leader has said, quite straightforward. I shall try to keep my explanations as brief as possible.

It is a bill to amend subsection (1) of section 7, and subsection (2) of section 13 of the Admiralty Act.

Dealing with the first amendment, section 7 (1) of the Admiralty Act provides that a district judge in Admiralty or, if he is incapacitated, a judge of the Exchequer Court, may with the approval of the Governor in Council, appoint a deputy judge from among persons having the qualifications of a district judge. This may be a barrister of not less than ten years' standing or a judge of another superior or county court, but it has become the practice to appoint as deputy judges only persons who are already judges of other courts.

The appointment of one deputy judge for a district, however, is not adequate to meet the needs of certain Admiralty districts, particularly those of British Columbia and Quebec—and more recently, I understand, that of Toronto.

It is proposed, therefore, in clause 1 of the bill that the Admiralty Act be amended to authorize the appointment for each Admiralty district of one or more deputy judges, but not exceeding three.

Deputy judges receive no salary, but the Admiralty Rules provide for their retaining certain fees. The appointment of these additional judges will, therefore, not require the appropriation of any moneys by Parliament.

Clause 2 repeals subsection (2) of section 13 and substitutes a new subsection. Marshals of the Admiralty Court are officers whose main duties relate to the execution of documents of

the court, such as writs of summons, attachment and execution; in many ways their duties in the Admiralty court are similar to those of sheriffs in other courts.

As the explanatory note to clause 2 indicates, subsection (2) of section 13 of the Admiralty Act at present provides that all sheriffs in the provinces of Canada are marshals of the Court within their respective counties or district. It has been recommended by the Canadian Bar Association that the jurisdiction of sheriffs as marshals of the court should extend to the whole Admiralty District in which are located the counties or districts for which they hold the office of sheriff. That is the first purpose of this amendment.

The second purpose is to provide that deputy sheriffs in the provinces are deputy marshals of the court for the Admiralty district in which the counties or districts for which they hold office are located. This amendment was also recommended by the Canadian Bar Association.

Hon. Lionel Choquette: Honourable senators, one of the redeeming features of this bill which has been succinctly explained by my honourable friend Senator Rattenbury is that the deputy judges receive no salary, although the Admiralty Rules provide for their retaining certain fees. The appointment of these additional judges will not require, therefore, the appropriation of any moneys by Parliament.

The bill was given the first, second and third readings in the other place within the space of a few minutes. I have examined it, and I find it noncontentious and containing nothing complicated. Therefore, I am wholeheartedly supporting it.

Hon. John J. Connolly: Honourable senators, first I should like to thank Senator Rattenbury for the explanation he has given of this bill. He undertook this task on very short notice, but I would remind the house that Senator Rattenbury is one of the few people in this chamber who have had considerable experience in the merchant service of this country. He explained a bill in the same category a year or so ago when he was a very new senator, and he is beginning to earn the title of "Admiral of the Senate." Perhaps we shall be hearing from him on this subject on other occasions.

I thank Senator Choquette, too, for his co-operation.

Hon. Arthur W. Roebuck: Honourable senators, I rise not to oppose this measure but rather to advocate its passage.

This bill causes my memory to go back to the time when I, as Attorney General of Ontario, had to recommend for appointment a Master of the Supreme Court of that province. I needed a particularly capable judicial officer, and selected Mr. Justice Barlow, then Mr. Fred Barlow, Q.C., for the position. He took office and, as a result of the good work he did, he was appointed Judge of the Admiralty Court. Some time after, having been a very good judge in Admiralty, he was appointed to the Supreme Court of Ontario. I know he did a great deal as Judge in Admiralty, perhaps more than should have been asked of anyone who was also filling another post. His service as Judge in Admiralty was completely gratuitous, but he did it effectively.

Since those early days the St. Lawrence River has been developed, and Toronto is now an ocean port. I can see very good reasons indeed why there should be more strength on the Admiralty bench than has been the case in the recent past. I congratulate the honourable gentleman (Hon. Mr. Rattenbury) who has explained this bill so clearly, and also the department for placing it before us. This is a bill that we can pass with an easy conscience.

Motion agreed to and bill read second time.

THIRD READING

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

Hon. Mr. Connolly (Ottawa West): With leave, I move that the bill be read the third time now.

Motion agreed to and bill read third time and passed.

JUDGES ACT

BILL TO AMEND—FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-160, to amend the Judges Act.

Bill read first time.

SECOND READING

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

Hon. W. Ross Macdonald moved, with leave, the second reading of Bill C-160, to amend the Judges Act.

He said: Honourable senators, this bill is to amend four sections of the Judges Act.

These amendments provide for the appointment of eight new judges to four provinces. It provides for two additional judges to the Supreme Court of Ontario, one county court judge to the County of Middlesex, one judge to the Supreme Court of New Brunswick, one judge to the Alberta district court, and three judges to the Province of Quebec, providing eight appointments in all.

Section 92 of the British North America Act confers upon the provincial legislatures exclusive jurisdiction in relation to the administration of justice in each of the provinces, including the constitution, the maintenance and organization of the courts in the provinces.

Under section 100 of the British North America Act, however, provision is made whereby the salaries, allowances and pensions of judges are fixed and provided for by the Parliament of Canada.

In addition, the appointments are made by the Governor in Council. In other words, the federal Government appoints and pays the salaries of the judges, but their duties are set forth by the provinces.

With respect to the appointments provided for in this bill, three of the provinces which requested the appointment of judges have already passed the necessary legislation. In the Province of Quebec a bill is now before the legislature for that purpose.

Honourable senators may be interested to know why these additional judges are to be appointed. In Ontario the two additional judges will preside in the high court division of the Supreme Court of Ontario, known as the trial division. Litigation coming before the Ontario courts is increasing and it has been extremely difficult for trial judges to keep pace with the increase.

With regard to the County of Middlesex, which contains the large City of London, litigation has also greatly increased. There are already two county court judges in Middlesex, but they are unable to keep pace with the increased work in the courts; therefore, provision is made in this bill for the appointment of an additional county court judge.

In New Brunswick the additional judge will be appointed to the Queens Bench division, which is a trial division of that province.

In Alberta the additional district court judge will preside over the District of Northern Alberta, which includes the City of Edmonton, a city which is growing rapidly, with the consequence of increased litigation in the courts.

In the Province of Quebec, provision is being made for the appointment of three judges to the Superior Court. I shall state briefly the reason for this request. The Province of Quebec wished to establish a special court in which bankruptcy cases would be heard. In other provinces this has been done by one judge being selected from time to time to sit in bankruptcy court. I remember that in Ontario, 15 or 20 years ago, one judge sat exclusively on bankruptcy cases. There are to be two additional judges in the Montreal district, one of whom will hear bankruptcy cases; and there will be one additional judge in the District of Trois-Rivières.

Honourable senators, this bill is for the appointment of eight judges. I am sure all honourable senators appreciate that the provinces would not request these appointments unless they felt there was need for them.

Hon. David Walker: Honourable senators, it is a particular pleasure to join my distinguished friend and colleague, the former Leader of the Government in the Senate (Hon. Mr. Macdonald, Brantford), in supporting this bill.

The bill was passed in the House of Commons without division. In each instance the appointment of the additional judges has been recommended by the attorneys general of the province.

There is no question about the need to make these appointments. The Bench is being heavily overworked in all provinces, particularly in Ontario and Quebec. After all, this is one of our institutions that is still sacrosanct and has not been attacked, as has been the Senate, unnecessarily, and the House of Commons with perhaps some reason. Here the Bench is sacrosanct, and it is important that we should maintain it in that high position by giving its judges proper time to deliberate on questions relating to the administration of justice.

Therefore, I have great pleasure in supporting the honourable Senator W. Ross

Macdonald in his motion for the second reading of this bill.

Hon. Jean-François Pouliot: Honourable senators, I will support this bill with necessary reservations. I have pointed out many times that some judges join commissions, having first been appointed and taken the oath of office to act as judges, to listen to cases and to render judgments.

I know that it is not always pleasant for judges to travel like commercial travellers from one part of a province to another, because they do not all have permanent residence in certain cities. Some judges have their office in Montreal or Quebec City but have to travel through the Province of Quebec, and go to such distant places as the Magdalen Islands. I speak only of the Province of Quebec because I am more familiar with the conditions there than elsewhere.

The judges take the oath to render justice. Some of them serve on commissions—some of them do well, others do not.

My honourable friend Senator Walker spoke of the high regard that one must have for judges. I agree with him on that, provided the judges start by respecting themselves and preaching by example to others. We have unfortunate cases. It is difficult to speak of them, but the newspapers are full of it at one time or another.

An inquiry is still going on in the Province of Ontario in which a judge of the Supreme Court of Ontario is at present defending himself with respect to his involvement in a natural gas franchise when he was mayor of a city in Ontario. While the inquiry is on he does not sit in court; in virtue of this bill there is another judge to be appointed there while the former is defending himself for certain doubtful transactions that he made when he was mayor. I do not say more about it, because it is *sub judice*—mum is the word.

There is another pitifully sad case in the Province of Quebec. A judge has had to resign because he was a disciple of a mythological god named Bacchus, the god of the full barrel. I am sure that my friend the Leader of the Government does not know about this case, but I know it and it has been put under cover.

There is another case that we are all familiar with, of another judge who received his full salary. He is in Montreal but he does nothing because he had legal trouble. We have to put a new judge on the Bench of the Supreme Court of the Province of Ontario while a judge is busy defending himself in court. We have to appoint another judge to the Bench of the Superior Court of the Province of Quebec because another judge there is sitting at home. I tell you nothing new. You know all about it. It is very unfortunate.

I am all for respect for judges, but when we hear the speeches that are made at the opening of courts telling us that we must all respect the judges, I repeat that we come to the same conclusion, that they must start by respecting themselves.

Honourable senators, what I have said does not apply to all judges. I know some are remarkable judges. I may add the name of one commissioner to the list I gave yesterday or the day before. It is the name of Mr. Justice Yves Bernier who has done considerable work for the Maritime law concerning pilots. He has been working on that for almost two years and has been doing a good job.

I do not say that all judges who sit on commissions are bad judges. I do not say that at all, but I am sure that some of them are bad; they do not know their business. Nevertheless, they are considered infallible.

For instance, take the case of the ten justices who have been appointed, one in each province, to do the work of redistribution of all constituencies. When there is a general complaint about it, do you think that it increases the respect which people should have for judges? They are subject to criticism, fair criticism, just criticism, because their work is badly done. No one can say nay.

The day before yesterday I argued a case before you, and if you had been the jury, honourable senators, I would have won it. I know that. But here it does not work on account of the boulders and potholes.

What I want is reform, and the Bench needs reform, too—not for all judges, but for some of them. It is the same as discharging over-ripe fruit from a basket of good fruit.

It seems to me that it can be done, but no one can accomplish anything. You cannot say a word. Although everybody knows about it, no one dares to speak about it and no one dares to act.

What will we do? There is a judge of the Ontario Supreme Court who is there defending himself. Is he guilty or not guilty? I do not know. Is he an honest man? Again, I do not know. I give him the benefit of the doubt.

What I complain of is that he has exposed himself, and on account of that we have a bill

before us to replace him by another judge, a new man. If we appoint a new judge, does it mean that the judge who is now before the court will never again sit on the Bench? I do not know. I give him the benefit of the doubt.

With regard to the Superior Court it makes no difference. When a judge goes and he is replaced, it makes no difference in the payment of salary, but there is a certain degree of embarrassment on account of it. Besides that, in the Superior Court of the Province of Quebec the salary is paid to one judge who cannot sit for reasons that you know. This will mean that two salaries be paid when only one judge sits. It makes no sense.

I am surprised that this matter was not brought up before the House of Commons, and if I speak of it today it is because of the high regard I have for the Bench, and because I believe that the Bench should give good example if we want people to observe the law. At the present time we have a crisis of authority. Nobody respects anything. The Bench is there to be respected, provided that the judges respect themselves, and this is the case, I would say, in four out of five cases.

Now there is another class of judge, those who observe the Ten Commandments, who are honest citizens, but who are incompetent. They have been appointed on account of the friendship of the then Minister of Justice for some lawyers of the district of Montreal. They are judges who understand nothing, and if you try to explain something to them, they do not understand. They are honest but they understand nothing. There are judges who come from the District of Montreal. Some of them are sitting on the Bench in rural districts, and they are not qualified to do so.

The present Minister of Justice, Monsieur Cardin, comes from the rural district of Sorel and bears a great name. I admire him for the fact that he appointed lately to the Bench one of his confrères of the Richelieu Bar. He gave a chance to a lawyer who came from a rural district, and so much the better for him. All judges to rural districts should not be appointed from the City of Montreal, because in Montreal they have problems which do not exist in rural centres with regard to municipal law and many other matters. It is important to appoint somebody who has had experience in such things and who is familiar with the affairs of the people who live in that district.

There has been great favouritism in the appointment of judges for a long time, and I will give you an illustration which may surprise you. There is presently sitting a judge who was appointed under the previous Minister of Justice and who had previously been a Member of Parliament representing a constituency in the Province of Quebec for three or four years. This you can find in the *Canadian Parliamentary Guide*. His biography is there. Afterwards he was a member of the Quebec Legislative Assembly, and his biography was again in the *Parliamentary Guide*, but there was no reference to the fact that he had been sitting for three years as a member of the House of Commons of Canada. Why? Is it because he was ashamed of it, ashamed of having been elected as a federal member for the constituency that he represented? You have only to check the list of the elections in each county and you will see his name, but you will not see set out there the fact that he had been a member of the House of Commons for three years. It says in his biography how many times he had been elected a member of the Quebec Legislature and so forth, but it does not mention that he was a member of the Bloc Populaire, and that he was under the leadership of the great ancestor of the separatistes, the late Maxime Raymond, the leader of the Bloc Populaire.

I do not say that it is dishonest, because it is not dishonest. But it shows the turn of mind of some of those judges, and that is why I bring it to your attention. If you read the *Parliamentary Guide* of two years ago and look at the biographies of those from the Province of Quebec, you will see the name but you will not see in the biography that this person had been a member of the House of Commons. I do not say that this is scandalous; he will not be debarred for that; he will not be prevented from sitting on the Bench, but he should never have been appointed to it.

Moreover, there has been favouritism to a high degree based upon friendship or on other political considerations in the appointment of judges in the Province of Quebec, especially under Mr. Favreau, the former Minister of Justice. There is no excuse for that. The result is that some judges are very much embarrassed when certain cases come before them because they have not had sufficient training and knowledge to be a judge. You know it is true, honourable senators, and everybody in Montreal knows it is true.

Sometimes I have to defend the appointment to the Bench of former Members of Parliament, and I have no objection to that. I

have no objection to the appointment of a Conservative, a Liberal or an N.D.P. member to the Bench, provided the person is qualified and knows his business.

There is another factor which complicates the situation. Do you know that two judges, one of the King's Bench and one of the Superior Court, were sitting on a commission with a former Bâtonnier Général of the Province of Quebec—and by that I mean the President of the Quebec Bar—to reform, revise and review the Quebec Civil Code of Procedure? I brought to the attention of one of the commissioners, who was in fact the Bâtonnier, that there was a large number of articles—which would be the equivalent of sections in a statute—of pure procedure in the Civil Code which should be transposed or transferred to the Civil Code of procedure.

Now the many prominent lawyers who sit on both sides of this chamber know that evidence is a question of procedure under the civil law. We find it in the Civil Code. Well, this person wrote to me—I have the letter upstairs and I had it photographed to show it to you—that the so-called learned man who had already been on that commission for two or three years with two other judges, told him they never thought there were so many articles of procedure in the Civil Code of the Province of Quebec. It is discouraging.

But do you know what they did? There was a pleasant expedition of members of the Quebec Bar and also one of the members of the commission to the Hanseatic cities of Hamburg, Bremen and Luebeck on the Baltic Sea to learn how they deal with civil procedure here, —German ways of procedure to be transplanted to the Province of Quebec. That is the way it was done.

There is something further. This is a controversial as well as a non-controversial bill—it goes both ways. There is the wrong teaching of the law, and the erroneous understanding of the law by judges. Do you know that the judges in the Province of Quebec—and this applies to other provinces too—have never taken into consideration the fact that the right to define the jurisdictions in matters of civil law comes from the Constitution itself. Most of them have never paid any attention to the Constitution, and they have recognized provincial legislation when it was completely outside of the jurisdiction of the province. One day in this chamber when I was speaking about it and was commenting that it was unfortunate that the Quebec Legislature paid no attention to the Constitution in passing amendments to the law, I was told that, as it had actually been done, therefore it was legal and constitutional. Well, it was a sophism, because if the Legislative Assembly that passed that legislation illegally and anti-constitutionally did it like that, it is worth nothing. Such an argument was fallacious and misleading.

Now you understand how embarrassed I am to give my consent to the appointment of new judges. I hope that I have not shocked you too much, but I have told you the truth, and you know it is the truth. I will not insist and I will not register any other protest over the adoption of this legislation, but when we return—and I appreciate the fact that our Leader is most helpful when I desire information—I would like to know the number of judges who have been sitting on commissions in each province of Canada, their names, and how much each commission has cost.

Hon. Mr. Connolly (Ottawa West): Would the honourable senator specify a period of time?

Hon. Mr. Pouliot: Yes, surely. I may say five or ten years.

Hon. Mr. Connolly (Ottawa West): Do you mind if I "take five"?

Hon. Mr. Pouliot: Not at all. I remember on one occasion Mr. Norman Rogers, who was then Minister of Labour, gave me a bulky file showing the number of commissions that had been established in a period of 10 or 15 years. We may start now by dealing with the 10 judges who were appointed redistribution commissioners; there is one in each province. There are others; some of them are reasonable and above reproach, but others are most extravagant and their work serves no purpose.

I want also to know who are the judges who have been appointed during the last five years and from what district they came and who their partners were. It is most important because I know several judges have been appointed on the recommendation at least of the Attorney General of the Province of Quebec, with the result that the Quebec politicians were served before the supporters of the Government in the House of Commons and before the friends and the qualified lawyers who had helped the members of the House of Commons to be elected.

On another occasion I shall have something more to say about the Bar itself, but imagine, we have a Bâtonnier Général, Mr. Yves Prévost, the former provincial secretary, who

has a mania of making speeches. One of his great suggestions was to establish a school of law next to Laval University. The students, who have a paper called *Le Carabin,* have complained that the lectures are no good and that the teachers or professors are incompetent and know nothing. Instead of reforming that part of teaching he wants to leave the university as bad as it is and build a new "crazy" school next to it, *une école de droit.* There will be the good and the bad one, and the good one will not be any better than the bad.

That being said, I bow to Your Honour and I bow to all of you, and I hope there will be some progress. It takes a long time; it may take many years; it may happen only after we are all gone, but future generations will benefit from it in due course. Let us hope so.

Hon. Arthur W. Roebuck: Honourable senators, the honourable senator who has just spoken, of course, has a perfect right to discuss the Bench when we have a bill of this kind before us and, no doubt, he is thoroughly informed as to the Province of Quebec. Personally, I know very little about the administration of justice in that province, but next year I shall have been a practising solicitor and counsel in the Province of Ontario for fifty years. The fifty years impresses itself upon me because, in our province, when one has been in continuous practice for that length of time he pays no further Bench fees.

I have been a Bencher of the Law Society of Upper Canada now for over thirty years, and I think I can say, from very long and intimate experience, that I have been impressed upon many occasions by the quality, the integrity, the industry and the virtues of the men who sit on the Bench of the Province of Ontario. I think I can go further and say, though not with so much authority as when I speak of Ontario, that the same applies to the Bench of the other provinces. I take time to mention this, because I would not have word go abroad that we in the Senate are critical of the Bench in a general way, and that we do not appreciate the virtues of the high court bench, the county court bench and the magistrates of our provinces.

We have every reason for being thankful. I know that in every group—and I do not care what group may be mentioned—there are some men better than others. There may occasionally be a black sheep but, when we consider a bill such as this, let it be understood that the administration of justice is not in our hands. That is reserved by the British North America Act to the provinces.

There have been grounds for criticism of judges in my province for delay in rendering their decisions. We discussed this on the last occasion when a bill to amend the Judges Act was before us, but I think we were all agreed that this was a matter for the attorneys general of the provinces.

I know that I ran into such trouble when I was Attorney General of Ontario. At that time I called the Chief Justice before me and told him that unless that defect was attended to immediately, I would lay before the legislature a bill taking out of the hands of the trial judge any case in which he had delayed a decision more than one year. The problem was solved almost immediately. A matter of that kind is, for the most part, in the hands of the attorneys general of the provinces.

I would not have said anything at all following the remarks of my honourable friend, Senator Pouliot, had I not felt that it might go abroad that we were critical, and not appreciative of, the judges that are appointed. We have good reason to be thankful for the integrity, diligence and kindness that the public receives from all those who sit on the benches of our provinces, and I speak especially for the Province of Ontario.

Hon. Malcolm Hollett: Honourable senators, I do not intend to say much on this subject. I shall soon be old enough to retire from this august assembly. Every one of us here is a human being, as is every judge that has been appointed in the province in which I live since I became old enough to know what a judge was. I have never seen any better or more honest human beings than we have had on the Bench in my own province, and I am quite sure that we are going to continue having such men on the Bench.

If one, two, or a dozen judges do not live up to the standards of one honourable senator, we must not, for that reason, condemn the whole Bench. In my experience I have found the judges are the essence of humanity, kindness, and honesty.

Hon. Mr. Pouliot: Honourable senators, I do not want you to conclude that when I was speaking of the particular, I was referring to the general. I did not do that. I have high regard for most of the judges, but there are some exceptions in a body in which there should be no exceptions at all.

Hon. John J. Connolly: Honourable senators, I would be remiss indeed if I did not, first

of all, thank Senator Ross Macdonald for undertaking the explanation of this measure at very short notice and Senator Walker also for dealing with it on behalf of the honourable senators on the other side. I appreciate the consideration that all honourable senators have given this measure, especially having regard to the fact that it was introduced only today.

Motion agreed to and bill read second time.

THIRD READING

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

Hon. Mr. Connolly (Ottawa West): With leave, I move that the bill be read the third time now.

Motion agreed to and bill read third time and passed.

DOCUMENTS TABLED

Hon. John J. Connolly tabled:

Copy of letter, dated February 17, 1966, addressed by the Premier of Quebec to the Prime Minister of Canada with respect to the proposed amendment of the Constitution. (English and French texts).

Report on the Administration of the Public Service Superannuation Act, Parts I and II, for the fiscal year ended March 31, 1965, pursuant to section 34, chapter 47, Statutes of Canada, 1952-53, and section 49, chapter 64, Statutes of Canada, 1953-54. (English and French texts).

Report of the National Harbours Board, including its Accounts and Financial Statements certified by the Auditor General, for the year ended December 31, 1965, pursuant to section 32 of the National Harbours Board Act, chapter 187, and sections 85(3) and 87(3) of the Financial Administration Act, chapter 116, R.S.C., 1952. (English and French texts).

Report of the Custodian of Enemy Property for the year ended December 31, 1965, pursuant to section 3 of The Trading with the Enemy (Transitional Powers) Act, chapter 24, Statutes of Canada, 1947. (English and French texts).

PRIVATE BILL

THE EXCELSIOR LIFE INSURANCE COMPANY—FIRST READING

Hon. Arthur L. Beaubien, for Hon. Mr. Leonard, presented Bill S-26, respecting The Excelsior Life Insurance Company.

Bill read first time.

Hon. Mr. Beaubien (Provencher), for Hon. Mr. Leonard, moved that the bill be placed on the Orders of the Day for second reading at the next sitting.

CONSUMER CREDIT

JOINT COMMITTEE—FIRST REPORT ADOPTED

Hon. David A. Croll, Joint Chairman of the Joint Committee of the Senate and the House of Commons on Consumer Credit, presented the first report of the committee:

> Your committee recommends that its quorum be fixed at seven members, provided that both houses are represented.

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

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

Report adopted.

EXPORT AND IMPORT PERMITS ACT

BILL TO AMEND—THIRD READING

Hon. John J. Connolly moved the third reading of Bill S-23, to amend the Export and Import Permits Act.

He said: Honourable senators, I undertook yesterday to bring some information before the house in respect of a matter that was raised by honourable Senator Thorvaldson. What he was concerned about was the right of the Government to implement sanctions under the authority of the Export and Import Permits Act in respect of Southern Rhodesia.

Regardless of what other ailments may affect me, I am glad to report that my memory is not as bad as I was afraid it might have been. In point of fact, the authority that the Government of Canada had for its acts with respect to trade between Rhodesia and Canada was raised at the time that the intergovernmental arrangement was made between Canada and the United Kingdom. It should be remembered that the sovereign authority in that South African country was the British Government, and the intergovernmental agreement or arrangement was made with the Government of Great Britain in respect of Rhodesia.

I find also that not only was this matter referred to and considered by the law officers of the Crown, but on February 3, 1966 the

Secretary of State for External Affairs replied in a similar fashion in the House of Commons. His remarks will be found at page 698 of the *Hansard* of the other place. In justice to the statements I made yesterday, I feel that I should put this information upon our record.

I do not propose to lay before the Senate a history of the steps that were taken in connection with the matter. I simply desire to refer to the fact that in the view of the Government, based on the advice given by the law officers of the Crown, the step taken was appropriate, legal, and the kind of step as a matter of policy the Government should have taken at that time.

Hon. Lionel Choquette: Honourable senators, in the absence of Senator Thorvaldson, who was obliged to leave the chamber, I wish to say practically what he would have said had he remained. For once, he is ready to bow to the opinion of the law officers of the Crown. I cannot say I would be ready to do that, had I studied the problem as thoroughly as he did.

Senator Thorvaldson was present in committee, as were many other solicitors, and he heard the opinion of the law officers. It is his privilege to disagree with that opinion. If lawyers never disagreed there would never be any court cases. However, he studied the problem thoroughly and is still not satisfied that the law officers of the Crown were correct in their opinion.

I cannot say that I would accept all legal opinions given by solicitors of the Crown. My experience with law officers of the Crown has been most fortunate. I have found them to be topnotch experts, who deal with problems thoroughly. However, many of them, especially in certain departments, such as the Department of Justice, have never actively practiced law but are not at all reluctant to give an opinion most favourable to the Government. The result is that unnecessary and costly actions are taken by litigants in the Exchequer Court, and the judges arrive at the opinion usually given by a practicing solicitor with 25, 30 or 35 years of experience.

In this instance, Senator Thorvaldson left a message with me that he does not want to delay the passage of this bill and he is ready to bow to the opinion given by the law officers of the Crown.

Hon. Mr. Croll: Without costs.

Hon. Mr. Choquette: Without costs. I am glad you mentioned that, because as a rule I seldom forget costs.

Motion agreed to and bill read third time and passed.

APPROPRIATION BILL NO. 4, 1966

THIRD READING

Hon. John J. Connolly moved the third reading of Bill C-159, for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1966.

Motion agreed to and bill read third time and passed.

APPROPRIATION BILL NO. 3, 1966

THIRD READING

Hon. John J. Connolly moved the third reading of Bill C-157, for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1967.

Motion agreed to and bill read third time and passed.

DIVORCE (EXTENSION OF GROUNDS) BILL

SECOND READING—DEBATE CONTINUED

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Roebuck for the second reading of Bill S-19, to extend the grounds upon which courts now having jurisdiction to grant divorces *a vinculo matrimonii* may grant such relief.

Hon. G. Percival Burchill: Honourable senators, my remarks this afternoon will be brief for several reasons. In fact, my only justification for speaking on this subject is that I have been a member of the Divorce Committee for some years and have had an opportunity of hearing evidence in many cases and learning about existing conditions in our social life in Canada today. I would not have gained that knowledge had I not been a member of the committee.

I did not become a member of the Divorce Committee by choice. I was drafted by the chairman, the honourable Senator Roebuck, who told me on one occasion that the load of work for that committee was extremely heavy. The Divorce Committee is not one on which senators generally are anxious to serve. Most of us find the work unpleasant and distasteful, and would like to avoid serving on the committee.

Senator Roebuck, on the occasion of which I speak, came to me in great distress, pointing out that the volume of work was heavy by

reason of the increasing number of cases, and emphasizing that he needed help. I could not find it in my heart to say no, because the hearing of divorce petitions is part of our responsibilities as members of the Senate. I therefore consented to be drafted.

Senator Beaubien came to me a little later—and I do not think I am betraying secrets —and asked me to help him persuade a new lady member of the Senate, namely, Senator Fergusson, to serve on the committee. I do not know whether I influenced her to join us, but I know that she accepted only from a high sense of duty as a senator.

Senator Fergusson was the first lady to serve on the committee, and we found company for her in the person of Senator Hodges, from Victoria, who was also newly-appointed to the Senate at that time. Senator Fergusson broke the ice, so to speak, and since that time other lady senators have become members of the committee, have listened to the evidence and brought in reports.

Honourable senators, in the limited time at my disposal, may I say that I hope grave and earnest consideration will be given to the objects of this bill before a decision is made, and that the Parliament of Canada will do nothing in the matter of divorce that will in any way undermine or erode the high place that the family must maintain in the fabric of our Canadian civilization.

That great man and his gracious lady, the present incumbents of Rideau Hall, have set us an example of the influence the family must have in our future Canadian civilization. No influence is as vital to the formative character of a boy or a girl, be it education, culture, or anything else, as is the influence of the home. I hope that whatever action is taken with regard to divorce, it will do nothing to disturb the anchor of the influence of the home in our Canadian society.

May I be permitted to add that many religious bodies during the past few years have given grave and earnest study to the question of divorce. The Anglican Church of Canada appointed a commission in March of 1943 which has since been studying the question constantly, and at the last session of the General Synod in Vancouver a canon was introduced which it is hoped will be confirmed at the next session in 1967.

We must not proceed with undue haste, but must give this subject our best possible consideration.

I am in favour of this bill being referred to the Joint Committee on Divorce, which I hope will study it from every angle. I trust that ample opportunity will be given to all interested persons and organizations to appear before that committee to give information. Finally, I hope that the report which the committee will present later will be one which all honourable senators can justifiably support.

Hon. Mr. Roebuck: I do not propose to make a speech—

Hon. Mr. Choquette: Are you closing the debate?

Hon. Mr. Roebuck: No, I am not closing the debate. Permit me to explain the situation.

I endeavoured to bring about a meeting of the new joint committee tomorrow morning and I notified some of our members that we would probably meet in the general committee. Since then I have been notified by the authorities of the House of Commons that it is impossible for the Commons to assemble a quorum. So, that meeting cannot now be held.

A number of senators wish to speak on this measure, and for that reason I would ask you to permit me to move the adjournment of the debate, with the understanding that when we reassemble I may yield to those who wish to be heard. Those who have indicated to me that they intend to address the Senate on this subject are, Senators Fergusson, Kinley, Benidickson, Cameron, Croll, Grosart and Flynn. There may be some others. The action I suggest is merely a matter of procedure.

Hon. Mr. Croll: Would you permit me to move the adjournment?

Hon. Mr. Roebuck: Very well.

Honourable senators, I am making this explanation so that you will understand my position in regard to the joint committee. When we return after the recess, the committee will meet shortly afterwards and I hope it will proceed expeditiously.

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

PRIVATE BILL

THE NORTH WEST LIFE ASSURANCE COMPANY OF CANADA—SECOND READING

Hon. David A. Croll moved the second reading of Bill S-25, to incorporate The North West Life Assurance Company of Canada.

He said: Honourable senators, North West Life Assurance Company of Canada is being incorporated to acquire the rights and property and to assume the liabilities of North

West Life Assurance Company, which was incorporated in British Columbia in 1956 and which has carried on the business of life insurance, personal accident insurance and sickness insurance in British Columbia and Alberta.

The North West Life Assurance Company was incorporated by private act of the Legislative Assembly of British Columbia in 1956 to engage as insurer in the business of life, accident and sickness insurance.

Under the act of incorporation it took over all assets and liabilities of North West Mutual Life Assurance Company, which was incorporated by private act in 1951 and which was successor to the Empire Home Benefit Association, which was incorporated in 1924.

The company has a good growth record and had life insurance in force on December 31, 1965 of more than $55 million and assets of nearly $2.5 million.

It is licensed to sell life, accident and sickness insurance in British Columbia and Alberta but its main business is in life insurance. Accident and sickness insurance forms only a small part of the business. The company operates six branch offices and five general agencies in six cities in British Columbia and Alberta. It has 50 full-time agents acting under contract exclusively for the company.

The bill is in normal fashion. The management is in the hands of experienced persons, who have spent many years in the insurance business.

If the Senate gives second reading now, I intend to move that the bill be referred to the Standing Committee on Banking and Commerce, at which time those interested will make the necessary explanations.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

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

On motion of Hon. Mr. Croll, bill referred to the Standing Committee on Banking and Commerce.

DIVORCE

RESOLUTIONS ADOPTED

The Senate proceeded to consideration of Resolutions numbered 391 to 437 inclusive, which were presented on Tuesday, March 29.

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, moved the adoption of the following resolutions:

Resolution 391, for the relief of Genevieve Clementine Marie Rose Rigaux Vulpe.

Resolution 392, for the relief of Joseph John Paul Raymond Phelps.

Resolution 393, for the relief of Gisele Paquet Pageau.

Resolution 394, for the relief of Marie Virginia Gloria Denise Baillargeon Dodd.

Resolution 395, for the relief of James Baxendale.

Resolution 396, for the relief of Susan (Susana) Hore Brydon.

Resolution 397, for the relief of Sylvia Bernstein Polansky.

Resolution 398, for the relief of Marie Eugenie Rose Armande Lemay Lessard.

Resolution 399, for the relief of Mireille Neiderer Miron.

Resolution 400, for the relief of Eileen Margaret Rose Stamper Morton.

Resolution 401, for the relief of Jennifer Anne Edgar Anderson.

Resolution 402, for the relief of Charlotte Laurine Montgomery Craigie.

Resolution 403, for the relief of Julius Illesy.

Resolution 404, for the relief of Rita Lord Wolverson.

Resolution 405, for the relief of Bernice Frances Batchelor Jack.

Resolution 406, for the relief of Robert Rickerd.

Resolution 407, for the relief of Gloria Sefton Saxe.

Resolution 408, for the relief of William David Henry Robinson.

Resolution 409, for the relief of Alta Dawn Kean Vokey.

Resolution 410, for the relief of Steve Zalac.

Resolution 411, for the relief of Michel Durocher.

Resolution 412, for the relief of Pauline Guillet Ampleman.

Resolution 413, for the relief of Steven Palkovic.

Resolution 414, for the relief of Bronius Buja Bujunas.

Resolution 415, for the relief of Russell Burton Call.

Resolution 416, for the relief of Gilles Audet.

Resolution 417, for the relief of Joseph Richard Hetherington.

Resolution 418, for the relief of George Thompson.

Resolution 419, for the relief of Eva Mae Cochrane Wilson.

Resolution 420, for the relief of Hazel Jean Appleton Ramage.

Resolution 421, for the relief of Leonard Noel Booth.

Resolution 422, for the relief of Maxine Joann Rushworth McKenzie Foster.

Resolution 423, for the relief of Monique Archambault Walsh.

Resolution 424, for the relief of Maureen Lenora Robinson Thomas.

Resolution 425, for the relief of Raynald Douville.

Resolution 426, for the relief of Yvette Sabourin Tasse Grant.

Resolution 427, for the relief of Marie Fabiola Poitras Morin.

Resolution 428, for the relief of Pauline Hatcher Leduc.

Resolution 429, for the relief of Patricia Portelance Turgeon.

Resolution 430, for the relief of Benjamin Horace Waldron.

Resolution 431, for the relief of Edward Wilson Aldous.

Resolution 432, for the relief of Carol Ann Elizabeth Parkes McAllan.

Resolution 433, for the relief of Alvira Evelyn Ward Ward.

Resolution 434, for the relief of Albert Edward Cooley.

Resolution 435, for the relief of Claudette Langaniere Dufour.

Resolution 436, for the relief of Joyce Claudine Pauley Ley.

Resolution 437, for the relief of Marie Irene Edoilda Monast Turcotte.

Resolutions adopted, on division.

ADJOURNMENT

Hon. John J. Connolly: I move, with leave of the Senate, that when the Senate adjourns today it do stand adjourned until Tuesday, May 3, at 8 p.m.

Honourable senators, it is not definitely known at this time when the House of Commons will adjourn for the Easter recess. I understand that that house will sit until Wednesday of next week to continue the debate on the budget. During that period we can expect no new legislation.

Honourable senators, I had thought that we might adjourn until a week earlier than is proposed in this motion. However, when we adjourn under such circumstances, should sufficient business develop to warrant the Senate being summoned, His Honour the Speaker can send notices to all honourable senators to attend here at an earlier date. Therefore, while the adjournment will technically read until May 3 at 8 o'clock in the evening, it may be necessary for the Senate to be summoned earlier. In that eventuality, I will consult with His Honour the Speaker and honourable senators will receive notice in the usual form.

Motion agreed to.

The Senate adjourned during pleasure.

ROYAL ASSENT

The Honourable Robert Taschereau, P.C., Chief Justice of Canada, Deputy of His Excellency the Governor General, having come and being seated at the foot of the Throne, and the House of Commons having been summoned and being come with their Speaker, the Honourable the Deputy of His Excellency the Governor General was pleased to give Royal Assent to the following bills:

An Act to amend the Bank Act and the Quebec Savings Banks Act.

An Act to incorporate Evangelistic Tabernacle Incorporated.

An Act to authorize the construction of a bridge across the St. Croix River between the Province of New Brunswick and the State of Maine.

An Act to amend the Judges Act.

An Act to amend the Admiralty Act.

The Honourable Lucien Lamoureux, Speaker of the House of Commons, then addressed the Honourable the Deputy of His Excellency the Governor General as follows:

May it please Your Honour:

The Commons of Canada have voted certain supplies required to enable the Government to defray the expenses of the public service.

In the name of the Commons, I present to Your Honour the following bills:

An Act for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1967.

An Act for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1966.

The Honourable the Deputy of His Excellency the Governor General was pleased to give the Royal Assent to the said bills.

The House of Commons withdrew.

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

The sitting of the Senate was resumed.

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

THE SENATE

Tuesday, May 3, 1966

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

Prayers.

CANADIAN MOTHER OF THE YEAR

GUEST IN SPEAKER'S GALLERY

Hon. Josie D. Quart: Mr. Speaker, may I have permission to call to the attention of honourable senators the presence in the south gallery of Madame Jeanne-Pauline Beaulieu who has been chosen as the Canadian Mother of the Year by winning the annual contest sponsored by the Florists Transworld Delivery Association.

Madame Beaulieu is lovingly called "Smiling Mummy" by her Grade IX young adult students. As you will see, she is smiling even in the gallery.

The 52-year-old mother of three tall sons lives in the small village of Rivière la Madeleine on the top of the Gaspé Peninsula, in eastern Quebec. Her husband Gerard operates a family store in this community, and Jeanne-Pauline helps out occasionally in the store but most of the time she is busy mothering other people's children. Over the years she has cared for 32 youngsters, and has picture galleries in her home showing some of these children at work and play in the isolated community of Madeleine.

When Madame Beaulieu is not mothering or acting as hostess to travellers, guests or family at her large horseshoe-shaped dining table, she is active as president of the local Desjardins Credit Union and is an official of the Economic Development Council of Eastern Canada. Other organizations for which she works are the Farmers' Wives Association, the local recreation committees and the District Advisory Committee on Tourism.

Madame Beaulieu was nominated for the award by the 30 students in her Grade IX night school class. Besides teaching young adults who have now gone back to school, she has acted as hostess on interprovincial student exchange programs where teenagers from English-speaking Canada learn French during the summer months in her Gaspé home.

She will receive an award-winning scroll engraved in French; a flower-of-the-month arrangement delivered to her door for each of the following twelve months; and she may send a duplicate of a specially designed Mother's Day bouquet to anyone she selects.

On May 6 an additional treat is in store for Madame Beaulieu when she is escorted to Montreal for a meeting with His Worship Mayor Jean Drapeau. She will meet Expo directors, be presented with an Expo gold pin and have lunch at the Helene de Champlain Restaurant at Expo.

The judges for the 1966 Canadian Mother were Mr. Jack Passmore, Canadian Director of the Florists' Transworld Association, the Honourable Judy LaMarsh, Senator Elsie Inman, Mrs. Grace MacInnis, M.P., Mrs. Margaret Rideout, M.P., and Mrs. J. J. Greene, wife of the Minister of Agriculture. Mrs. Philip Gaglardi, the wife of British Columbia's Minister of Highways, was also one of the judges.

Selecting the most unique mother in Canada was a tough job. Four hundred and eighty-six nominations were submitted from every corner of the nation. In making their choice, the judges found in Madame Beaulieu a mother who was felt to embody the essence of motherhood, with a loving concern for all children as well as her own. She is a mother who has broad horizons, not confined to one group, organization or locality. Madame Beaulieu will be paid tribute not only for doing things for people, and especially children, but for putting them in a position to do something for themselves.

[*Translation*]

Mrs. Beaulieu has taught handicapped children. She has also set up courses for adults which are still given today. Her pupils' ages range from 14 to 50. She teaches French, sociology and sciences.

Mrs. Beaulieu likes photography, fishing, the open air and picnics. She says that if she had a lot of money she would build a big house for orphans. It is the dream of her life.

[*Text*]

During her visit to Ottawa Mrs. Beaulieu was received by Madame Vanier, Mrs. Pearson and Mrs. Diefenbaker. I think she went to see the Prime Minister, and she met many cabinet ministers, senators and members of the House of Commons, and Mayor Reid. Sitting proudly beside her in the gallery is the Member of Parliament for Gaspé, Mr. J. R. Keays.

Congratulations, Mrs. Beaulieu.

RESTAURANT OF PARLIAMENT

REPORT OF AUDITOR GENERAL TABLED

The Hon. the Speaker tabled:

Report of the Auditor General of Canada to the Honourable the Speaker of the Senate and the Honourable the Speaker of the House of Commons on the examination of the accounts and financial transactions of the Parliamentary Restaurant for the year ended October 31, 1965.

CONSUMER CREDIT

JOINT COMMITTEE—CHANGE IN COMMONS MEMBERS

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons stating that the name of Mr. Irvine had been substituted for that of Mr. Hales on the Joint Committee on Consumer Credit.

BILLS OF EXCHANGE ACT

BILL TO AMEND—COMMONS AMENDMENT CONCURRED IN

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons returning Bill S-14, to amend the Bills of Exchange Act, and acquainting the Senate that they have passed this bill with the following amendment, to which they desire the concurrence of the Senate:

Page 2, Line 37. Insert new clause 4 as follows:

4. Section 165 of the said Act is amended by adding thereto the following subsection:

(3) Where a cheque is delivered to a bank for deposit to the credit of a person and the bank credits him with the amount of the cheque, the bank acquires all the rights and powers of a holder in due course of the cheque.

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

Hon. Eric Cook: Honourable senators, I move, with leave, that the amendment be concurred in now.

Hon. Mr. Burchill: Should we not have some explanation of the amendment?

Hon. Mr. Brooks: I think we should have an explanation.

Hon. Mr. Connolly (Ottawa West): Yes. Senator Cook will give an explanation now.

Hon. Mr. Cook: Honourable senators, this amendment, which is a very simple one, was requested by the banks in order to overcome difficulties which arise from the now very general custom in the banking system of depositing cheques without the payee first endorsing the cheque.

Until recently, any holder of a cheque who wished to deposit it to his account had to endorse the cheque, and so upon payment thereof the bank became a holder in due course. Accordingly, if the cheque was dishonoured, the bank had the right to recover from the payee as well as from the maker of the cheque. However, in order to facilitate business, the custom of depositing cheques by writing thereon the words "For Deposit" or "Deposit only to the credit of the payee", without actually endorsing the cheque, has become very widespread.

In 1962, in a case before the Alberta Supreme Court, the court decided that this was a restricted endorsement and, in these circumstances, the bank acts only as an agent, and therefore has no recourse whatsoever against the drawer of the cheque.

There is, of course, no reason why a bank should be in a less favourable position in cases where it negotiates a cheque which is marked "For Deposit" or "For deposit only to the credit of the payee", than the bank is when it pays a cheque which has been duly endorsed.

All that the amendment does, therefore, is to put this particular type of business transaction into the same category as it would be in if the holder had in fact endorsed the cheque.

In view of the fact that the amendment is not a contentious one, I do not ask that it be sent to committee, unless of course any senator desires otherwise.

Hon. A. J. Brooks: Honourable senators, I do not see why there should be any objection to this amendment. Probably most of us have seen it only since returning from the recess. However, I have read the report of the Standing Committee on Finance, Trade and Economic Affairs of the other place, and also the evidence of Mr. Elderkin, and it is quite clear to me, as I am sure it is to everyone, that this is a necessary amendment, and therefore there should be no objection to concurring in it.

Amendment concurred in.

AGRICULTURAL AND RURAL DEVELOPMENT ACT

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-152, to amend the Agricultural Rehabilitation and Development Act.

Bill read first time.

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

Motion agreed to.

AERONAUTICS ACT

BILL TO AMEND—FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-153, to amend the Aeronautics Act.

Bill read first time.

Hon. John J. Connolly moved that the bill be placed on the Orders of the Day for second reading on Thursday next.

Motion agreed to.

CANADIAN NATIONAL RAILWAY BILL

CONSTRUCTION OF BRANCH LINE NEAR BRUCE LAKE, DISTRICT OF KENORA—FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-165, respecting the construction of a line of railway in the Province of Ontario by Canadian National Railway Company from the vicinity of Amesdale on the Redditt subdivision of the Canadian National Railway in a north northwesterly direction for a distance of approximately 68 miles to a point in the vicinity of Bruce Lake, in the District of Kenora.

Bill read first time.

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

Motion agreed to.

FISHERIES DEVELOPMENT BILL

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-145, to provide for the development of the commercial fisheries of Canada.

Bill read first time.

Hon. John J. Connolly moved that the bill be placed on the Orders of the Day for second reading on Thursday next.

Motion agreed to.

FARM CREDIT ACT

BILL TO AMEND—FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-171, to amend the Farm Credit Act.

Bill read first time.

Hon. John J. Connolly moved that the bill be placed on the Orders of the Day for second reading on Thursday next.

Motion agreed to.

SCIENCE COUNCIL OF CANADA BILL

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-149, to provide for the establishment of a Science Council of Canada.

Bill read first time.

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

Motion agreed to.

CANADA-UNITED KINGDOM INCOME TAX AGREEMENT BILL, 1966

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-154, to implement an agreement between Canada and the United Kingdom for the avoidance of double taxation with respect to taxes on certain classes of income and to implement a supplementary income tax agreement between Canada and Sweden.

Bill read first time.

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

Hon. John J. Connolly: Honourable senators, with leave of the Senate, I move that this bill be placed on the Orders of the Day

for second reading at the next sitting of the Senate.

I may say that while I am asking that some of these bills be placed on the Orders of the Day for second reading at the next sitting, it does not necessarily follow that they will all be dealt with tomorrow. I feel however that it would be better to have them on the Order Paper so that honourable senators who wish to speak on them when they come to be dealt with will be in a position to do so.

Motion agreed to.

PUBLIC SERVICE

PROPOSED JOINT COMMITTEE

The Hon. the Speaker: Honourable senators, I have the honour to inform the Senate that the following message has been received from the House of Commons:

> Resolved: That a Joint Committee of the Senate and House of Commons be appointed to enquire into and report upon a measure respecting employer and employee relations in the Public Service of Canada and upon such other related legislation as may be referred to it by either House; that twenty-four members of the House of Commons, to be designated at a later date, be members of the joint committee, and that standing order 67(1) of the House of Commons be suspended in relation thereto; that the said committee have power to call for persons, papers and records and examine witnesses; to report from time to time and to print such papers and evidence from day to day as may be deemed advisable, and that standing order 66 be suspended in relation thereto; and that a message be sent to the Senate requesting that House to unite with this House for the above purpose, and to select, if the Senate deems it advisable, some of its members to act on the proposed joint committee.
>
> Ordered: That a Message be sent to the Senate requesting Their Honours to unite with this House for the above purpose, and to select, if the Senate deems it so advisable, some of its Members to act on the proposed Joint Committee.
>
> Attest.
>
> Léon-J. Raymond,
>
> The Clerk of the House of Commons.

Honourable senators, when shall this message be taken into consideration?

Hon. John J. Connolly: I move that the message be taken into consideration at the next sitting.

Motion agreed to.

DOCUMENTS TABLED

Hon. John J. Connolly tabled:

Aide Memoire, dated March 29, 1966, received from the Government of France with reference to the North Atlantic Treaty Organization. (English and French texts).

Report on the Activities of the National Energy Board for the year ended December 31, 1965, pursuant to section 91 of the National Energy Board Act, chapter 46, Statutes of Canada, 1959. (English and French texts).

Report of Proceedings under the Trans-Canada Highway Act for the fiscal year ended March 31, 1965, pursuant to section 9 of the said Act, chapter 269, R.S.C., 1952. (English and French texts).

Report dated March 8, 1966, of the Restrictive Trade Practices Commission, under the Combines Investigation Act, in the matter of an Inquiry relating to the distribution and sale of Mary Maxim Knitting Wool, Patterns and Accessories thereof in Canada. (English and French texts).

Report of the Department of Defence Production for the year ended December 31, 1965, pursuant to section 34 of the Defence Production Act, chapter 62, R.S.C., 1952. (English and French texts).

Report of Eldorado Mining and Refining Limited and its subsidiary, Eldorado Aviation Limited, including their Accounts and Financial Statements certified by the Auditor General, for the year ended December 31, 1965, pursuant to sections 85(3) and 87(3) of the Financial Administration Act, chapter 116, R.S.C., 1952. (English and French texts).

Report of the Northern Transportation Company Limited, including its Accounts and Financial Statements certified by the Auditor General, for the year ended December 31, 1965, pursuant to sections 85(3) and 87(3) of the Financial Administration Act, chapter 116, R.S.C., 1952. (English and French texts).

Report of Operations under the Bretton Woods Agreements Act (International Monetary Fund, International Bank for Reconstruction and Development, and

International Finance Corporation) and Report of Operations under the International Development Association Act, for the year ended December 31, 1965, pursuant to section 7 of the first-mentioned Act, chapter 19, R.S.C., 1952, and section 5 of the latter Act, chapter 32, Statutes of Canada, 1960. (English and French texts).

Capital and Operating Budgets of the Canadian National Railways for the year ending December 31, 1966, pursuant to section 37 of the Canadian National Railways Act, chapter 29, Statutes of Canada, 1955, together with a copy of Order in Council P.C. 1966-645, dated April 5, 1966, approving same. (English and French texts).

Report of the Department of Labour for the fiscal year ended March 31, 1965. (English and French texts).

Report on Prairie Farm Rehabilitation and Related Activities for the fiscal year ended March 31, 1965, pursuant to section 12 of the Prairie Farm Rehabilitation Act, chapter 214, R.S.C., 1952. (English and French texts).

Report of Agreements made under the Agricultural Products Co-operative Marketing Act for the fiscal year ended March 31, 1966, pursuant to section 7 of the said Act, chapter 5, R.S.C., 1952. (English and French texts).

Statutory Orders and Regulations published in the *Canada Gazette*, Part II, of Wednesday, April 13, 1966, pursuant to section 7 of the Regulations Act, chapter 235, R.S.C., 1952. (English and French texts).

Report of the Canadian Corporation for the 1967 World Exhibition, including its Statements of Accounts and the Report of the Auditor General of Canada and the Quebec Provincial Auditor thereon, for the year ended December 31, 1965, pursuant to section 18 of the Canadian Corporation for the 1967 World Exhibition Act, chapter 12, Statutes of Canada 1962-63, as amended 1963. (English and French texts).

Report, dated February 16, 1966, of the Restrictive Trade Practices Commission, under the Combines Investigation Act, relating to the production, manufacture, sale and supply of ready-mixed concrete in Windsor, Ontario. (English and French texts).

Report of the Canadian National Railways for the year ended December 31, 1965, pursuant to section 40 of the Canadian National Railways Act, chapter 29, Statutes of Canada, 1955. (English and French texts).

Report of the Canadian National Railways Securities Trust for the year ending December 31, 1965, pursuant to section 17 of the Canadian National Railways Capital Revision Act, chapter 311, R.E.C., 1952. (English and French texts).

Report of the Dominion Bureau of Statistics for the fiscal year ended March 31, 1965. (English and French texts).

Order in Council P.C. 1966-577, dated March 29, 1966, authorizing under section 21A of the Export Credits Insurance Act, long-term financing by the Export Credits Insurance Corporation for the sale by The Dominion Road Machinery Co. Limited, Goderich, Ontario, of 180 road graders and spare parts to Direccion Provincial de Vialidad de Santa Fe, Santa Fe, Argentina, pursuant to section 21B of the said Act, chapter 105, R.S.C., 1952, as amended 1960-61. (English text).

Report and Financial Statements of the Export Credits Insurance Corporation certified by the Auditor General, for the year ended December 31, 1965, pursuant to sections 17(3) and 18 of the Export Credits Insurance Act, chapter 105, and sections 85(3) and 87(3) of the Financial Administration Act, chapter 116, R.S.C., 1952. (English and French texts).

Report of The Seaway International Bridge Corporation, Ltd., for the year ended December 31, 1965, certified by the Auditor General, pursuant to section 85(3) and 87(3) of the Financial Administration Act, chapter 116, R.S.C., 1952. (English and French texts).

Report of the Cornwall International Bridge Company, Limited, for the year ended September 30, 1965, certified by the Auditor General, pursuant to sections 85(3) and 87(3) of the Financial Administration Act, chapter 116, R.S.C., 1952. (English and French texts).

Report of the Northern Ontario Pipe Line Crown Corporation, including its Accounts and Financial Statement certified by the Auditor General, for the year ended December 31, 1965, pursuant

to sections 85(3) and 87(3) of the Financial Administration Act, chapter 116, R.S.C., 1952. (English and French texts).

Report on the Operations of the Canadian Wheat Board for the Crop Year ended July 31, 1965, certified by the Auditors, pursuant to section 7(2) of the Canadian Wheat Board Act, chapter 44, R.S.C., 1952. (English and French texts).

Order in Council P.C., 1966-710, dated April 22, 1966, authorizing under section 21 of the Export Credits Insurance Act, contracts of insurance by the Export Credits Insurance Corporation for the sale by Canadair Limited of 20 CL-41G5 jet trainer tactical aircraft and spare parts to the Royal Malaysian Air Force, pursuant to section 21B of the said Act, chapter 105, R.S.C., 1952, as amended 1960-61. (English text).

Report on the Operations under Part II of the Export Credits Insurance Act, for the fiscal year ended March 31, 1966, pursuant to section 27 of the said Act, chapter 105, R.S.C., 1952. (English and French texts).

Statutory Orders and Regulations published in the *Canada Gazette*, Part II, of Wednesday, April 27, 1966, pursuant to section 7 of the Regulations Act, chapter 235, R.S.C., 1952. (English and French texts).

Capital Budget of the Farm Credit Corporation for the fiscal year ending March 31, 1967, pursuant to section 80(2) of the Financial Administration Act, chapter 116, R.S.C., 1952, and a copy of Order in Council P.C. 1966-704, dated April 21, 1966, approving same. (English and French texts).

Copy of an Agreement between the Government of Canada and the Government of the Province of Newfoundland for the use or employment of the Royal Canadian Mounted Police, pursuant to section 20(3) of the Royal Canadian Mounted Police Act, chapter 54, Statutes of Canada, 1959. (English text).

PRIVATE BILL

LAURIER LIFE INSURANCE COMPANY—FIRST READING

Hon. Jacques Flynn presented Bill S-27, to incorporate Laurier Life Insurance Company.

Bill read first time.

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

Motion agreed to.

DIVORCE

REPORTS OF COMMITTEE PRESENTED

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the committee's reports Nos. 449 to 498, inclusive, and moved that the said reports be taken into consideration at the next sitting.

Motion agreed to.

DUTCH ELM DISEASE

REVIEW OF CONTROL MEASURES AND CURRENT RESEARCH

Hon. John J. Connolly: Honourable senators, on March 10 last Senator Roebuck referred to the regrettable loss of many of Canada's stately elms through the ravages of the Dutch elm disease, and he asked what steps the Government of Canada is taking to control this dangerous disease.

The Department of Forestry informs me that that department is undertaking a comprehensive program of surveys and research on the Dutch elm disease. It has been demonstrated that control measures involving the removal of diseased and dead trees and spraying of healthy trees with insecticides such as D.D.T. and Methoxychlor can keep losses to acceptable levels.

However, it is unlikely that the disease can ever be completely eradicated, as it is now well established over extensive areas of Canada and the United States. Under these conditions, it is impossible to remove all sources of infection. In cities and towns where the current recommended programs of sanitation and application of insecticides have been rigidly applied, losses have been reduced to tolerable levels. The example given is that of Fredericton, New Brunswick.

The department is assisting in these programs by providing technical guidance in methods and procedures of disease control. Extensive continuing surveys are being carried out to define the limits and seriousness of the disease and to provide other information essental for the development of timely and effective control operations. The department also provides a diagnostic service so that occurrence of the disease in suspect trees may be confirmed before expensive felling operations are undertaken.

Intensive research is in progress to find improved measures for control. This research includes studies on how the disease develops in infected trees, on chemotherapy, and on the development of elms that will remain resistant to the disease.

This is a disease of foreign origin and therefore comes under quarantine regulations administered by the Plant Protection Division of the Department of Agriculture. Officers of the Department of Forestry co-operate fully with the Plant Protection Division in the exchange of information leading to appropriate quarantine regulations.

In addition, the Department of Forestry has provided me with a copy of its Bi-monthly Progress Report for July-August, 1964. The whole issue is devoted to a review of the Dutch elm disease, and at the conclusion of my remarks I shall table this document in order that it will be available to honourable senators who are interested in this matter.

I might add that recently a new technique has been developed at the University of Guelph which is believed to hold some promise. It involves isolating the affected trees by insulating their roots from the roots of other trees which might become affected. It is a further step towards control which is so greatly desired.

I now table:

> Bi-monthly Progress Report of the Forest Entomology and Pathology Branch of the Department of Forestry for July-August, 1964, containing A Review of the Dutch Elm Disease. (English text).

Hon. Arthur W. Roebuck: Honourable senators, may I have the indulgence of the house to congratulate the Leader of the Government and those who have co-operated with him in making this very satisfactory report.

Although I have no special knowledge of the subject, I do not entirely agree that it is impossible to eradicate the disease, because I am under the impression that as chemical progress is made in this matter some method will be found of medicating the sap of these trees to protect them against the attack of the beetle, worm, infection, or whatever it might be.

I am much more optimistic than these gentlemen who have been trying for so long and perhaps experiencing many disappointments. I wish them success in their further investigations and urge them to continue the good work they are doing.

Hon. Mr. Brooks: Is the federal Government bearing the entire cost, or are the provinces assisting in this work?

Hon. Mr. Connolly (Ottawa West): I am not positive, but I believe it is a joint program. I will make inquiries on this point.

Hon. Mr. Brooks: This is similar to the work being done to combat the spruce budworm?

Hon. Mr. Connolly (Ottawa West): Exactly. You refer to the aerial work being done in New Brunswick?

Hon. Mr. Brooks: Yes.

Hon. Mr. Connolly (Ottawa West): I will make specific inquiries and inform the honourable leader.

Hon. Mr. Vien: Honourable senators, I move that the document which the Leader of the Government has just tabled be printed as an appendix to our *Debates*.

Hon. Mr. Connolly (Ottawa West): That will be satisfactory, if honourable senators so desire.

Hon. Senators: Agreed.

[*Later:*]

Hon. John J. Connolly: Honourable senators, earlier this evening the Senate made an order that the pamphlet I used in answering Senator Roebuck's question on Dutch elm disease be printed as an appendix to *Hansard*. Since that time the Debates Branch have had an opportunity of examining this document and inform me there are technical difficulties involved in reproducing the pamphlet in tonight's *Hansard*. Apparently the illustrations present some difficulty. Therefore, some other method will be devised in order to make the pamphlet available. I would therefore ask honourable senators to change their previous order, and I shall make an announcement tomorrow as to what can be done in this matter.

Hon. Senators: Agreed.

DIVORCE (EXTENSION OF GROUNDS) BILL

SECOND READING—ORDER STANDS

On the Order:

Resuming the debate on the motion of the Honourable Senator Roebuck, second-

ed by the Honourable Senator Croll, for second reading of Bill S-19, intituled: "An Act to extend the grounds upon which courts now having jurisdiction to grant divorces *a vinculo matrimonii* may grant such relief". (Honourable Senator Croll).

Hon. Mr. Roebuck: Honourable senators, Senator Croll is not present. I understand that Senator Grosart intends to speak, and if he is ready he might do so now provided it stands in Senator Croll's name for the next sitting.

Hon. Senators: Agreed.

Hon. Mr. Grosart: I am in the hands of honourable senators as to whether I proceed now or adjourn the debate until tomorrow.

Some Hon. Senators: Adjourn the debate.

Hon. Mr. Grosart: I take it that is the consensus, and would ask that the order stand.

Order stands.

PRIVATE BILL

THE EXCELSIOR LIFE INSURANCE COMPANY—SECOND READING

Hon. T. D'Arcy Leonard moved the second reading of Bill S-26, respecting The Excelsior Life Insurance Company.

He said: Honourable senators, this bill does not fall into the usual category of bills incorporating federal life insurance companies, but I shall endeavour to make my explanation as brief as possible, even though it is of a somewhat different category.

The Excelsior Life Insurance Company is at present a provincially incorporated company. It was incorporated in 1889 under the laws of the Province of Ontario and it was first licensed with the federal Department of Insurance in 1897. It is the twelfth largest insurance company in Canada and has over $1 billion of insurance in force. It is one of only four provincial life insurance companies registered with the federal Department of Insurance under Part IX of the Canadian and British Insurance Companies Act.

As a provincial company registered under the federal act it is subject to most of the provisions of the federal act as if it were a federal company; at the same time, it is subject to the provisions of the Ontario Corporations Act, and certain of these respective provisions overlap and cause conflict between the two jurisdictions. This dual jurisdiction has resulted in some hardship and inconvenience in several areas.

Without going into those in detail, I might mention that there are differences between the investment powers under the two acts; there are differences between the forms of the annual statements; and there are differences with respect to the separation of the funds of the company for its various classes of insurance.

The company is licensed for life, personal accident, and sickness insurance; it carries on business in all provinces of Canada, and is an affiliate of the Aetna Life Insurance Company.

Because of certain difficulties, because of its dominion-wide character, and for other reasons, the company now desires to give up its charter as a provincial company and become a federal corporation.

The Ontario Department of Insurance has at all times been most co-operative in its supervision of the affairs of the company, and in the result the company has, in effect, been treated as if it were a federally incorporated company. I should point out that the Ontario Department of Insurance and the Ontario Government are co-operating in connection with this application.

Having decided to become a federally incorporated company, one possible method of accomplishing this was to incorporate a new federal company of the same name, to sell or transfer the assets and liabilities of the provincial company to the new federal company, and then terminate the existence of the provincial company. The petitioners state that this method is not practical or feasible in view of the size of the assets. There are close to 200,000 policyholders, and the transfer of so many policies to the new company is said to be not feasible. There are mortgage loans aggregating $68 million, all of which would have to be transferred to the new corporation, and as well $3 million of marketable securities.

In order to overcome these difficulties this bill provides in clause 1 that the existence of the company is continued under its present name, and is deemed to be a company incorporated by special act of the Parliament of Canada. As all lawyers, and probably others, will recognize, in order to accomplish this purpose it is not only necessary to pass a federal act to that effect but it is also necessary that the province of Ontario legislate to

the same effect. Accordingly, a bill was passed by the Ontario Legislature and received Royal Assent on April 6 last, authorizing and implementing the intention of this bill by continuing the existence of the Excelsior Life Insurance Company as a federal company. Subsequent to the Royal Assent, all the necessary corporate action to bring about the continuance of the company's existence as a federal company has been taken.

The method of procedure has received careful legal consideration, in the first instance, by the solicitors for the company itself—a firm of considerable eminence in the legal profession. It was then referred by the Superintendent of Insurance to the Department of Justice, and the bill in its present form was settled by the Department of Justice, the solicitors and the Department of Insurance. It has also received the approval of the Law Clerk of the Senate.

Without going into the other clauses of the bill I would simply say that they are self-explanatory and are for the purpose of carrying out the intention of clause 1.

If the bill receives second reading, I shall move that it be referred to the Standing Committee on Banking and Commerce.

Hon. Allister Grosart: May I ask Senator Leonard a question? Is there a precedent in the business of insurance, trust companies, banking and other fields, of a provincially incorporated company making application for federal incorporation?

Hon. Mr. Leonard: Honourable senators, in answer to Senator Grosart's question—which is very apt and pertinent, and is the first question I asked when I was requested to sponsor this bill—I will say that I was told that there is a precedent going back some years. Honourable senators may recall that a few years ago we passed a bill to amalgamate The Canada Permanent Trust Company, which was a federally incorporated company, and The Toronto General Trusts Corporation, which was a provincially incorporated company, and to carry on the amalgamated company as a federally incorporated company.

That bill passed the Parliament of Canada, and similarly an implementing bill was passed by the Legislature of the Province of Ontario, which made it possible for The Toronto General Trusts Corporation to amalgamate and merge with and become part of the new federally incorporated company.

Having said that, I still think that the best way to deal with the honourable senator's question is to have the solicitors for the petitioners, and anybody else who is necessary, appear before the Standing Committee on Banking and Commerce. I repeat, however, that it is my understanding that this has received all the legal approval necessary, and that there is at least some precedent for it.

Hon. A. K. Hugessen: Honourable senators, perhaps I may be allowed to say a word on this question. There is a very old precedent for this that I ran into in my own practice some years ago. It was a case, I think, of the Quebec Railway, Light and Power Company which was formed by an act passed by the provincial legislature in the late eighties of the last century, and then two or three years later this Parliament passed an act converting that company into a federal company with the same rights and powers.

There is one question I should like to ask my honourable friend who introduced this bill. As a matter of interest, in respect to clause 9 of the bill, what is special about the date of the 4th day of May, 1910? Clause 9 reads:

> The Canadian and British Insurance Companies Act shall apply to the Company as if the Company had been incorporated by special Act of the Parliament of Canada passed after the 4th day of May, 1910.

What is the significance of that date?

Hon. Mr. Leonard: Honourable senators, I must admit that I am not at all sure of the proper answer to that question. Perhaps Senator McCutcheon may be able to throw some light on it. I have it in my own mind that under the Canadian and British Insurance Companies Act that date has relevance to the provisions of that act with respect to companies incorporated before or after that date. I think it is only to bring this company in line with what may be the general provisions of the act which took effect as of May 4, 1910.

Hon. M. Wallace McCutcheon: I agree with what Senator Leonard has said. The act is of long standing, but there were amendments at that date following the investigation of the Armstrong Commission in New York. Substantial revisions were made to the act, which were to some extent retroactive to companies previously incorporated and which applied to all new companies. This clause makes those provisions applicable to this company, although substantially they have always been applicable by reason of the federal licence

which this company has always had. However, this will make it abundantly clear that those provisions are applicable to it.

Hon. Arthur W. Roebuck: May I presume that the Ontario legislation will be laid before the committee to which this bill will be referred? That legislation is not before us at the present moment.

Hon. Mr. Leonard: I agree with what Senator Roebuck has said. I have in my file a copy of the act, and copies will be made available to the members of the committee for the purpose of their consideration.

Hon. Mr. Roebuck: Thank you.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Leonard, bill referred to the Standing Committee on Banking and Commerce.

ELECTORAL BOUNDARIES READJUSTMENT ACT

BILL TO REPEAL—WITHDRAWN

The Senate resumed from Tuesday, March 29, the adjourned debate on the motion of Hon. Mr. Pouliot for the second reading of Bill S-22, to repeal the Electoral Boundaries Readjustment Act.

Hon. John J. Connolly: Honourable senators, after Senator Pouliot spoke to this measure I asked the Whip (Hon. Mr. Beaubien, Provencher) to ascertain if any other honourable senator wished to speak and, if not, whether he would be good enough to adjourn the debate on my behalf. I should like to speak in this debate at this time, and I shall be grateful to the Senate if I am permitted to do so.

Hon. Senators: Agreed.

Hon. Mr. Connolly (Ottawa West): Honourable senators, the act sought to be repealed is chapter 31 of 13 Elizabeth II, which was assented to on November 20, 1964. The original bill was debated in this chamber on November 19, 1964.

At the time second reading was called there was no vote; in fact, the bill did not go to committee. I wish to refer to a few statements that were made at that time.

The sponsor of the bill was Senator Power, the father of this Parliament. He said, as appears at page 1080 of the Senate *Hansard*:

> —The aim and object of it is that Parliament dispense with the function, which since Confederation it has exercised, of allocating the boundaries of ridings within each province, and hand over to bodies of a less partisan nature the duty of making this redistribution. Generally speaking, I think this object meets with pretty general agreement and even with a substantial measure of acclaim.

The Leader of the Opposition, the honourable Senator Brooks, at page 1083, said, among other things:

> —This, I am sure, is a great accomplishment in respect of a measure of this kind. It was brought about by the determination on the part of all members of the House of Commons to produce as far as possible a redistribution bill that was as fair and non-political as possible.

Senator Flynn, at page 1085, said:

> We are in agreement with the three main principles involved in this bill, the first being to put an end to gerrymandering which has taken place in previous redistributions; the second, to keep for Parliament, and especially for the House of Commons, a certain control over this problem of redistribution; the third, to apply as far as feasible the principle of equal representation for every vote.

Senator Crerar, the senior member of the Canadian Privy Council said, at page 1086:

> Without any question, this measure is a march forward—

In due time, after the bill received the Royal Assent, the commissions provided for were set up. They have since reported to the Speaker of the House of Commons, and as required by section 20 of the bill certain objections from members have been filed. The debate to follow upon those objections has already commenced. I do not think it has concluded as yet. In due time the reference will be made to the commissions to consider the views which are expressed by the members of the House of Commons pursuant to section 21 of the act. After that has taken place, the representation orders will follow in accordance with the provisions of section 22 of the act.

I am informed that there are some 27 objections that have been registered in the House of Commons, each of which must be supported by not less than 10 members.

Obviously some have signed more than one objection. I understand that 158 members have signed objections. For the 27 objections

obviously there should be 270. Therefore, a good proportion of members have registered objections, of varying degrees of importance, I assume, to certain decisions that have been taken by the commissions.

I can understand the concern that the sponsor of the bill (Hon. Mr. Pouliot) has expressed about the disappearance of historic constituency names, and I hope this factor will be considered seriously and favourably by the commissions when they review material placed before them as a result of the debate in the other place.

I can only add that while some of the provisions do not satisfy the sponsor of the bill, obviously some of the findings do not satisfy a great many members of the other place, which is primarily concerned with this measure. No doubt that is true of any bill. I do not think politics has ever been described as a process to produce perfection, and I am sure that none of us feels that measures that come before us here are by any means perfect.

I think this is essentially a matter for the House of Commons. It is a test of a new method, and in view of the expression of opinion that has been given in this house I feel that it should be given a fair trial.

When amendments are to be considered by Parliament, I would think that the views that the honourable senator has placed upon the record should form part of the record to be considered by a Government that will propose further changes to improve the legislation.

Personally, I regret that I must take the stand that I do, in view of my regard for the sponsor of the bill (Hon. Mr. Pouliot). However, as a member of the Government, if for no other reason, I cannot support the proposal he makes, and I ask honourable senators not to approve the measure.

The Hon. the Speaker: Honourable senators, it has been moved by the Honourable Senator Pouliot, seconded by the Honourable Senator Cook, that this bill be now read the second time. Is it your pleasure to adopt the motion?

Some Hon. Senators: No.

Hon. Mr. Connolly (Ottawa West): No.

Hon. Jean-François Pouliot: Honourable senators, for the reasons which have been mentioned by the Leader of the Government in this house, and on account of the fact that the majority of the members of the House of Commons do not seem to be interested in repealing the redistribution legislation—they shall remain with a rope around their necks to be led by a civil servant, where, nobody knows—I ask you for leave to withdraw the bill.

The Hon. the Speaker: Honourable senators, has the honourable Senator Pouliot leave to withdraw this bill?

Hon. Senators: Agreed.

Bill withdrawn.

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY—DEBATE CONTINUED

The Senate resumed from Wednesday, March 23, consideration of His Excellency the Governor General's speech at the opening of the session, and the motion of Hon. Mr. McDonald, seconded by Hon. Mr. Gouin, for an address in reply thereto.

Hon. Azellus Denis: Honourable senators, the best part of my speech, for those who are Canadiens hockey team fans, is that I may announce to them that the present score of the Stanley Cup game is three to nothing for Canadiens over Detroit. That is the best part of my speech.

[*Translation*]

Honourable senators, having neither the talent, voice nor wind of some of my colleagues, I will not be able to speak to you as long as they often do.

Although I am late in doing so, I wish to join with all those who spoke before me and extend my respect and best wishes to our new Speaker. Moreover, I want to insist here on his efforts to learn French, efforts all the more commendable because it is hard to learn a new language when one is a little over forty.

The movers of the Address in reply to the Speech from the Throne deserve our most sincere congratulations as much for their constructive remarks as for the way they expressed them.

I also extend my respect and wishes to both leaders of the house of whom we are proud, but in particular to the government house leader about whom we worried a lot during his temporary absence and who is now fully recovered to the great relief of us all.

I extend the warmest welcome to the new colleagues who have joined us. They are all highly qualified to fulfil the important task which is entrusted to them.

[*Text*]

Honourable senators, in the Speech from the Throne, I read the following:

> A measure will be placed before you to provide for the re-organization of certain departments of government, in order to adapt the structure of administration to new and changing conditions and so better meet the needs of our people. The purpose of this re-organization is to provide for closer and better co-ordinated action in the following areas of public policy...

And amongst these areas I read, a little further down:

> —the problems of corrections and crime, particularly in regard to the effective co-ordination of police services and intelligence in combatting organized crime.

[*Translation*]

Honourable senators, there is a problem which is as serious as it is alarming, for it has to do with the protection of society, not only its property, but what it holds dearest, that is the life of its members.

The debate on capital punishment, recently ended, lasted until speakers and arguments were exhausted. However, I want to commend the Government on its determination to continue its fight against crime, in all its aspects, and to reduce to a minimum the loss of innocent lives which we all deplore.

But I want, first of all, to express as strongly as possible my disapproval of the obnoxious forms of propaganda used by some newspapermen, radio and television commentators who, taking undue advantage of the fact that they can reach hundreds of thousands if not millions of readers and listeners, endeavoured systematically—and they are still doing so today, in the name of civilization, of social progress, of religion—to influence public opinion with a view to abolishing capital punishment, rather than placing the problem before the public in an impartial and objective fashion. That attitude, to my mind, smacks of dishonesty, of sheer cussedness, not to mention that some of them receive salaries paid out of taxes coming from citizens who in the majority favour retention of capital punishment. The sky was the limit: leading titles and sub-titles, caricatures, photographic close-ups of the gallows, the gas chamber, the electric chair, selected speakers, films or interviews, etc.—in short, a thorough brainwashing conducive to abolition of capital punishment. One newpaperman even had the unmitigated gall to upbraid a provincial Minister of Justice for having dared to express an opinion that was contrary to his own. There is similar arrogance and complacency in many other fields.

However, most of the members have preferred to turn to the experience of people who are knowledgeable in this field instead of relying on the opinion and arbitrary and personal reactions of some laymen. Thus several of them referred to the report of the joint committee of the Senate and the House of Commons established to study capital punishment, an inquiry which lasted over two years, or from 1953 to 1956.

Dozens of briefs were sent to and studied by this committee, dozens of witnesses appeared before it who, on account of their work or profession, are in a way experts on the subject or at least much more qualified than a newpaperman or a commentator. These witnesses, aside from expressing their opinions, were questioned and requestioned by the members of the committee who unanimously recommended the retention of capital punishment.

I should like to take this opportunity to congratulate most sincerely our colleagues on this committee for their fantastic work. I was pleased to see, among the members of this committee, the names of Senator Fergusson as well as Senators Aseltine, Farris, Hayden, Roebuck, Veniot and Vien, all of whom demonstrated once again the usefulness of the Senate and continue to render valuable service to their country.

Honourable senators, if it is true that in most cases murders are committed following crimes, the Government is well advised to co-ordinate its efforts with all police forces in the country to take the most appropriate measures to cope with such crimes.

The Government's intention is to co-ordinate all research, information and operating methods, as well as to uncover deficiencies to achieve a truly efficient reorganization.

Maclean's Magazine for March last, reports on the utterances of Mr. Brunet, formerly of the R.C.M.P. and, since 1960, director of the Quebec Provincial police.

Mr. Brunet says something like this about the police organization in Quebec in 1960.

> The total strength of the force was fifteen hundred men; at least five hundred more were required. . . Almost to a man, they had been appointed regardless of age, education, physique or health condition. Some had ill-kept files, others had none; some could neither read nor write. . . Several hundred had to be fired for theft, extortion or incompetence . . . Formerly, Mr. Brunet explained, almost anyone could obtain a permit to carry firearms. . . As early as 1961, over a thousand permits were cancelled.

In 1965, Mr. J. Adrien Robert, then director of the Montreal police, replaced Mr. Brunet in Quebec. And, in the same *Maclean's* magazine, Mr. Robert said:

> There is a need for 800 more policemen in Quebec.

Is the police strength in other provinces also so insufficient and so inadequate? Is firearms control neglected as it was in Quebec in 1960? I do not know. A federal-provincial conference would reveal this. Furthermore, to settle problems which are as vital as they are alarming, there should be no boundaries, and no bigotry in this country.

The present director of the Montreal police, Mr. Gilbert, decided recently to prosecute habitual criminals, with a view to social defence and rehabilitation. He quoted for instance the records of 30 habitual criminals involved in murder cases in Montreal in the last year and a half. In 17 years, in the Province of Quebec, only three accused were convicted as habitual criminals. Would it be desirable that the Canadian provinces do as the Montreal police director did? Do rehabilitated criminals go back to crime because they cannot get an honest paying job? If such is the case, should the governments take steps to cope with the situation? Those are other problems that could be settled at a round table.

Moreover, the Quebec Minister of Justice recently announced the creation of a class of police cadets, thus catching up on the organization of the R.C.M.P. and that of the Ontario provincial police. Heaven knows how many such initiatives considered together would be useful to the community.

Honourable senators, since the question is to save innocent lives, I wonder whether we should not connect with it highway tragedies, even though this problem comes rather under provincial jurisdiction.

Last year in Canada nearly 5,000 persons lost their lives as a result of highway accidents and nearly 150,000 suffered physical injuries resulting, in many cases, in the victim being crippled for the rest of his life, while damages to property amounted to more than $130 million. Is it because the laws are not severe enough or because of ignorance or inadequate enforcement of the law that these accidents take place? Is it because of a lack of supervision?

I quote here an extract of an article published in the Ottawa *Journal*—considered an excellent newspaper—we have among us a senator who contributed to its popularity. This paper, which is widely read and very serious, published in its edition of April 25 last an article entitled "Extra Police Worth Paying for". It has to do with a report of the London *Observer*.

[*Text*]

The Ottawa *Journal* reprinted an article from the Victoria *Colonist*, which said:

> Extra Police Worth Paying For
>
> The method suggested is to place more policemen on the roads, in the belief that driving behaviour improves in proportion, more or less, to their numbers. To support this theory, the *Observer* cites an actual example: "In 1938, almost 700 extra police were sent to seven police districts for road patrolling. Road deaths dropped by 180 and casualties by 5,500."

This refers to an example in Britain.

[*Translation*]

For instance, would we be narrow-minded enough to allow road signs in one language only, thus endangering the lives of drivers and others?

Discussions between the provinces could prove very useful in reducing the number of highway tragedies. Road security methods used in foreign countries should be studied for the benefit of the Canadian people. I remember that in England—where I travelled with Honourable Senator Blois with whom I got along very well, even though we disagree on political matters—in some places the road is divided not only by a painted line but also by phosphorescent dots which add to security in the dark.

The Minister of Industry, Mr. Drury, said recently that the federal Government is developing road security rules. Such information, efforts and methods will not be really effec-

tive, in my opinion, without the co-operation of all governments.

Honourable senators, I have another suggestion which could be looked into. The Canadian army already has all the means of transportation and communication of great value to any police force; members of the armed forces are clothed, fed, quartered and paid by the state, their trained personnel would require little additional training and could, without much inconvenience and at little cost, become excellent police officers or, at least, subsitute for career policemen in minor or less important duties.

If, to protect society more adequately, the governments had to double or triple their police forces, although they cannot do it due to lack of money or qualified personnel, I submit that we should study the possibility of filling the gap by using our armed forces in peace time.

On many occasions, our armed forces showed themselves highly effective in tragic moments of Canadian life, in case of fires, earthquakes, floods, forest fires, rescue operations, epidemics, etc. Why should they not be effective also to reduce to the minimum crimes and losses of life due to highway accidents as well as murders which accompany crimes?

Honourable senators, I submit that, jointly with the federal Government, the provincial governments should undertake a detailed study of organized crime and of other tragedies implying loss of life. Thus our governments would find the more suitable and more efficient methods of using the police forces of the country and, if necessary, the methods of using the valuable services of our armed forces in peace time.

Honourable senators, when thousands of human lives are at stake, the legislation must be severe and all our leaders should get together, regardless of provincial boundaries, and apply this legislation in the most adequate and efficient way.

[*Text*]

On motion of Hon. Mr. Beaubien (Provencher), debate adjourned.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, May 4, 1966

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

Prayers.

DOCUMENTS TABLED

Hon. John J. Connolly tabled:

Report of the Department of Justice Committee on Juvenile Delinquency. (English and French texts).

List of Judicial Appointments made during the period 1961 to 1965, inclusive. (English text).

He said: Honourable senators, the second of these two documents is tabled in answer to a question asked by Senator Pouliot.

PRIVATE BILLS

YORK LIFE INSURANCE COMPANY—FIRST READING

Hon. David Walker presented Bill S-28, to incorporate York Life Insurance Company.

Bill read first time.

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

Motion agreed to.

THE INTERNATIONAL SOCIETY OF ENDOCRINOLOGY—FIRST READING

Hon. Hartland de M. Molson presented Bill S-29, to incorporate The International Society of Endocrinology.

Bill read first time.

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

LEAGUE SAVINGS AND MORTGAGE COMPANY—FIRST READING

Hon. Harold Connolly presented Bill S-30 to incorporate League Savings and Mortgage Company.

Bill read first time.

Hon. Mr. Connolly (Halifax North) moved that the bill be placed on the Orders of the Day for second reading on Friday next.

Motion agreed to.

SEABOARD FINANCE COMPANY OF CANADA—REPORT OF COMMITTEE

Hon. Salter A. Hayden, Chairman of the Standing Committee on Banking and Commerce, reported that the committee had considered Bill S-21, to incorporate Seaboard Finance Company of Canada, and had directed that the bill be reported without amendment.

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

Hon. Mr. A. Hamilton McDonald moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

THE NORTH WEST LIFE ASSURANCE COMPANY OF CANADA—REPORT OF COMMITTEE

Hon. Mr. Hayden, Chairman of the Standing Committee on Banking and Commerce, reported that the committee had considered Bill S-25, to incorporate The North West Life Assurance Company of Canada, and had directed that the bill be reported without amendment.

THIRD READING

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

Hon. Arthur W. Roebuck: Honourable senators, on behalf of Senator Croll, who is not able to be present today, and with leave, I move that the bill be read the third time now.

Motion agreed to and bill read third time and passed.

DUTCH ELM DISEASE

DISTRIBUTION OF FORESTRY DEPARTMENT REPORT

On the Orders of the day:

Hon. John J. Connolly: Honourable senators, before the Orders of the Day are called, may I say that yesterday evening Senator Vien suggested that the pamphlet published by the Department of Forestry with reference to a review of the current research on Dutch elm disease be printed in *Hansard.*

From what I have been able to gather, because of certain drawings and illustrations contained in the pamphlet, it would be virtually impossible to reproduce it in *Hansard.* On that account, I have arranged that a copy of the pamphlet be placed on the desk of each honourable senator. I know this is not as

wide a circulation as it would get in *Hansard,* but at the moment this is as far as I am able to go.

[*Later:*]

Hon. John J. Connolly: Honourable senators, with leave, may I state that yesterday Senator Brooks asked if the federal Government's assistance in combatting the Dutch elm disease was in the form of a shared cost program such as that for the spruce budworm.

I am informed that while the federal and provincial governments share in the effort to eradicate Dutch elm disease, it is not on the basis of a shared cost program. The federal Government's contribution consists in providing technical and scientific information to persons and agencies carrying out control programs.

It should be noted, however, that a measure of financial assistance is available to municipalities under the Municipal Winter Works Incentive Program. The labour cost of removing diseased, dying and dead trees which have been marked by specialists for removal can be shared under this program.

With the consent of honourable senators, I would ask that this supplementary answer be placed in today's *Hansard* immediately following the earlier reference to this matter.

Hon. Senators: Agreed.

RETIREMENT OF SENATORS ACT

INQUIRY AS TO TITLE OF RETIRED SENATORS

Hon. J. Eugène Lefrançois: Honourable senators, before the Orders of the Day are called I would like to direct a question to the Leader of the Government regarding the Retirement of Senators Act.

When that measure was being considered on second reading, I remember that the question was put to the Leader of the Government as to whether a senator after retirement should keep the title "the honourable". If I remember well, the Leader replied that it was not necessary to have a clause in the bill to that effect, that an order in council would be passed by the Government and a retired senator would keep his title "The Honourable". Has any decision been made about that matter?

Hon. Mr. Connolly (Ottawa West): Honourable senators, I do remember giving this undertaking and I have fulfilled the undertaking. There will be a change in the order of precedence in Canada providing for this. It would have been done by now, but it requires approval of Her Majesty and we are awaiting that approval. The provision will be retroactive and will apply to all honourable senators who have taken advantage of the measure which we passed last year. Therefore, the answer to the question is yes.

Hon. Mr. Vien: Does this involve also the title of "senator", retired?

Hon. Mr. Connolly (Ottawa West): No, that was not a part of the provision. Undoubtedly, custom will continue to prevail. In the Table of Precedence, senators are designated as "the honourable". They are called "senators" because they are members of the Senate. I assume that they would continue to be called senators.

Hon. Mr. Vien: By courtesy or by right?

Hon. Mr. Connolly (Ottawa West): By custom.

Hon. Mr. Brooks: By precedent.

AGRICULTURAL AND RURAL DEVELOPMENT ACT

SECOND READING—DEBATE ADJOURNED

Hon. A. Hamilton McDonald moved the second reading of Bill C-152, to amend the Agricultural Rehabilitation and Development Act.

He said: Honourable senators, it is a pleasure for me to have the opportunity of moving second reading of this bill, the first Government motion I have had an opportunity to move in this chamber. I say it is a pleasure because during part of my period in another chamber I served as Minister of Agriculture and as such was responsible for the implementation of programs under ARDA in my own Province of Saskatchewan. Therefore, I am quite familiar with some of the programs that have already been brought into effect and the results that those programs have had on communities of Saskatchewan and other parts of Canada. I am also familiar with some of the weaknesses in the original legislation, in that it did not allow for some programs that most people in Canada realized ought to be implemented if we were to do all that was necessary to solve economic problems of the rural population of Canada.

Before I begin an explanation of Bill C-152, I would refer to some of the activities that preceded this legislation, and remind

honourable senators that this legislation was, in my opinion, the result or the outcropping of a committee of this chamber. I refer to the Senate Committee on Land Use. I was not a member of that committee or of this chamber at that time, but I think that all honourable senators would wish me to congratulate the members of that committee on the full and concise report they made, and the effect it had in promoting the ARDA legislation in the House of Commons.

The ARDA legislation was first passed in 1961, and at that time it had the unanimous consent of the members of the House of Commons. Since that time some $80 million has been committed for the implementation of ARDA programs across Canada.

I shall not go into detail so far as any of these programs are concerned, either in my own province or in other provinces because I know all honourable senators are well aware of the start that has been made in adjusting the income and bringing about a better use of the resources of rural areas of Canada.

In addition to the $80 million I have mentioned, a further $50 million of federal Government money has been made available for special programs across Canada, programs undertaken entirely by the federal Government. Let me repeat that while in my view some success has been achieved, this is only a beginning. When we realize that in 1961 it was estimated that there were in Canada half a million rural families with an income of $3,000 a year or less, we can understand how necessary this program was and indeed still is.

Bill C-152 provides two amendments to this legislation. As I mentioned earlier, I found that under the Agricultural Rehabilitation and Development Act it was difficult to have some programs suggested by the provincial governments accepted by the Government of Canada because in actual fact they had little if anything to do with agriculture; and it is my understanding that the Department of Justice has complained to the minister responsible for the ARDA program that some of the programs already implemented in Canada were not quite in accordance with the act.

For this reason the House of Commons has now passed this bill to amend the original act, making it possible for provincial governments to recommend programs that can be accepted by the national Government for the development of rural Canada and for increasing the standard of living of those people who live in rural Canada, through programs that are not directly associated with agriculture.

Again, if honourable senators will bear with me, I would like to refer to my own province. Perhaps some of the most serious poverty in the Province of Saskatchewan is in the northern fringe areas, areas that are populated chiefly by the native people. Because of the geographic and climatic conditions, by no stretch of the imagination could one associate the activity of the native people with agriculture, but if we are going to implement programs to improve the standard of living of rural people, then it is essential that the terms of this act be broadened to allow us to implement programs in that area of my province where, as I said a moment ago, the activities are not associated with agriculture.

It is my understanding that we have almost identical problems in virtually every province of Canada. I am thinking of areas in Newfoundland where they are many miles removed from agriculture, and yet this act ought to be made applicable to the people who live in those areas. So, the main amendment to this act is to allow the Government of Canada, in co-operation with the provinces, to implement programs in rural Canada, whether they are directly or indirectly or not associated at all with agriculture.

The second amendment deals with an advisory committee to ARDA—and I think this is again of first importance. When we were attempting to develop new programs in my own province to deal with poverty in rural Canada, I recall that we were looking for suggestions from people who lived in rural areas, from people with many years of first-hand experience who could tell us what public programs could be implemented to accomplish those things which the Government had in mind for the people living in those particular areas. So, now it is suggested that an advisory committee be made available to the minister under this act, and that the minister have the authority to provide remuneration to the members of the committee.

The advisory committee is to be composed of people who are eminently qualified to give the type of advice the minister and his departmental officials are looking for. I would refer you to the *Debates* of the House of Commons of March 31, 1966, page 3703, where the organizations are listed from which personnel have been selected to serve on this committee. They will be approximately thirty

in number. I believe this committee will help to bring the local problems to the attention of those responsible for the administration of this act.

Therefore, I feel that the two amendments before us at this time are worthy of our support, and I would hope that all honourable senators would see fit to support them. In the event that this bill receives second reading, I propose that it be referred to the Standing Committee on Banking and Commerce.

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

CANADIAN NATIONAL RAILWAY BILL

CONSTRUCTION OF BRANCH LINE NEAR BRUCE LAKE, DISTRICT OF KENORA— SECOND READING

Hon. W. M. Benidickson moved the second reading of Bill C-165, respecting the construction of a line of railway in the Province of Ontario by Canadian National Railway Company from the vicinity of Amesdale on the Redditt subdivision of the Canadian National Railway in a north north-westerly direction for a distance of approximately 68 miles to a point in the vicinity of Bruce Lake, in the District of Kenora.

He said: Honourable senators, I appreciate the opportunity afforded me by the honourable Senator Connolly (Ottawa West) to make a few remarks with respect to this bill.

This bill has already passed the House of Commons, and did so without reference to one of its committees. However, it may be the view of this chamber that we should have a committee consider it. In any event, it is a bill in form similar to many others that have been presented to you in recent years with respect to branch lines which our government-owned Canadian National Railways has thought it necessary to build and which management has represented to Government will in the long term be not only beneficial to the country but also to the balance sheet of the railway system.

I said I was privileged to introduce this bill, and it is because it happens to involve territory in the area I used to represent in the other place. It is a line from the main line of the Canadian National Railways running north north-west for about 68 miles from the national route of the Canadian National Railways, which you are all familiar with, and between Winnipeg and the Lakehead.

The investment which Parliament is asked to approve involves a basic item of about $11,100,000, but in accordance with the form of other similar bills you have approved in the past, this bill contains a clause providing for a contingency of 15 per cent. That means that there is 15 per cent liability, perhaps, beyond the $11,100,000 referred to in the bill.

I believe most of you are familiar with the Canadian National transcontinental line. You may ask whether it is not possible to use the other line, the Canadian Pacific, which is also national and is but 20 miles or more to the south of this particular location. However, it seemed economic that the developers of the mine would use the C.N.R. line.

It is intended to transport iron pellets to the national rail line which is about 68 miles south of the mine site. On an open-pit mining basis the mine does not produce a very high grade ore, but if the ore is pelletized, the enterprise, in the opinion of those backing it, becomes financially sound. This has been looked at for a long time. I think most honourable senators will have heard about the Bruce Lake Iron Mine Company; in any event, this mine is now sponsored by the Steel Company of Canada, one of our great and most astute commercial enterprises. They are willing to invest perhaps $60 million in the development of from a million to a million and a half tons of pellets at this site. In tandem with that, the Canadian National Railways asks Parliament to authorize it to provide $11,100,000 plus 15 per cent for contingencies, which will permit it to associate the national railway company with this great new resource development.

The Minister of Transport has said in the other place that he has assurances from the Canadian National Railway that it would derive from its investment what it thought was an adequate return.

Hon. Mr. Isnor: What is the amount?

Hon. Mr. Benidickson: I indicated, Senator Isnor, that the capital expense would be perhaps $11,100,000, plus 15 per cent for contingencies.

I do not want to embarrass the railway because it has relations with its customers, but it did assure the Minister of Transport that it felt the capital expenditure would be provided for, and that the earnings would enhance the overall earnings of the road.

The Senate will no doubt wish this bill to go before a committee, where all honourable

senators who desire more detailed information will be able to get it. Of course, we are entitled to that information, but the assurance was given that this would be, in addition to many other branch lines, one of the new rewarding branch lines of the national system.

The return envisaged is in the nature of $1 million a year. I am informed that the agreement states that if the Steel Company of Canada does not produce the tonnage expected within the next 10-year term there will be a penalty. The $60 million investment is going ahead now, and this bill contemplates an investment of $11 million-plus on the part of the C.N.R. It does seem to me to be something that we should do in conjunction with the Steel Company of Canada, and it is something that will be of great benefit to northwestern Ontario.

The tonnage coming out will be up to 1,500,000 tons a year, much of which can move in the winter months to the Lakehead when the Great Lakes are not open to navigation. This will provide labour and traffic to the railway workers of northwestern Ontario. In the whole area I understand that perhaps 500 men can be expected to be employed on this new development.

There is some urgency about this measure because if production is to go ahead as the Steel Company of Canada expects at the beginning of 1968, then our assurance to the national railroad must be given now in order that the private financing arrangements can be made.

Hon. T. A. Crerar: May I ask my honourable friend a question? I am familiar in a general way with the area to which he alludes and which is covered by this proposal, but do I understand aright that the Steel Company of Canada is going ahead with this development at an estimated cost of $60 million, or thereabouts, before the railway is built, or is it waiting until after the railway is built? That is my first question.

My second question is: Does the Steel Company of Canada propose to give any guarantee as to the annual tonnage that will be given to the railway in consideration for its building this branch line?

Hon. Mr. Benidickson: My friend Senator Crerar has raised two questions. The Steel Company of Canada would like to be in production in the spring of 1968, but naturally they do not want to have the pellets produced without a railroad being in existence, and therefore it is urgent that Parliament take action. The Canadian National Railway Company is the natural conductor for this area, and so it is necessary for Parliament to decide on this matter fairly soon. Does that answer the question? Naturally, the Steel Company of Canada is already doing some things, senator.

Hon. Mr. Crerar: May I ask when it is expected that the railway will be completed, if we pass this legislation?

Hon. Mr. Benidickson: If we pass this legislation the expectation is that the railway will be completed at about the end of 1967. This would be appropriate with respect to the plans of the Steel Company of Canada, but that company is holding back some of its plans till Parliament acts.

I covered the scope of the honourable senator's second question in part, but perhaps not adequately. In almost all arrangements between the Canadian National Railway and its primary customer on a branch line of this kind, the railway has within recent years providently inserted a penalty clause to the effect that if there is not production to a certain quantity the customer pays an increased freight rate on something else. Naturally, the Canadian National Railway in this enterprise will watch the $60 million development of the Steel Company of Canada, and will go forward as it goes forward, but in the contract there is a clause which provides that if the promised quantity of tonnage for the next ten years is not produced the Steel Company of Canada will pay a per ton penalty.

Hon. Mr. Crerar: If I understand it correctly, that means that the Steel Company of Canada guarantees the Canadian National Railway Company a certain tonnage annually, and if it fails to meet that guarantee then the penalty clause will apply. That is clear.

I might say in a general way that I think this is a very important and useful development. It is rather remarkable that so far as North America is concerned all the important discoveries of iron ore in the last ten or fifteen years have been made in Canada. This company will build a $60 million plant. They will concentrate the ore at the site to probably two-thirds of iron in pellets, and ship the pellets to Port Arthur from where they will go down to Hamilton by boat. If the Steel Company guarantees the railway a certain tonnage then, in my opinion,—and this is the

important thing to me—there is almost no risk at all so far as the public treasury is concerned in the passage of this legislation.

Hon. A. J. Brooks: Honourable senators, the questions asked by Senator Crerar illustrate quite clearly the necessity of referring this bill to committee. I have no doubt that the agreement, which I understand has been signed by the steel company and the Canadian National Railway, will be before the committee, so we shall have a thorough understanding of the situation.

I congratulate the honourable member on his presentation as sponsor of this bill. As he stated, he is on familiar ground, having represented Kenora-Rainy River for many years in the House of Commons. I am not on familiar territory, and therefore I have no intention of making any extensive remarks. However, I wish to make a few general remarks regarding the building of branch railways.

I noticed in today's Orders of the Day that the C.P.R. is petitioning to build a couple of branch lines. We have been building quite a number of branch lines in Canada during the past few years. The bill now before us is similar to others which have come to us for consideration from time to time.

The sponsor of this bill said that the 15 per cent for contingencies was not mentioned. Although I cannot be positive, I am under the impression that it was mentioned in some other bills. Senator Burchill will recall the building of the C.N.R. branch line at Heath Mines in New Brunswick, and I think the 15 per cent was mentioned there.

I wish to point out, speaking generally about branch lines, that the railways are now doing away with hundreds of miles of railway lines across the country. The chief reason for building railway lines in Canada today seems to be, and in fact is, for the hauling of heavy freight. There are so many other means of transportation for both freight and passengers today that the railway companies are up against very heavy competition, and I do not criticize them for doing away with their branch lines.

In my own province, branch lines have been discontinued because they did not pay and the railways were not able to compete with other means of transportation. However, when it comes to conveying lumber, wheat, and in this case minerals, it is quite clear that we must build branch lines for this purpose, viz., heavy freight.

As to the need of the particular branch line which is proposed by this bill, I listened very carefully to the explanation of the sponsor of the bill, and I can see that there may be need in this particular case as far as that part of Canada is concerned.

To give an example of the need for branch lines, I would mention the Pine Point branch line which was built from Alberta to the Great Slave Lake, which line I believe has been a great success. However, there is a difference between the Pine Point railway and the one under consideration, because as I understand it there is only one possibility of freight haulage, and that is from the iron mine. In the case of the Pine Point railroad there are great fisheries at Great Slave Lake, and there are forests along the line, as well as farmlands. There is much more freight than minerals.

To my way of thinking, there is a better possibility of success in the future in a branch line such as Pine Point than in the branch line sought by this bill, with only one class of freight to carry.

Another point I wish to raise is that, as the sponsor (Hon. Mr. Benidickson) has told us, the ore in that area is not a high grade ore. Senator Crerar has told us that no other country in the world has as much mineral ore, and particularly iron ore, as has Canada.

The steel company which is promoting this particular mine in Northern Ontario has also promoted to a far greater extent the development of the mines in Labrador and Quebec. A line was constructed there to convey iron ore to the port of Sept-Iles on the St. Lawrence River, from which point it is carried to American ports and also to mills at Hamilton and other parts of Canada.

To one not familiar with this particular situation, it does seem a little strange that we should now be building more railways into more mines in other parts of Canada. Possibly it is going to be much cheaper. This could be the reason.

The honourable sponsor said it will give employment to 500 people in that section of Northwestern Ontario. My good friend Senator Hollett is not here this afternoon, but he could point out to us that 1,200 men in Belle Isle, Newfoundland, have lost employment because the iron mine which formerly supplied ore for DOSCO at Sydney, has been closed down. I could cite other cases.

Senator Burchill and I could refer to mines in the northern part of the New Brunswick. When I say we have no assurance that this

mine will continue for any great length of time, I remember the railway that was built into the Heath Mines, north of Newcastle, in New Brunswick, some years ago. I do not think they are now in operation. It was represented to the Commons and to the Senate that there was great urgency for the building of this particular line, and it was also represented by mining engineers that there was the greatest possibility of production of base metals in that part of the province, such as could not be found anywhere else in the world. The company, which came from the United States, spent millions of dollars, but they did not develop and are not developing the mines in New Brunswick or using the railway to the full capacity.

For those reasons I say that we should be extremely careful, and that not only should this bill be studied and thoroughly explained to us in committee but also the agreement between the company and the railway should be before the committee for study.

I am speaking in general; I am not aware of the particular situation, but I have not much doubt that satisfactory reasons will be given for the building of this particular line. A lot depends of course upon the necessity of steel production. I know that steel production during the past few years in the United States has been above average. We read in our press that on account of the war with Viet Nam steel production is on the increase. However, there is the possibility of a slackening in steel production in the United States, which might mean a slackening of production in Canada, and that would mean that these mines might not pay. These are matters which we should take into careful consideration, particularly where a railway is built for one purpose only, namely, to serve a mine in Northern Ontario where, if the mine runs out there is nothing else on which the railway could depend for freight to justify its existence.

Hon. Mr. Burchill: I wish to correct the misunderstanding which Senator Brooks has about the Heath Mines in New Brunswick. They are operating on that railroad and the concentrating plant is going full steam. The concentrate is being shipped from Newcastle; at least, it was being shipped last summer and they operated all winter. Not only that, they have made possible the development of other mines in that sector and they plan a larger development, as the manager told me not so very long ago. Therefore, the honourable gentleman is under a misapprehension.

Hon. Mr. Brooks: Were they not out of operation for a time?

Hon. Mr. Burchill: Yes.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

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

Hon. Mr. Benidickson: Having regard to the debate, is it proper for me to move that this bill be referred to the Standing Committee on Transport and Communications?

Hon. Mr. Brooks: Will representatives from the steel company and from the railway be asked to attend the meeting of the committee?

Hon. Mr. Connolly (Ottawa West): If I may, I will answer that question addressed to the honourable sponsor of the bill. I will make sure that they are asked to attend.

Hon. Mr. Benidickson: Might I say that there is great urgency about this bill. I am sure that the two leaders will be in communication about this question as to how many witnesses are required. In the other place, because of the urgency, committee discussion was not required, but I know that committee discussion will take place here.

Hon. Mr. Brooks: They had too many other things to discuss.

Motion agreed to.

On motion of Hon. Mr. Benidickson, bill referred to the Standing Committee on Transport and Communications.

SCIENCE COUNCIL OF CANADA BILL

SECOND READING—DEBATE ADJOURNED

Hon. A. K. Hugessen: moved the second reading of Bill C-149, to provide for the establishment of a Science Council of Canada.

He said: Honourable senators, as its name implies, this is a bill to establish an organization to be called the Science Council of Canada. This is a fairly simple bill and it may be sufficient at the moment if I indicate its principal provisions.

Under section 3, the Science Council of Canada is to consist of 29 members, of whom 25 are to be from what might be called the

public sector, chosen from amongst persons having a specialized interest in science or technology; and four members at present employed in departments or agencies of the Government of Canada. In a few moments I shall explain the reason for the second sector.

The meat of the bill is to be found in section 11 which quotes the duties which the new council is expected to perform. The first part of section 11 says:

> It shall be the duty of the council to assess in a comprehensive manner Canada's scientific and technological resources, requirements and potentialities and to make recommendations thereon to the minister; and in particular it shall be the duty of the council to give consideration to, and make reports and recommendations to the minister on—

Then follows a list of the particular items to which the Science Council is to devote its attention. These include such important matters as:

> (a) the adequacy of the scientific and technological research and development being carried on in Canada;
>
> (b) the priorities that should be assigned in Canada to specific areas of scientific and technological research;
>
> (c) the effective development and utilization of scientific and technological manpower in Canada.

The only other section to which I wish to refer for the moment is section 12, which gives the minister the right to refer specific questions, as to science and technology, to the Science Council for consideration and advice.

Honourable senators, I wish to emphasize that this bill does not set up a new government department. The Science Council is to be purely advisory. Section 7 provides for the remuneration of the chairman, at a rate to be fixed by the Governor in Council, and it also provides for the travelling expenses of the other members of council, all of whom will serve without remuneration. This is the only expense provision.

Perhaps the closest parallel to this form of organization is the Economic Council of Canada, which was established a few years ago. During the debate on that legislation some honourable senators questioned the advisability or necessity or utility of an advisory council of that kind, but I think honourable senators will agree with me that the Economic Council of Canada has abundantly justified itself by its two excellent reports.

With regard to science and technology, it is scarcely necessary for me to emphasize their importance, in view of the continual progress of science as the years go on, its impact on the life of the nation, and the necessity that the Government be in a position to keep in touch. One striking example is that of automation and its effect on the current labour life of the nation.

With regard to the general question of the advancement of science and its effect on the life of the people generally, we need but remember the days of our boyhood and think of the extraordinary changes in habits of life which the development of science has produced.

This bill is designed to carry out in part some of the recommendations of the Glassco Commission. As honourable senators know, the Glassco Commission prepared a long and complicated report on the various branches and features of government, and among others they considered the question of the relationship between government and science. In Part 4 the report recommended that a central scientific bureau and a national scientific advisory council be established. I quote from the report the following words:

> the existence of suitable machinery for informing and assisting the Prime Minister and Cabinet with respect to major scientific policy decisions is of paramount importance. Such arrangements as exist on paper today are... less than adequate. But the real concern of your Commissioners is that in fact they (the existing arrangements) have been virtually inoperative and the whole post-war expansion of government scientific activity has proceeded on a piecemeal basis without adequate co-ordination.

I will put that into less restrained and formal language. What it means and what the Glassco Commission is saying is that Canada has at the moment no real comprehensive scientific policy and no formal machinery to provide government with the necessary studies on which to found such a policy.

In December 1963, presumably as the result of this report of the Glassco Commission, the Prime Minister asked for a report from Dr. C. J. MacKenzie on this whole matter and on the activities of government relating to science and technology. I know it is not necessary for me to comment to honourable

senators on Dr. MacKenzie, whose name is well known to you all; he is one of the most outstanding scientists in Canada today, and for many years was the head of the National Research Council.

Hon. Mr. Burchill: And he is from the Province of New Brunswick.

Hon. Mr. Roebuck: That is all we have against him!

Hon. Mr. Hugessen: Dr. MacKenzie submitted his report to the Prime Minister on January 28, 1964, and that report was tabled by the Prime Minister in the House of Commons on April 30 of that year. In his report Dr. MacKenzie recommended that two principal steps should be taken, the first being the establishment of a science secretariat. I quote what the Prime Minister said in the House of Commons:

> The first recommendation, which the Government has now decided to adopt, is that a Scientific Secretariat be established to assemble and analyse information about the Government's scientific programs and their inter-relation with other scientific activities throughout Canada.

The Government carried out that recommendation and a science secretariat was set up in the summer of that year, headed by Professor F. A. Forward, who was head of the Department of Metallurgy at the University of British Columbia. It is a small department attached to the Prime Minister's office.

The second recommendation made by Dr. MacKenzie was to set up what he called a "national committee on scientific policy," which is, in fact, what this bill is proposing to do in slightly different words. This bill calls it the Science Council of Canada. If you examine Dr. MacKenzie's report with regard to this proposed national committee, you will see that his recommendations have been very largely, if not almost entirely, carried out in the provisions of the bill before us. Dr. MacKenzie contemplated a relatively small committee composed partly of scientific men and men of knowledge from outside, and partly from scientists and men engaged in various departments of government. Therefore, I think it is fair to say that this bill is the result partly of the recommendations of the Glassco Report and partly of the recommendations made by Dr. MacKenzie in the report which I have just mentioned.

There is one matter which I am sure exercised the minds of honourable senators as it did mine when examining this bill, and that is the question: What about the present National Research Council? The question may be asked, should not the National Research Council perform the functions of the Science Council of Canada as proposed under this bill?

In answer let me say that the responsibilities of the Science Council will be considerably larger than those of the National Research Council, since those responsibilities will involve the whole sphere of scientific activity. As you know, the National Research Council carries on a great deal of research on its own and encourages a great deal of research in various universities throughout Canada. Therefore, it is questionable whether a body which is itself engaged in research is sufficiently disinterested or objective to give the Government disinterested advice as to the way in which research should be conducted or the channels through which it should be directed. It is quite clear, I think, that the two bodies, the National Research Council and this new Science Council, will work very closely together.

As I said a few minutes ago, the bill provides that four members of the council shall be people who are now employed in the Government service, and I think it is quite unquestionable that when the council is set up one of its permanent members will be the head of the National Research Council at the time.

Hon. Mr. Farris: Is there any information as to how much this is going to cost?

Hon. Mr. Hugessen: It will cost the salary of the chairman plus the travelling expenses of the members who are required to come to Ottawa at least twice a year. That is all I can tell you about that.

Hon. Mr. McCutcheon: I would assume, if I may interrupt my honourable friend, that the actual expenses will be the expenses of the four members who now make up the scientific secretariat of the Privy Council. They will be the civil servants who will become part of this.

Hon. Mr. Hugessen: That is quite right; they will be the civil servants upon the basis of which the Science Council will be set up, and to that extent there is no increase in the public expense.

I think all honourable senators will agree that this is a step in the right direction. All civilized countries have recognized the great and increasing importance of science and research and the need for the association of such science and research with government. In Great Britain, for instance, they have a minister for science and they also have a minister for technology. In the United States there is an organization known as the Office of Science and Technology, which is located in the executive office of the President, and its director acts as a special scientific adviser to the President. In France they have quite an elaborate system headed by an organization called Comité Interministériel de la Recherche Scientifique et Technique which reports directly to the office of the Prime Minister.

Honourable senators, I do not think I need go any further in explaining this bill, though I shall be glad to answer any questions which may happen to arise during the debate.

Hon. Mr. Paterson: Will this have anything to do with space investigation or research?

Hon. Mr. Hugessen: I would certainly say so. Anything that comes under the heading of science would be included. It is a step in the right direction under present conditions. Let us hope that the proposed Science Council will become, as it may well become, an extremely useful and influential body—indeed, as useful and influential as the Economic Council of Canada.

Under those circumstances, all I can do is to commend this bill to the careful attention of the Senate.

Hon. Mr. Molson: Does the honourable senator know which minister will be designated? Is there any indication of that yet?

Hon. Mr. Hugessen: There is no indication. It simply states in the bill that the minister is the minister designated for the purposes of carrying out the provisions, but it does not say who the minister will be.

Hon. Arthur W. Roebuck: Honourable senators, we have had placed before us today a report which shows that we have done some scientific research into the saving of our trees. I have another little idea along these lines which I would like to launch.

Not very long ago, two or three years ago in fact, I wrote to the President of the National Research Council to this effect: I suppose you are so thoroughly immersed in deep and abstruse scientific problems that you have very little time to study something that is of great public importance. Then I called to his attention the desirability of a cold firecracker, and supported by letter with a clipping from one of the newpapers showing a list of unfortunate children whose eyes had been knocked out by firecrackers, of children who had been severely burned by fires, and a digest of all the fires that had been started in Canada as a result of the 24th of May celebrations.

We are approaching another 24th of May, and we could almost count in advance the number of children who will lose their eyes or have them severely injured, who will be burned or otherwise hurt during these celebrations; and we could almost count, based on past experience, how many thousands and thousands of dollars we will lose as a result of fires started by this unscientific and dangerous instrument, the firecracker. I told the chairman of the council that what we needed was a firecracker that children could use in safety.

Hon. Mr. Aseltine: Without fire.

Hon. Mr. Roebuck: Yes, I said that we want a cold firecracker which would make a flash of light and a great deal of noise, and that is all that is required. I warned, don't ask me how that is to be done; that is your job—and a real job. It may sound humorous, but it would be a great public service if your institution would develop something of that kind.

Well, I received a reply in which the President said that he was referring my suggestion to someone else, but I heard nothing more about it.

I am bringing this matter up now not as a joke—although it sounds humorous to talk about a cold firecracker—but to suggest to you, my colleagues, that it would be a great public service if these scientific people would develop a noise-maker of that kind that would leave the children with a flash and the noise but would remove from their celebrations the dangers that now encircle them.

Hon. M. Grattan O'Leary: Honourable senators, Senator Hugessen has presented and explained this bill with that rare, lucid magic which has made him over the years one of the ornaments of this house. My difficulty in following him today is that he has read and has quoted from all the authorities that I have read and wish to quote from, and has

made all the observations about them that I would like to make but would not make as well.

I have read the report to the Prime Minister by Dr. MacKenzie; I have read the Glassco Commission report; and, as well, with a lot less profit, I must say, I have read the debate that took place in the other place last week.

One of my other difficulties is that I think I support this bill even more strongly than it has been supported by Senator Hugessen. Many years ago Matthew Arnold wrote some lines about standing between two worlds, one dead and the other struggling to be born. The world that most of us knew died when a bomb fell on Hiroshima, and what we are witnessing now is a new world struggling to be born, struggling amid what we may call rightfully a scientific revolution, a revolution which, in the judgment of people competent to judge, may mean a great deal more to mankind than the industrial revolution of a hundred years ago.

I remember about four or five years ago when the Prime Minister of Britain, Mr. Harold Macmillan, was here. He was at Uplands taking his departure from Canada, and he gave a press conference. While he was giving the conference word came that the Russians had put a Sputnik into space. Mr. Macmillan turned to the Prime Minister of Canada and said, "There is a sign for us; there is the shape of the future; there is a compelling signal for us of the western world to direct all our energies henceforth to scientific development."

In his famous speech at Fulton some years ago, Sir Winston Churchill warned that the dark ages may return, the stone age may return, as he put it in his picturesque way, on the gleaming wings of science; and he went on to say that what might now shower immeasurable material blessings on mankind might even bring about its total destruction. And he added, "Beware, I say. Time may be short."

Sir Winston Churchill was approaching this question from the standpoint of possible war, but, honourable senators, the words of his warning to us then are just as relevant if we think of science—not of pure science but of applied science, of technology, in terms of the scientific revolution. What we are seeing in this scientific revolution is a new march of mankind, and if in that march we fall behind, history might well be merciless to us.

As I read the debate that took place recently in the other place I noticed that there was considerable lamentation over our failure to do more in the past about science. In my opinion, a great deal of this lamentation is irrelevant. There is no value, there is no gain for us now in complaining to ourselves or to others that in past years we did not do enough about science. In fact, we did not ignore science altogether. As far back as 1916—50 years ago—at the time of Union Government we set up in this country what we called, I think, the Science Council. Later we spent money on this or that phase of science, but actually the amounts grew and grew until last year the appropriations, for science, for research, for our universities, our industries, our government departments—and we have five government departments that have adopted this role—amounted to $345 million.

The difficulty has been that our efforts have not been unified. There has been no cohesion. There has not been sufficient coordination to it. This is what the report of the Glassco Commission complained of, as is indicated by Dr. Mackenzie in his report to the Prime Minister, a copy of which I have here. At page 8 of his report you will find these words taken from the report of the Glassco Commission:

> It is against such a background of disjointed promotion that the Cabinet is called upon to approve plans for expansion of existing agencies and their programs, or the creation of new ones. Too often, in the existing organizational vacuum, the decision for or against is made in fact by the Treasury Board, largely on the advice of its own staff. These officials, although possessing widely recognized ability, make no claim to scientific competence or foresight.
>
> The missing element of expert appraisal has been compensated for in part by the presence of strong leadership in the National Research Council...

And this is true.

> ...the informal participation in policy-making of a succession of able presidents, and frequent consultation amongst scientists on a number of committees. While their contributions have had undoubted value, as part of the operating research group with a direct stake in one segment of it, they have not been wholly disinterested in the elaboration of government scientific policy.

To that statement by the Glassco Commission Dr. Mackenzie added these words:

> In my view the above is a reasonably accurate picture of how things have happened during the past 20 years of the explosive growth in science and it all underlies the present need for suitable government machinery to assist those responsible for formulating national scientific policy.

So, honourable senators, I think a realistic and proper approach to this bill is one in which we ask ourselves, first, is there a need for what is proposed by the bill; and, second, is this a bill to fill that need; and third, what about personnel? What about the people who are going to be committed with the execution or the direction of the provisions of this bill?

This, I think, is the heart of the matter. You can put on paper almost anything. You can put on paper ideal plans and groupings and desires, but unless you get the people to carry out the purposes and the intentions of such a bill, then the whole thing becomes more or less meaningless.

There is to be a body of governors, as was indicated by Senator Hugessen, to carry out the aims of this bill. This, I am afraid, leads me to say that we have not in the past been very wise and not very happy in our choice of people to carry out enterprises of this kind. If any honourable senator doubts that, he had better look at the current controversy about the C.B.C. The truth of the matter is that in choosing people to sit on these boards or other emanations of the Crown—and this is true of both parties—we have often made appointments on the basis of recognition for the services, and even financial help, of deserving Liberals or deserving Conservatives. If that should happen in respect to a matter of this kind it would be tragic indeed.

A question has been raised here today about whether this body would interfere with the National Research Council. Of course it will not. This bill, in fact, is not concerned with pure science. Pure science will take care of itself. The findings of an Einstein are always available to us. What we are concerned with here, and what the nation should be concerned with, is technology. We are concerned with technology for industry. If honourable senators look at the first or the second report of the Economic Council of Canada they will find stated specifically that what is needed to help Canadian industry, to help our exports, tc help us to compete, to resolve our balance of payments and employment problems, is more technology for Canadian industry—technology which we may import, and technology which we may develop on our own. That is the purpose of this bill.

Any honourable senator who has read the famous Reith lecture by Professor C. P. Snow—now Lord Snow and I think connected with the British Ministry of Science—will know that this is what he stressed. He was not talking about pure science. He was talking about applied science. He was talking about technology. He said in this lecture that Britain's whole future depended upon what she could do in that regard. I think that is also true of Canada.

We may talk about tariffs—and there are still a few of us who talk about tariffs—we may talk about an Atlantic Trading Community, we may talk about a Common Market, but, honourable senators, if we do not keep up with this march of mankind in the way of technological improvement, then nothing that happens in the Kennedy round and nothing that we do about tariffs will avail us in the least. If we are unable to compete with the technical advances of other nations, then our industries and our whole industrial future, including our exports, our balances of payments, and everything concerned with our development, will go by the board.

I myself should like to think of this body that is being set up now as a companion to the Economic Council of Canada. I should like to think of it as a body that will do for science and scientific development what the Economic Council of Canada is doing for industry. I agree profoundly with Senator Hugessen, that the Economic Council is a great body. I think that the Government should be congratulated upon securing a man of the stature and ability of Dr. John Deutsch to head this council. Some of the most interesting reading that has come my way in a long time is found in the first and second reports of the Economic Council of Canada.

If we can get this body to do what the Economic Council of Canada is doing, and get them both working together, the one complementing the other, then I think we shall have done a great job for Canada. But, as I said before, we must obtain the right people. We must get the John Deutschs of science to act on this committee. If we start appointing this university professor or that university professor, or this or that man from this or that specific region, then we are lost. This

is not a regional matter at all. We cannot say that we must have New Brunswick represented, or Quebec represented, or Ontario represented. We want Canada represented, and only Canada. This is something that I hope the Government will do.

There is one other point I should like to make about this bill. In the bill, "minister" for the purposes of the act, is defined as:

> ...such member of the Queen's Privy Council for Canada as may be designated by the Governor in Council...

Honourable senators, speaking for myself alone and for no one else on this side of the house, I submit that this is not good enough. If research and scientific technology be as vital to Canada as Senator Hugessen told us, and if they be as vital as I believe they will be, then I say there should be set up in this country a separate Ministry of Science.

I hardly expect that my hope in that regard —and I must say it is a vagrant hope— will be accepted by this Government. Nevertheless, it is true in this matter of science, that one of the recognized difficulties in parliamentary countries has been that the minister concerned with general scientific policy, as distinct from departmental scientific activities—because we have four distinct departments with research branches of their own —should not have to concern himself with these other scientific activities of a special character and be concerned with departmental matters as well.

If this legislation is what I think it is, the most important bill that will come before this house this year—it may well be one of the most important ever to have come to this chamber—then I say you cannot leave it to the happy chance of some minister who may not have the qualifications and may not have the interest required of him. I think this is big enough for a separate ministry.

Now I am going to make a further suggestion which may surprise you. I think this designated minister should not only be the head of a Ministry of Science, but he should be a member of the Senate. In the Senate he would not be troubled or worried by some department or by some scientific branch in a department of which he was head.

In my view, a Minister of Science sitting in the Senate surrounded by men, many of mature judgment, all with an interest in science, certainly all of them with an interest in the future of technology in Canada, with the advise he would get from these people, with a committee such as the Banking and Commerce Committee before which he could appear from time to time, and before which he could bring experts in science—the greatest technicians we have, or scientists from other countries—would be a very important step for Canada and one that might bring lasting benefits.

Honourable senators, I have spoken more briefly than I had intended, because as I said, Senator Hugessen has already said all that is necessary and relevant, which I had intended to say, and he has said it a great deal better.

In conclusion, however, there is something I wish to say; it may seem almost a contradiction of what I have already said, but I can assure you it is not. I have wanted to say these things in the Senate before, but did not have the opportunity. I want to express the hope that in our proper and terribly vital concern with science or technology we will not in Canada be led to forget the humanities, that in our concern for know-how we will not forget the know-why. There is no sense in pasting wings on man unless you give him a winged nature.

Not long ago I was saddened, as I am sure others were as well, when I read that some of our universities or colleges were dropping English as a necessary subject for engineers. Honourable senators, a step like that is a tragedy.

Incidentally, I notice even in these reports that when they speak of skills, of technical training, vocational training, they seem to confuse these things with education.

Honourable senators, God knows we need scientists and technology, as I have been saying for the last half hour; but, no matter what that need, we must never in this country confuse technical training with true education. Education is not something to make a man a lawyer, a doctor, an engineer, or a priest—it is something to make him a man. Education is not concerned with training; it is something to teach men to love truth and beauty for their own sakes. True education is wisdom of the heart. True education is tolerance; it is God's grace of courtesy; it is understanding, it is sympathy, it is sportsmanship, it is love, it is compassion, it is mercy, it is pity. If the people have not these things, then no matter what their technical training, no matter what their skills, they are in truth not educated at all.

I say, God help the nation where everybody would be trained and nobody educated.

Honourable senators, with that rider to what I have been saying to you, I have before me a quotation from Huxley. What he said is something that we must keep in mind in this country at this time. It is this:

> When man no longer loves nor hates, when suffering causes no pity and the tale of great deeds ceases to thrill, when the lily of the field seems no longer more beautifully arrayed than Solomon in all his glory, when the awe has vanished from the snow-capped peak and from the deep ravine—then, indeed, Science will have the world to itself, not because the monster has devoured Art, but because one side of human nature is dead and mankind has lost the half of its precious and eternal heritage.

Huxley repeated those words a few years later when he visited John Hopkins University, and he also said:

> Gentlemen, I am not impressed by all your wealth or your great buildings.

And the most famous economist of our time John Maynard Keynes, in almost the last words he wrote, said that no matter how important economics were, how important political economy, he hoped that he would never see the day when political economy and economics were given priority over morals and goodness and decent living.

Honourable senators, these are things that I thought that I must add to what I have said about technology. We do need what this bill provides. I think it gives a means of getting what it aims at, but let us not forget the other things.

Honourable senators, I do commend this bill to your hearty support.

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

CANADA-UNITED KINGDOM INCOME TAX AGREEMENT BILL, 1966

SECOND READING—ORDER STANDS

On the order:

> Second reading of Bill C-154, intituled: "An Act to implement an Agreement between Canada and the United Kingdom for the avoidance of double taxation with respect to taxes on certain classes of income and to implement a Supplementary Income Tax Agreement between Canada and Sweden".—(Honourable Senator Connolly, P.C.)

Hon. John J. Connolly: Honourable senators, Senator Hayden, who was to deal with this tax agreement measure, has asked that it be stood. I ask now that it be placed as number one on the Order Paper for tomorrow and he will be prepared to deal with it then.

Hon. Senators: Agreed.

Order stands.

DIVORCE

REPORTS OF COMMITTEE ADOPTED

The Senate proceeded to consideration of reports of the Standing Committee on Divorce Nos. 449 to 498, inclusive, which were presented yesterday.

On motion of Hon. Mr. Roebuck, Chairman of the Standing Committee on Divorce, reports adopted.

RESOLUTIONS PRESENTED

Leave having been given to revert to Presentation of Petitions:

Hon. Mr. Roebuck, Chairman of the Standing Committee on Divorce, presented the following resolutions:

Resolution 438, for the relief of Shirley Winnifred Bissessar Shallwani.

Resolution 439, for the relief of Kenneth Stanley Derbridge.

Resolution 440, for the relief of Nicola Cirella.

Resolution 441, for the relief of Peter Minna.

Resolution 442, for the relief of William Gordon Walker.

Resolution 443, for the relief of Joan Margaret Moorcroft Roberts.

Resolution 444, for the relief of Frances Hope Altimas Michaud.

Resolution 445, for the relief of Adelhei Jaeger Daskowski.

Resolution 446, for the relief of Hendrica (Rita) Kerkhof Rochon.

Resolution 447, for the relief of Hilda Wisenthal Spirer.

Resolution 448, for the relief of Vivian Carol Laurin Masson.

Resolution 449, for the relief of Eleanore Barbara Rosenstein Gerstein.

Resolution 450, for the relief of Harold Bernard Parsons.

Resolution 451, for the relief of Marcelle Daoust Couturier.

Resolution 452, for the relief of Johanne Gelineau Poulin Lamy.

Resolution 453, for the relief of Eileen Patricia Sonia Lacombe Toth.

Resolution 454, for the relief of Joyce Allan Davies.

Resolution 455, for the relief of Bernard Maurice Archambault.

Resolution 456, for the relief of Richard Larue.

Resolution 457, for the relief of Muriel Chapdelaine Silverstein, otherwise known as Muriel Chapdelaine Silver.

Resolution 458, for the relief of Carol Donalda Armour Martin.

Resolution 459, for the relief of Annie Reese Roth Maydeck.

Resolution 460, for the relief of Marquita Mainville Lalonde.

Resolution 461, for the relief of Joseph Paul Fernand Bouchard.

Resolution 462, for the relief of Marguerite Jeanne Viau Sunnucks.

Resolution 463, for the relief of Karin Finkelstein Drazin.

Resolution 464, for the relief of Anthony Stephen Rappard.

Resolution 465, for the relief of Rolly Steirman Kisilevsky, other wise known as Rolly Steirman King.

Resolution 466, for the relief of Joseph Roger Lionel George Bouchard.

Resolution 467, for the relief of Wileen Valery Ede Aldworth.

Resolution 468, for the relief of Karl Heinz Blumhoff.

Resolution 469, for the relief of Normand Roger Beaudin.

Resolution 470 for the relief of Gisele Labrosse Boisvert.

Resolution 471, for the relief of Gilles Corriveau.

Resolution 472, for the relief of Florence Catherine FitzSimons Clarke.

Resolution 473, for the relief of Helen Hadjidakis Jardine.

Resolution 474, for the relief of Anne Segal Abramovitz.

Resolution 475, for the relief of Helene Poudrier Trottier.

Resolution 476, for the relief of Franz Straubinger.

Resolution 477, for the relief of Annadale Sandow Ostroff.

Resolution 478, for the relief of Marina Flora Moshonas Lacroix.

Resolution 479, for the relief of Joseph Ernest Andre Bergeron.

Resolution 480, for the relief of Yves Dorais.

Resolution 481, for the relief of Giuseffina Aimola Facella.

Resolution 482, for the relief of Roland Gendron.

Resolution 483, for the relief of Leonard Grondin.

Resolution 484, for the relief of Jean Rene Laurin.

Resolution 485, for the relief of Joseph James Gordon Tite.

Resolution 486, for the relief of Cecile Lavoie Trickey.

Resolution 487, for the relief of Guy Valade.

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

Hon. Mr. Roebuck: Honourable senators, I move that these resolutions be considered on Friday next.

Motion agreed to.

DIVORCE (EXTENSION OF GROUNDS) BILL

SECOND READING—DEBATE CONTINUED

The Senate resumed from Thursday, March 31, the adjourned debate on the motion of Hon. Mr. Roebuck for the second reading of Bill S-19, to extend the grounds upon which courts now having jurisdiction to grant divorces *a vinculo matrimonii* may grant such relief.

Hon. Allister Grosart: Honourable senators, I understand that I may speak with the acquiescence of Senator Croll who does not object to our continuing the debate in his absence.

I rise somewhat reluctantly to discuss this Bill S-19 because, while it is one on whose principles a layman is obviously entitled to have views, it is also one the details of which are clearly the domain of those learned in the law and in particular the law of marriage and divorce. I say "reluctantly" because on the principles of the bill I find myself in full

approval of this step in the direction of extension of the grounds for divorce, a cautious extension and one which seems to me to be socially sound. It is the details that give me cause for concern.

I believe this is a bill which will extend materially the grounds on which marriages may be dissolved in Canada, for any citizen in any province, provided he has the money to defray the expenses of an action in the courts of his province or a petition to the Senate of Canada.

There may be some disagreement among honourable senators as to the actual effect of this bill. I would not be surprised if the sponsor of the bill, Senator Roebuck, disagrees with my view. If so, I would hope that when he sums up he will make a clear statement as to whether or not, in his view, the effect of this bill will be to extend the grounds on which divorces will be granted by the Senate committee.

I raise that point because it was raised by Senator Choquette during the second reading debate on March 3. Senator Choquette made what seemed to me to be an excellent case for the contention that the wording of this bill does include the Senate of Canada. His point was that the Senate is a court within the meaning of the extension of grounds for divorce, by clause 2, subsection 1, to "courts" having divorce jurisdiction.

I was surprised to hear the reply of Senator Roebuck, who introduced the bill, to the point raised by Senator Choquette. He said, as reported in the Senate *Hansard* of March 4 at page 244:

> I assure the honourable senator it was not the intention of the drafters of the bill to include the Senate, or the "court" which we are presently operating in connection with the Senate.

My question to him would be, why not? Why was it not the intention, or how could the drafters of the bill assume that there would be any other effect?

I do not say that it is legally or constitutionally desirable that the Senate should be placed on the judicial level of provincial courts, but if this extension of the grounds of divorce becomes applicable or permissible to the courts of the eight provinces, surely the Senate committee will grant divorces on those same extended grounds. I say that because it is my understanding, from the statements we have had here on many occasions from Senator Roebuck, that the basis—the constitutional concept behind the granting of divorces by the Senate—is that it is a petition to the Crown based on the fact that the citizens of two provinces have unequal rights with citizens of other provinces in the matter of divorce. As I understand it, the granting of divorce, if I may use the short term, by the Senate committee, is a remedy of a situation created by certain dispositions of the legislature of certain provinces.

I am not criticizing those provinces. I must presume that they are acting, as they understand it, in keeping with the will and the wishes of those they represent. In so doing they have deliberately not provided judicial divorce in their provinces, in spite of the fact that those provinces as far as I know have raised no objection to their citizens coming to this court, if I may call it that, and asking for the dissolution of their marriages.

Senator Roebuck gave us a very comprehensive background of what, to a layman at least, is the jumble and jungle of divorce law in Canada. He pointed out, as I remember, that in four of the provinces the jurisdiction of divorce in the courts is based on pre-Confederation statutes; in three others it is based on acts which they themselves have incorporated; in one, Ontario, it is based on a special act; and in two of the provinces no provision has been made.

I would hope that Senator Roebuck, in summing up, would run down the list, province by province, giving a brief summary of the present law and explaining to us exactly what will be the effect of this bill, if it becomes law, on the present grounds for divorce.

At present we are given to understand that while adultery is, with one or two exceptions, the only ground for divorce, there is at least one province in which some of the new grounds are at present grounds for divorce. I believe that applies to Nova Scotia.

It would be helpful to our consideration of the bill if the honourable senator would state the law, province by province. At the moment I am sure there are other senators like myself who are not clear as to the exact effect of this bill.

I also hope that Senator Roebuck, with his vast experience, will tell us his view of the effect of this bill on the grounds for divorce as recognized by the Senate committee.

I come now, honourable senators, to the specific grounds set forth in this bill. In layman's language they are desertion, cruelty and lunacy.

My objection to the bill as drafted is that these terms are not more clearly defined. I recognize that when Senator Roebuck introduced the bill he explained why they were not more clearly defined. He said, if I may use his expression, he was introducing a "simple" bill. With very great respect, as a layman, I think the bill is too simple.

It is also true, as Senator Roebuck pointed out, that in the normal course of judicial proceedings definitions will be given to the terms desertion, cruelty and lunacy. He went further and said that definitions had already been given in the English courts following the introduction there of a similar act, and he also pointed out that the wording of the present bill as it is before us, and with the changes necessary to accommodate our particular system of government, is in effect the same as the English bill which became law in 1950.

Let us look at the three terms. The first ground applies if the "respondent has deserted the petitioner without cause for a period of at least three years immediately preceding the presentation of the petition." Now, as I have said, honourable senators, I am quite sure that the case law on this subject in England, has defined the word "desert", as I am sure it has also defined the words "cruelty" and "of unsound mind," or whatever you wish to call it. It seems to me that a good case can be made out at this particular time for incorporating some of that case law into the statute law we are asked to consider at this time.

Honourable senators, we also have before us at the present time the Interpretation Act, which looks into some of the words in common use in our statutes and says in effect that it is necessary that these words should be explained. Among the words that qualified for definition in this statute are such simple words as "a week", "a bank", "broadcasting", "fiscal year", "local time", "month", "person". It also defines the words "shall" and "may", and the word "year". Now I suggest, and again I am speaking as a layman, that if such words need interpretation, such important words as "desertion, cruelty" and "of unsound mind" also should be defined.

Hon. Mr. Farris: That would make it more complicated.

Hon. Mr. Grosart: I fully agree with the remark of honourable Senator Farris, that this would make it more complicated.

Hon. Mr. Roebuck: Might I ask the honourable senator if he would also require that we define the word "adultery" at the same time?

Hon. Mr. Choquette: It is easily recognizable.

Hon. Mr. Grosart: Honourable Senator Roebuck asks if we should define "adultery", and I as a layman think we most certainly should. I say that because I well remember a case in the courts of Ontario, in which the evidence was that a couple, not married to each other but married to others, booked a passage on a Saguenay tour; they spent a week together sleeping in the same cabin, registered as man and wife to each other, which they were not, and when the case came before the court the learned judge ruled that there was no evidence of adultery before him. He spelled out in words which I will not use here in this chamber exactly what he meant by adultery, and I can assure honourable senators it was not merely registering in the same cabin and sleeping in the same bed. Such definitions of course can go too far; we have some evidence before us that some overzealous people in the C.B.C. may have gone too far in spelling out what they regarded as juvenile delinquency. I am not suggesting we take pictures, but I am sure there is the ability among the gentlemen learned in the law here to define these terms. Why is this necessary?

Let us take the case of desertion. A wife married to an incorrigible alcoholic decides to remove herself and her children from bed and board for three years. She wants to take herself and her children away from an atmosphere of shame and sordidness. So she leaves for three years. Is that desertion? Honourable members who are learned in the law will say that judges will use their common sense.

Hon. Mr. Roebuck: May I point out that the wording in the act is "without cause".

Hon. Mr. Grosart: I am aware of that, and I thank Senator Roebuck for drawing my attention to it. In fact I had it underlined.

Again let us take the specific example of the words "without cause". Is it sufficient cause that this wife is married to an alcoholic? If so there are hundreds and thousands of men and women living within the bonds of matrimony who have cause. I do not think that is a sufficient qualification. I say that because there are two sides to this question. The person who wishes to remove himself or

herself from within a marriage circle may wish to know how far he or she can go and on what grounds. What is cause? How can they do it without putting themselves in jeopardy of the law in regard to the marriage contract? No layman should have to go to a lawyer and ask him to look up the English cases, regardless of which side he is on. In my view, if the simple words in the Interpretation Act require definition, and even if it will make the act more complicated, some definition will clarify this measure and make it fairer to the average person who may find himself involved in its operation.

Let us look now at the word "cruelty". We all know what has happened in the United States because of lack of definition. In many if not in most of the states "cruelty" has become merely another word for mutual incompatibility. And the courts there in their wisdom or lack of wisdom have extended the word "cruelty", which is one of the new grounds suggested in this bill, to make the whole marriage contract meaningless. The question was raised in the debate, does this include mental cruelty? I think even if the definition went no further than to define mental and physical cruelty, it would improve this act. Without complicating this act unnecessarily, I think it is possible to make these definitions more workable.

For example, surely "cruelty" should somehow be related to detriment to physical or mental health, either of the offended party to the contract or the children. If this amount of definition were given, then the proof of the grounds would at least be subject to professional and expert evidence. You would at least be able to call medical evidence to show that the mental or physical health of the petitioner or the children in the case were in danger of detriment.

I come now to the third new ground for divorce—lunacy, unsoundness of mind, or whatever it may be called. Here I find perhaps a rather good example of why I believe some definition would be helpful, because I find a conflict between the interpretation of the bill as given us by the sponsor and what I consider to be the wording of the bill.

Let me illustrate. Throughout his explanation Senator Roebuck seemed to make it quite clear that the new ground, unsoundness of mind, was as follows. First of all, at one point he used the words, "five years of insanity while confined in an institution." Those words appear in the *Debates* at page 235. On the same page, quoting the General Council of the United Church of Canada, he said, "insanity that fails to respond after five years of treatment in an institution." At page 241 appears the same general interpretation: "Five years in a mental institution in an intractable condition of mind." Again on the same page, "detained for five years as an intractable lunatic."

As I read Senator Roebuck's explanation I certainly get the impression that he believes this bill provides for unsoundness of mind within that definition. That is to say, where the person of unsound mind is intractably so—because that is the word used instead of "incurable" which is used in the English act—and is detained for some five years.

I have cited the statements of Senator Roebuck which I believe support that interpretation, but I do not think the bill says this. If I may read it, clause 2(1)(c) states that a court may grant a divorce where the respondent

> is intractably of unsound mind and has been continuously under care and treatment for a period of at least five years immediately preceding the presentation of the petition.

Then it defines "care and treatment" as follows:

> (2) For the purposes of this section a person of unsound mind shall be deemed to be under care and treatment only while he is
>
> (a) detained in pursuance of an order or inquisition completely made or had under authority of a statute in force in the province concerned or as a criminal lunatic; or
>
> (b) receiving treatment as a voluntary patient pursuant to any statute in force in the province concerned, being treatment which follows without any interval a period of such detention as aforesaid.

Unless my reading of the wording is quite wrong, this means that grounds for divorce can be established where a spouse has been detained for a year, less than a year, six months, two months or sent for psychiatric examination by a magistrate, and then released from detention and voluntarily takes treatment. This is a ground for divorce? I am sure that is not the understanding Senator Roebuck had, and yet it seems to me this kind of definition is loose and opens the door to all kinds of abuses.

Honourable senators, that is all I have to say. I am sure Senator Roebuck knows I am not criticizing him or the bill, but I am merely making a plea for careful consideration of these aspects. I think it is a mistake to take a bill that was passed by the British Parliament in 1950 or 1952 and say that because this form was passed there, therefore we should use the same form. I think we can do better.

On motion of Hon. Mr. Macdonald (Cape Breton) for Hon. Mr. Flynn, debate adjourned.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, May 5, 1966

The Senate met at 3 p.m., Hon. Maurice Bourget, P.C., Acting Speaker, in the Chair.

Prayers.

DOCUMENT TABLED

Hon. John J. Connolly tabled:

Copies of letters and telegrams exchanged between the Prime Minister of Canada and the Premiers of the provinces concerning the proposed Federal-Provincial Conference.

THE ESTIMATES

AUTHORITY TO PRINT FINANCE COMMITTEE PROCEEDINGS

Hon. T. D'Arcy Leonard, Chairman of the Standing Committee on Finance, presented the following report of the committee, to which was referred the Estimates laid before Parliament for the fiscal year ending 31st March 1967:

Your committee recommends that authority be granted for the printing of 800 copies in English and 300 copies in French of its day to day proceedings.

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

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

Report adopted.

COMMONWEALTH RELATIONS

INQUIRY BY EXTERNAL RELATIONS COMMITTEE—AUTHORITY TO PRINT COMMITTEE PROCEEDINGS

Hon. Gunnar S. Thorvaldson, Chairman of the Standing Committee on External Relations, to which was referred the question of Commonwealth relationships with particular reference to the position of Canada within the Commonwealth, presented the following report:

Your committee recommends that authority be granted for the printing of 800 copies in English and 300 copies in French of its day to day proceedings.

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

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

Report adopted.

COMMONWEALTH PARLIAMENTARY ASSOCIATION

CONFERENCE IN NEW ZEALAND—DEBATE ADJOURNED

Hon. John J. Connolly rose pursuant to notice:

That he will call the attention of the Senate to the 1965 General conference of the Commonwealth Parliamentary Association, held in New Zealand in November and December 1965, and in particular to the discussions and proceedings of the Conference and the participation therein of the delegation from Canada, and to the forthcoming meeting to be held in Canada in September and October 1966.

He said: Honourable senators, pursuant to the notice I gave several days ago, I would like to take some time in the Senate today to discuss the Commonwealth Parliamentary Association, somewhat in general, and in particular the eleventh meeting of the Commonwealth Parliamentary Association which took place in New Zealand in November and December of last year.

The Canadian delegation was led by Mr. S. Ron Basford, the Member of Parliament who represents Vancouver-Burrard, British Columbia.

There were two representatives from the Senate—His Honour the Speaker (Hon. Mr. Smith, Kamloops), and the Honourable Frank Welch from Nova Scotia. In due time, Senator Welch will speak on this matter.

I was present at the conference, not as a member of the Canadian delegation but as vice-chairman of the General Council and chairman at that time of the Canadian branch of the C.P.A.

Honourable senators, I was proud of the performance of the Canadian delegation and proud also of the impression they left with their fellow delegates and with the people of New Zealand. Many of our delegates took on this task at very short notice, immediately after the election. They worked hard on the briefing material and they acquitted themselves admirably in the debates. Senator Welch will discuss the special aspects of the meeting, as he was present for the tours of

New Zealand which were arranged. He was good enough to bring Mrs. Welch with him, and she made no small contribution to the many events of the conference and to the morale of the Canadian and other delegations.

I am delighted to have the opportunity to praise the co-operation and assistance given to the delegation by the Canadian High Commissioner in New Zealand, the Honourable K. J. Burbridge, who is known to many honourable senators, and by his wife, Mrs. Burbridge. Our grateful thanks are due to them for the hospitality and many kindnesses shown to us. We also had the co-operation of the very able staff at the Canadian Mission in New Zealand. They briefed the delegation, they assisted in the preparation of material and they went far beyond the call of duty in providing facilities and helping in every way. Their standing in New Zealand, and especially in Wellington, is very high indeed.

We were all impressed by the elaborate hospitality extended to us. The Prime Minister of New Zealand, the members of his government, the members of Parliament, the staff associated with the organization of the conference and the New Zealanders themselves all contributed to make our visit to New Zealand one that we shall always remember.

We were in New Zealand in November and December—it was spring there, almost the beginning of summer. Incidentally, the golf was very good too, when we could get to it.

Hon. Mr. Farris: How about the players?

Hon. Mr. Connolly (Ottawa West): The players were not too bad. Of course the New Zealanders are very keen golfers, and I wish I could say that the Canadians acquitted themselves as well on the golf course as some of the New Zealanders did.

Honourable senators, I desire to speak primarily about the proceedings which took place in the Parliament Buildings at Wellington. They are summarized in an issue of a publication called *The Parliamentarian,* dated January 1966, which is available to all members of the Commonwealth Parliamentary Association in this chamber.

There were some 123 accredited delegates; there were four observers; there were eight specially invited visitors from the United States under the leadership of one of their distinguished senators, a friend of many of us, Senator William Fulbright.

The agenda before the Conference contained five items, arranged by the steering committee in the following order:

(1) The Rhodesian question.

(2) Economic growth in the Commonwealth.

(3) Parliamentary government in the Commonwealth.

(4) The Commonwealth Parliamentary Association and its future.

(5) Foreign affairs.

The next meeting of the association will take place in Ottawa at the beginning of September 1966, and for that reason, among others, I feel it is important to report to Parliament at this time about the proceedings which took place in New Zealand.

Dealing first with the Rhodesian question, some 35 speakers addressed themselves to the current situation there. The vast majority of speakers were from Africa and Southeast Asia, and they were highly critical both of the United Kingdom and of the United Nations for their failure to remove the Smith regime. There were pleas made against this attitude, pleas for moderation, pleas for time to see if the proposed sanctions would not work, and pleas especially for the wisdom of avoiding bloodshed. These pleas come mainly from the older countries of the Commonwealth and most of them went unheeded.

The emotional depth and aspect of this debate was indeed profound. It was urged that since there was no hesitation in using troops in Kenya against the Mau Mau, or in Cyprus against the freedom fighters, or in British Guiana against the nationalists, or in Viet Nam against the rebels, there should be no hesitation in using troops in Rhodesia to oust the Smith regime. The Smith government, it was said, had committed treason against the sovereign power, which was Britain, and it was pointed out that the penalty for treason was death. With few exceptions the countries of Southeast Asia and Africa made it crystal clear that the method they considered essential in this instance was the use of force. It was even alleged that the failure to use force was a decision based upon colour. I am happy, however, to report that this view was controverted by certain moderate elements from Africa.

All members of the Commonwealth should know this, particularly we in Canada since we are to be the hosts for the next meeting. We will hear more of it in September because the problem is a continuing one. It is a

problem which must be watched and every available opportunity must be used to resolve it. It is my personal hope, and I am sure that of all honourable senators, that force will not be necessary. I couple with that the further hope that justice to the people of that unfortunate country will result from whatever action is taken.

On the subject of economic growth in the Commonwealth, I should like to say a few words. This topic was argued with some considerable force, but with much less emotion than was the Rhodesian question. It was pointed out that on the whole the countries within the Commonwealth which could be described as underdeveloped or developing had, in fact, less development than developing countries outside of the Commonwealth. The basic requirement of these countries is for aid in human terms and in terms of skills, and as well for money and machinery. Perhaps primarily, and influencing all of these other instruments of help, it was made quite clear that the first requirement was the provision of more facilities for education in the broad sense of the word in the newly developing countries.

Honourable senators, the delegates from Southeast Asia and Africa from whom these pleas emanated are impressive people. They laid stress on every aspect of education in every area of the field. Technical training is not enough. Basic education leading to higher education was considered to be of extreme importance; and if I may paraphrase, if not quote what Senator O'Leary of Carleton said yesterday, they said it was important not only to have the know-how but as well to have the know-why. It was said that there were avenues which could open up working opportunities for people in those countries and which they could not have without outside assistance all across the spectrum of what that term involves today.

The case was put most reasonably. It was said that the supply of aid should be geared to the needs, the resources and the cultures of the people who were to be helped. It was thought that a decade of intensive application of the proper assistance could work wonders.

Of course, the problems are legion. They include, first of all, poverty, which is a breeding ground for communism; sickness and disease; over-population; under-employment and outmoded work methods. They also include internal insecurity, instability of government and in some cases poor systems of land tenure. But, I repeat, the first priority is for the provision of facilities for general education and special training of all kinds, both industrial and agricultural, together with loans and gifts, technical assistance and managerial assistance. Properly used, they hope these things might lead later to investment from abroad.

The problem of feeding the world's people was recognized, and that it will increase with the years was greatly stressed. But above all, stability of government must be assured. Here again stress was placed on the importance of education for government, the education of the young people of those countries to enable them to take their place in the public life of their country.

The Senate will be interested to know, I am sure, that an argument was made for the planning of the development of industrial capacity in the developed nations to avoid competition with the early manufactures of the new emerging and developing nations. For me this was an old proposal, as it is indeed for many senators. It has been urged many times in the Economic Committee of the NATO parliamentarians. Senator Walker will remember particularly the leadership given in this respect by Senator Javits of New York, who was at one time the chairman of that committee.

On the other side of the coin it was suggested that in the developing countries emphasis should be placed upon indigenous new industrial and agricultural products which would open foreign markets of a new kind. In other words, there is no sense, they were saying, in having Kenya make clothespins to sell in Canada, or electric light bulbs to sell in Japan, or shoes to sell in England. In every one of these developing countries the standard of living is low, and the effort to raise it must come from the people who live there, with appropriate aid from outside.

I must say that there was a very generous acknowledgment of the aid that had been received from Britain, from Canada and the other developed Commonwealth countries, from the United States and West Germany. One could not help but feel too that there was on the part of the developing countries a moral duty to continue this work systematically and with prudence.

These are the general impressions that were left with me after that debate.

After my return I had a talk with Senator McCutcheon, and he told me of a book—and I am most indebted to him for drawing it to

my attention—written by the great authoritative historian, Arthur Toynbee, entitled *Between Niger and Nile*. In that book there are two or three points which seem to bear upon what I am trying to say this afternoon, and with the indulgence of this house I should like to read some passages from this book. At page 68 Tonynbee says:

> It means, above all, inspiring people with confidence that they can change their lives for the better by self-help. It means tapping hidden springs of initiative which may have been buried and choked for ages, yet which are always latent in the subsoil of human nature.

And at page 116:

> In the world of the future, every cultivated man or woman will have to be at home in at least two cultures as a minimum; and, among the current ecumenical cultures, the French culture is one of the most attractive.

This is Toynbee talking about the situation in Africa. And we think we have problems in this country in this respect!

> West Africans today are realizing that their university-educated elite will have to be not merely bi-cultural but tri-cultural. Besides being literate in their local African mother-tongue, they will have to be literate in both French and English as well. In West Africa the ex-French and the ex-British territories are intricately interlaced with each other geographically, and their frontiers—drawn sixty or seventy years ago to suit British and French, not African convenience—but right across the native African ethnic and linguistic map. Close co-operation between the ex-British and the ex-French West African territories is therefore going to be indispensable in the new era of independence.

And continuing on page 117:

> Should the young African universities be content to follow the established Western university conventions? Or should they take a new look, with fresh and unprejudiced eyes, at the whole subject of the scope and aim of university education?
>
> They have, in fact, the chance of finding a new way that will meet African needs; and, if they innovate imaginatively and judiciously, they may do valuable educational pioneering work, not only for Africa, but for the world as a whole.

And, I would add, particularly in Southeast Asia.

Industrialization, of course, is the magic word in all of this discussion, and of this Toynbee says at page 69:

> All over the world today, they are now demanding a share in the benefits for themselves; and this is reasonable now that we have entered on the age of mechanization. Modern technology is increasing Man's productivity to a degree that is making social justice practicable at last; and the long-overdue social revolution is therefore now inevitable everywhere.

But, there is an important aspect of industrialization which, in my submission, should give pause not only to the developing nations, but also to ourselves, the so-called developed nations. Sir Arthur Bryant, writing in the *Illustrated London News* of April 2 last, quoted a letter that was written to the *New Statesman* which he thought—and it is also my own humble opinion—has much merit. I should like to read a portion of it. Bryant wrote:

> ...it referred to what is perhaps at once the loveliest, most contented and prosperous, and least spoilt rural area in the British Isles, the Border Country.
>
> "To the eye of one going through the Borders the little towns he passes through and the land between them can give nothing but pleasure and a sense of cleanness and peace too rarely-found in our island. The pastures are well stocked, the towns old and friendly, the scattered farms compact and solid: the faces of the natives getting in and out of the bus or train are pink and contented and are more often than not greeting each other as neighbours or familiar acquaintances at races or markets—northern country people, kindly but reserved, set in their ways and belonging to their land. The rivers, and hills, the woods and pastures have about them a woven-in harmony.
>
> And in another generation will this land have changed again? Will there be the scattered blocks of bootbox modern towns, multiplicity of chimneys, giant pylons, power-lines, smoke, industrial scum in the waters, a smell like the English midlands, the droning and hooting of factories and the roaring of bulldozers? Will another generation never know the rare and fruitful peace of this small, fertile part of Scotland?

> But I cannot forbear to suggest that there may come a time when we shall need our land and the food that it produces more than we now need plastic factories and timber-pulping works and the other quick prosperity-makers that 'They' are offering us—nay, forcing upon us."

It seemed to me that this is an aspect of development in underdeveloped and developed countries which might well be very carefully considered by their leaders.

I should like now to say a few words about parliamentary government in the Commonwealth, which was also one of the topics discussed. There was a long discussion about the role of the ombudsman, which I do not propose to discuss here. However, since the delegates were all described as parliamentarians it was most interesting to hear the views they expressed about the parliamentary system itself. Some of them praised what was called the modern one-party system, and the fact that there was no necessity to waste people's time by having an opposition. It was pointed out that the one-party system prevailed in Kenya and in Ghana as the result of a plebiscite.

The Congo was cited as a country where there was unstable government because of the multiplicity of parties. Malawi, too, which was a republic, had a one-party system, but there was provision for representation of the European community.

The African countries appeared to be the only place from which an attempt was made to justify this concept of the one-party system. But it does exist there and it is a real idea with those people, a working idea. However, their spokesman was good enough to say that it might be considered to be a peculiar aspect of the conditions on that continent. It does not prevail everywhere. For example, Zambia has a parliament with opposition parties, and an assembly consisting of chiefs, which I would gather to be an assembly somewhat like a Senate. However, they were not sure that this was the right arrangement even for that country, and that perhaps the one-party system based on the system of the tribal councils was more appropriate for African nations. That was one side of the argument.

From New Zealand, Jamaica, Nigeria, India, the United Kingdom and Canada there were forceful speeches made on the importance of a government responsible to a House of Commons opposed by a freely elected opposition.

The matter of second chambers was discussed only to the extent of pointing out that New Zealand had dispensed with hers and that Australia had made hers elective.

I was impressed with one speaker from Nigeria, who said that if the dignity of man and fundamentals of human rights had any meaning at all, nothing but the two or multi-party system was acceptable, that anything else would be a reversion to colonial days. Another delegate likened the development of the one-party system in African countries to the practices in this respect of Communist countries, especially Russia.

I may have said this in the Senate before, but when I was in Singapore I was invited to attend a meeting of the legislature. It was the second sitting of a new parliament. It was curious to see that the opposition, for reasons of their own, had decided to boycott the sitting, and in the result every government proposal that day went unopposed and uncriticised, and on that day the budget was presented!

I am frankly of the opinion that while it may take some time to develop parliamentary institutions, as we understand them, along traditional lines and modernized to meet current world requirements and national requirements, this is an undertaking which must be seriously considered by the Commonwealth Parliamentary Association. I hope it is a task we shall take upon ourselves in September.

Honourable senators, I do not like to quote myself, but in the speech of acceptance which I made at the last convention, held in the southeast portion of the world, I thought it appropriate to say that in that region I felt there was a special elan above and beyond its great material potential. I said that it was a product of the spirit and a culture of the great, the friendly, the gentle peoples of Asia and of Africa. I described them deliberately in that way, despite the turmoil which now disaffects and disturbs so many of them.

In the character and within the social institutions of these peoples there is a mystical quality—human, spiritual, part of it indeed oriental in character, from which strength and indeed aid can inseminate the western establishment of the Commonwealth. In the words of Tennyson, it is something within which "Spirit with Spirit can meet." In my

view, it is a very real and available Commonwealth asset; it is part of the great concept of Commonwealth which can be enduring if we will but use it.

There was also much discussion about commodity stabilization. This is a subject which is allied to the general problem of economics and social development, and great emphasis was placed upon it. It was freely recognized that efficiency of agricultural methods in the underdeveloped countries must be improved. This includes the fields of production, distribution, and of price on the world markets, especially for those countries with single or few special products and crops, like sugar or cocoa.

The finger was pointed to famine, which prevails in certain sections of the Commonwealth despite the opportunity to provide plenty of food in the world. This is the dilemma to be resolved.

The matter of population control was also urged. So also was the use of co-operatives, and education of the agricultural producer in the use of co-operatives. I must say that the Canadian delegation was particularly helpful in this area of the debate.

It was striking to me, as I am sure it will be to all honourable senators, to hear that 23 per cent of the land area of the world, 20 per cent of its rainfall and 24 per cent of its population is within the Commonwealth.

On the question of the Commonwealth Parliamentary Association and its future, I should like to say a word or two particularly about a speech made by Mr. Bernard Braine of the United Kingdom delegation. He had many practical suggestions to offer. They included the urgency of developing a proper agenda for the general meetings. He urged a closer relationship between the work done by the prime ministers conferences and the conferences held by the parliamentarians. He was supported strongly by others in his suggestion that a committee system be devised to shorten the time of the conference and still allow ample opportunity for the work of the plenary session. He also urged that some attention be paid to continuity in national delegations. He urged upon delegates the importance of reporting to their legislatures on the work of the conference.

I may say that the practice in this respect which is followed in this chamber and in the House of Lords was highly commended as an admirable example.

I must also mention the speech of the distinguished the Right Honourable Arthur Henderson, who is the honorary treasurer of the General Council. He thought that the council, now with 46 members, was unwieldy. He also thought that meetings should be held not annually, but every two years. He warned against the dangers arising out of increasing costs associated with conference meetings. I must say that in this respect, he is a man after my own heart.

I shall not attempt to report on the debate on international affairs. The leaders were the Prime Minister of New Zealand, the Right Honourable Keith Holyoake, who spoke particularly about the problem in Southeast Asia for the parts of the Commonwealth in that area.

The other featured speaker was Senator William Fulbright of the United States. He made a very moderate but a most impressive presentation. He outlined the problem of Viet Nam and the responsibility which the United States government and the people of the United States felt for world peace and especially in Southeast Asia. His speech to me was most reassuring.

Honourable senators, when the Commonwealth Law Conference was held in Ottawa in 1960, the leader of the United Kingdom delegation was the then Lord Chancellor, Viscount Kilmuir. He was a most thoughtful man, and able. I remember him asking what I thought the ultimate fate of the Commonwealth was and what unifying element there might be to preserve it with so many new areas achieving independence. He asked, "Was it the Crown, the parliamentary system, the rule of law, trade, power—what?"

Since that time there has been a greater proliferation of independent members and others described as on the fringe of the Commonwealth.

If I had to answer Lord Kilmuir's question today I would say that all of the elements he mentioned form a part of the unifying force in one way or another. I would add now one further element, that is, the problem, the challenge and the opportunity which the issues of the developing parts of the Commonwealth present to the whole group of its 21 or 22 nations. The old days are gone. Certainly, Britain, and help for the mother country, is not the central issue.

Like the older members of the Empire and of the Commonwealth, Britain has become a donor unit with great responsibilities, not only in the field of technical assistance and economic aid but in the field of defence. I

had the opportunity to visit the great British naval base at Singapore and to see the heavy responsibility which she is shouldering there and how important it is for that area of the world.

For other and valid reasons, we in Canada, like other members of the Commonwealth, have been donors in this field. We are not engaged in preserving an empire. We are engaged and we must become increasingly engaged, in the issues of promoting peace, raising living standards, helping people across the whole spectrum of developing nations, but more particularly the developing nations within the Commonwealth. In our generation, if we fail in this we shall be condemned. If we succeed, we shall have made an impressive contribution to the betterment of a vast segment of humanity. I know we have pockets of poverty in Canada; we have serious domestic problems, social, economic, jurisdictional. But as a free and prosperous people, as an enlightened people and a generous people, we must face and formulate, as well, with others, solutions to these larger issues which are very real and which require urgent and sympathetic attention.

I had the honour to be elected chairman of the General Council of the C.P.A. at the conclusion of the meeting in New Zealand. This was not any personal tribute to me. This was a compliment which was paid to Canada and because she will be the host country for the next meeting. This post has not been held by a Canadian since Senator Roebuck was similarly honoured in 1952.

Following upon my election, I paid official visits in Canberra, in Singapore and in Kuala Lumpur. Unfortunately, the opportunities for paying visits to other countries in Southeast Asia and Africa were considerably curtailed by circumstances of my health, but more particularly because of the parliamentary year and the fact that a full twelve months do not elapse between the closing of the New Zealand conference and the opening of the next one in Canada.

Next September the annual meeting will be held here and the discussions will take place in Ottawa, perhaps in this very chamber. It will be necessary for me to preside over meetings of the General Council in London, starting on May 15. We shall there be working on all aspects of the forthcoming meeting, particularly the agenda. Much of the local program here has already been prepared by a most effective committee in the Canadian branch, of which the Honourable John Turner is now chairman and with whom several very distinguished senators work on the committee. I hope all honourable senators will not only wish us well in our endeavours but will give this undertaking their active and continuing support.

On motion of Hon. Mr. Welch, debate adjourned until Monday next.

CANADA-UNITED KINGDOM INCOME TAX AGREEMENT BILL, 1966

SECOND READING

Hon. Salter A. Hayden moved the second reading of Bill C-154, to implement an agreement between Canada and the United Kingdom for the avoidance of double taxation with respect to taxes on certain classes of income and to implement a supplementary income tax agreement between Canada and Sweden.

He said: Honourable senators, this bill is divided into two parts. One part is to approve a new tax agreement entered into between Canada and the United Kingdom for the avoidance of double taxation with respect to taxes on certain classes of income. The second part of the bill provides for the approval of a supplementary income tax agreement between Canada and Sweden. May I deal with the second part first.

The main purpose of the supplementary agreement between Canada and Sweden is to reflect a change in our withholding tax in respect to dividends, where there is a subsidiary company in Canada and a non-resident parent company owning all the shares of that subsidiary. That rate until 1960 was 5 per cent. In the "baby budget" in December 1960 the 5 per cent provision was eliminated, so that the general withholding rate on dividends going from Canada to a non-resident company was 15 per cent. Several years later, for a period at least, we had several rates of withholding tax, the object being to use the rates as a weapon or instrument to bring about a greater permitted participation in operations in Canada of companies owned by non-residents.

During the period since 1961 Canada has been seeking to obtain this supplementary agreement so far as Sweden was concerned, and this supplementary agreement is the result. By virtue of it, there is deleted from the original agreement the provision which makes a 5 per cent withholding tax rate applicable where more than 50 per cent of the shares of the Canadian company are

owned by a non-resident company—in this case, by a Swedish company—or vice versa.

The agreement which the bill implements by deletion of the provision in that regard establishes a standard 15 per cent withholding rate of tax in these circumstances as between Canada and Sweden. If this agreement did not exist, the regular withholding tax rate imposed by Sweden, for instance on dividends coming from Sweden to Canada, would be 30 per cent.

The Swedes took advantage of the situation to increase the number of taxes which would be the subject matter of the agreement, and they added what is called a communal tax. A communal tax is an income tax; it is one imposed by the states that make up Sweden and is in its nature an income tax. It is a tax which the central government permits the state to impose. That has been made part of the subject matter of Swedish taxes covered by the tax convention between Canada and Sweden.

Then the use of the instrument of foreign tax credit in order to avoid double tax has been brought into play in several particulars in this agreement. Where an exemption is not provided by one country or the other, if you are subject to tax in both countries, you would still get a foreign tax credit in one country to the extent of the tax you paid in the other. That is the sum and substance of the supplementary agreement.

I should point out, however, that up until now Canada has observed the conditions of its agreement with Sweden and has enforced only the 5 per cent for which you will recall there is a provision in the implementing statute. Furthermore, where there is a conflict as between the law as laid down in the tax convention and the general tax law of Canada, the law as laid down in the tax convention governs. As the result of negotiations, Canada finally corrected that situation to bring the tax convention on that point in line with government policy and government taxation law, and the purpose of this bill is to have parliamentary approval to these changes in the supplementary agreement.

Now, exactly the opposite situation has occurred in relation to the tax convention between Canada and the United Kingdom. Negotiations went on as a result of incidents which I described earlier, which resulted in conflict as between the United Kingdom-Canada Tax Convention and the general law of Canada, to work out and try to harmonize those two positions. Finally, when it appeared impossible to do so, Canada terminated the tax convention as between this country and the United Kingdom. The notice of this termination was given in the manner provided for in the original convention entered into in 1946. That notice was given on or prior to June 30, 1964, and as to withholding taxes it became effective on January 1, 1965. So that as and from January 1, 1965, we have had no convention governing the rate of withholding as between Canada and the United Kingdom and as between the United Kingdom and Canada. In so far as other income taxes are concerned, the notice which Canada gave would terminate the agreement at the end of the fiscal year of companies which had a fiscal year ending sometime in the calendar year 1965. So, in effect, the United Kingdom-Canada agreement of 1946 was terminated under the termination provisions in that agreement.

What we have before us today is a new agreement, and it is called an agreement between Canada and the United Kingdom for the avoidance of double taxation in relation to certain classes of income tax. It has been described, as you may have noticed in the papers and in public statements, etc., as being an interim agreement. When you see the area it covers as compared to the area covered by the earlier tax convention, you will realize that there is implicit in it the fact that it is to be temporary in its nature, but there is nothing in the agreement itself which says so, and the termination provisions in this agreement now before us are exactly the same as we had in the earlier agreement.

Having said that, I should also point out to you that a clause in this new agreement in relation to withholding tax makes the agreement effective retroactively to January 1, 1965, so that there would be no gap between the termination of the old agreement in relation to withholding taxes and the commencement of the new agreement when it becomes law. It does the same thing in relation to the other income taxes that are the subject matter of the agreement so far as Canada is concerned.

I should at this stage point out too that on the question of exchange of information—and we have had some hard words said here on previous occasions when we have been looking at certain provisions for the exchange of information in this bill—the provision here is simply that the two countries will exchange information at their disposal under the in-

come tax laws in the normal course of the administration of those laws for carrying out the provisions of this agreement. That I think is significant in the sense that it rather points to the interim nature of the agreement, because if you go back and look at the language in the original agreement which has been incorporated in other tax conventions, the language is much broader and provides for an exchange of information for the prevention of fraud or for the administration of statutory provisions against legal avoidance in relation to tax that is the subject matter of the agreement. Many heated and harsh words were said in this chamber at times on the scope of this exchange of information, and the fact of one country undertaking to assist in the enforcement of the fiscal laws of the other country, and in the matter of prevention of fraud, which would really be an offence in the other country under the acts of the other country.

I thought I should draw your attention to that point. I think I should also point out that the withholding tax in the United Kingdom at the present time is 41¼ per cent, which works out at about eight shillings and three pence on the pound.

Having said that, I propose to tell you now just what are the heads covered in this new agreement. There are four. The first one deals with what are called the profits of an industrial or commercial operation, where you have such an operation as an enterprise in Canada, and it is also carried on in some fashion in the United Kingdom and deals as well with the reverse situation.

As to the profits in relation to that kind of operation, I want to point out generally that the agreement provides that the taxation shall be governed as follows, and I quote from Article III:

> The industrial or commercial profits of a United Kingdom enterprise shall not be subject to Canadian tax unless the enterprise carries on business in Canada through a permanent establishment situated therein. If the enterprise carries on business as aforesaid, tax may be imposed by Canada on those profits but only on so much of them as is attributable to that permanent establishment.

Later in the section they go on to apply the order in reverse and apply the same rule of law where you have the Canadian enterprise carrying on business in the United Kingdom.

In the old act, the old tax convention, there was provided a method for determining whether the Canadian enterprise had a permanent establishment in the United Kingdom. You will find that continued in the present tax convention, or perhaps I should say in the proposed one, and you will find it spelled out in the rules of interpretation, if I may call them that. You will find them spelled out in more detail as to how you will make that determination as to whether or not there is a permanent establishment.

I do not propose to weary you with this unless some questions are asked, nor do I intend to deal with what the conditions are. They are, as I said, spelled out in the bill. You will find at page 5 of the bill under paragraph (j) a group of paragraphs which provide this information. There you will find the definition of the term "permanent establishment," and in the enumeration they give a list of what are regarded as permanent establishments in the other country for purposes of this agreement. Then they go on to say that the term "permanent establishment" shall not be deemed to include various items, and they give an enumeration.

Then there is another enumeration of those things which, while they may be carried on by the Canadian enterprise in the United Kingdom, do not create the situation of the Canadian enterprise having a permanent establishment in the United Kingdom; and it works in reverse as well.

Then there is a series of paragraphs which indicate the conditions under which a person who is representing a Canadian enterprise and is in the United Kingdom and carrying out certain operations there would be regarded, or the Canadian enterprise would be regarded, as having a permanent establishment and the conditions under which it would not be regarded as having a permanent establishment.

I should interject here and say that I am going to propose before I sit down that we should give consideration to sending this bill to committee. We have not done that in the past in similar cases, but I feel it may be time we sat down with the officials and learned how they go about negotiating these agreements and what, in effect, they think they have gained as a result of this tax convention. That it is another reason why I am not going into such elaborate detail to point out when there is a permanent establishment, when it is deemed certain operations do not constitute a permanent establish-

ment. I shall not go into detail on this unless there are some questions.

The second item has to do with profits from the operation of ships or aircraft. In the old tax convention it was provided that the profits of an enterprise from the operation of ships or aircraft by, say, a Canadian enterprise in the United Kingdom would be subject to tax only in Canada, if the place of effective management of the operation was in Canada. It has continued with a few changes in wording.

So what this tax convention proposes in that regard is to lift out of the old convention the agreement which was made, that profits from the operation of ships or aircraft in international traffic will only be taxable once and in the place where the effective management of the enterprise is situated. That is the second item.

The third item—and I think this is the most important one—is the matter of taxes on pensions and annuities. One starts off with the general principle in the bill before us that all pensions and annuities will be taxable only in the country where the recipient of the pension or annuity is resident. This differs from the old agreement, which provided that pensions paid in respect of British or Canadian governmental or military services could be taxed only in the country of source.

In order to try to give an understanding of this particular item I would very briefly, in a summary way, give you the breakdown which I have made of various classes of pensions and what happened under the old agreement, what happens in the interim when you have no agreement, and what happens as, if and when a new agreement becomes law.

I have four classes of pensions. The first is pensions payable by the United Kingdom government to former employees, to the extent that such pensions are payable to Canadian residents. In that situation, under the old agreement these pensions were taxed by the United Kingdom, that being the source, and not by Canada. In the absence of any agreement those pensions and annuities would be taxable in both countries. Under the new agreement they may be taxed only in Canada, which is the place of residence of the pensioner or annuitant. If, however, this Canadian resident who receives such a pension or annuity in these circumstances was resident in Canada and was in receipt of such a pension or annuity on January 1, 1965, then he may make an election. If the United Kingdom rates are more attractive—which I would doubt at this time—he could make an election to be subject to the United Kingdom rate; otherwise, he would be subject to the Canadian rate.

The second class is what I call non-government pensions. In the first class, which was government pensions, I had included civil service pensions and military pensions. In what I call non-government pensions I would include what they call their National Insurance, which is their form of security payments, and private pension plans which companies in various industries maintain for their employees. If the source of the non-government pension is the United Kingdom and the payment is made to a resident in Canada, under the old convention it could not be taxed by the United Kingdom and was taxed by Canada only. If there was no agreement, it could be taxed by both countries. Under the new agreement it is taxable only in Canada and, therefore, to that extent you have carried forward the provisions in the old agreement.

The third class is the reverse process. This would be Government pensions paid by Canada to residents in the United Kingdom. Under the old agreement those pensions and annuities could be taxed only by Canada. As a matter of fact, they were not taxed by Canada. In the absence of agreement such pensions and annuities could be taxed by both countries. Under the new agreement such pensions and annuities may be taxed only in the United Kingdom, but there is the same right of election which I described earlier in relation to the reverse situation.

The fourth category is non-government pensions payable by Canada to people who may be resident in the United Kingdom. Under the old agreement they could not be taxed by Canada but were taxed by the United Kingdom. If there was no agreement they could be taxed by both countries, but, in fact, Canada did not tax. Under the new agreement they may be taxed only by the United Kingdom.

As to the beneficial effect of this change I think it is the most important single thing the convention does. The benefit, in a memorandum which I have here, indicates that in this regard as to pensions under these provisions the benefit would accrue to some 12,000 Canadian residents who are in receipt of non-government pensions from Britain, and who for the first time are feeling the weight

of the British tax, which is severe by our standards, and some 3,000 Canadian residents in receipt of British Government pensions, whose combined British and Canadian tax may now be higher than the British tax paid during the existence of the old agreement. It would also restore the position of some 2,500 recipients of Canadian pensions now living in Britain whose financial position has been seriously affected by the termination of the old agreement.

The next category, and this is my number four, is what is called copyright royalties. That means royalties which are paid in respect of copyright. Under Article VI of the new agreement there is continued the exemption at the source from tax. May I just illustrate to you what that means. Under Article VI on page 8 it says:

> Subject to paragraph (6) of Article III, copyright royalties and other like payments in respect of the production or reproduction of any literary, dramatic, musical or artistic work (but not including rents or royalties in respect of motion picture films and films or video tapes for use in connection with television) derived from sources within one of the territories by a resident of the other territory who is subject to tax in that other territory in respect thereof shall be exempt from tax in that first-mentioned territory.

That simply means that a Canadian receiving copyright royalties from the United Kingdom will be taxed on them only in Canada.

In order to carry this to its logical conclusion I should tell you the items that are in the old agreement and which have not been carried forward in this agreement. One is, of course, the 5 per cent witholding tax which is now contrary to Government policy and contrary to our law, in the situation where you have a Canadian subsidiary company more than 50 per cent of whose shares are owned by the United Kingdom parent company. But, until the agreement was terminated by Canada this provision not only existed in the old agreement but, notwithstanding our change in the law in Canada, Canada observed its obligation under the old tax convention and only withheld the 5 per cent. This was done in spite of the fact that our general law and Government policy provided for a 15 per cent withholding.

Honourable senators will recall also that there was what I call an individual exemption for personal and professional services performed by, for instance, a Canadian in the United Kingdom. There were certain limitations in the old agreement under which, if a person was not in the other country more than 183 days, he was not subject to tax in that country. Article IX in the old agreement—and here for "United Kingdom" you may read "Canada" and thus get it in reverse—reads:

> An individual who is a resident of the United Kingdom shall be exempt from Canadian tax on profits or remuneration in respect of personal (including professional) services performed within Canada in any taxation year if—
>
> (a) he is present within Canada for a period or periods not exceeding in the aggregate 183 days during that year, and
>
> (b) the services are performed or on behalf of a person resident in the United Kingdom, and
>
> (c) the profits or remuneration are subject to United Kingdom tax.

So there is taxation in only one country under these conditions.

This provision has not been carried forward into the present agreement. I do not know whether that indicates any change in view on the part of either the negotiators for Canada or those for the United Kingdom, but I suppose there was a limit to what they could immediately project into a tax agreement in view of the impending Carter Commission Report here and what recommendations it may bring forth, and the extent to which they may be implemented by our Government. I suppose in view of that they felt they should go only so far at this time.

Of course, as you have been reading in the newspapers during the last few years, there have been fairly substantial changes in the income tax structure in England, and in their approach to the various problems and various kinds of income taxes they have.

Honourable senators will recall that there was in the old agreement an exemption in relation to teachers and students who were doing special work, or teaching for a period not exceeding two years in the other country. They had their exemption, and only paid their tax in the one country.

These are items which are not carried forward, and you can assess how important it may be for any person who is affected adversely as a result of their not being carried forward. Such a person would urge that these matters are most important and should have been attended to. But, there were, as I have

explained to you, deep-seated reasons for not attempting a full-scale agreement at this time.

In the meantime some precedents have been, and are being, established. The United Kingdom has negotiated a revision of its tax convention with the United States, and it would appear from that that the United Kingdom at the proper time, when Canada may be negotiating, will be amenable to a withholding tax rate on both sides of 15 per cent. Certainly having regard to the present withholding rate of 41¼ per cent, that would be a great achievement.

In the old agreement there was a definition as to who was a resident of Canada and who was a resident of the United Kingdom. You will find spelled out in this agreement, however, a series of rules for determining the residence of a person for the purpose of determining the applicable rate of tax, whether imposed by Canada or the United Kingdom. This becomes important in respect to the present bill because it contains a provision, not found in the old agreement, in relation to what is called dual residence. It is important to people who have been caught in past years by this concept of dual residence, and who have been ruled for the purposes of this tax convention, and for assessment for income tax, to be a resident of both countries. There is some relief for them, because on page 4 of the bill in subparagraph (g) honourable senators will see how a final determination can be made with respect to persons who have a dual residence, and how they can obtain a residence in one country or the other.

Honourable senators, I think that that covers the pertinent provisions of these tax conventions.

Hon. Mr. Farris: I should like to ask my honourable friend whether there has been any organized opposition to this proposed legislation, either here or in the other place.

Hon. Mr. Hayden: I have heard of none.

Hon. Mr. Walker: May I ask the honourable senator a question? Whenever he outlines a bill he is very forthright, although he may not always be so forthright when he votes. Is this not overall a very fair agreement both ways?

Hon. Mr. Hayden: Yes. I think, looking at the horizon and seeing what is there in the form of the report of the Carter Commission, and what is evolving in England in the way of their reshaping their tax structure, this is a fair compromise agreement for an interim period.

Hon. Gunnar S. Thorvaldson: Honourable senators, we have heard a very clear and precise resumé of the content of Bill C-154. Consequently, I do not propose to go over any of the details referred to by Senator Hayden. I do wish, however, to make a few remarks in regard to one or two general points which arise in connection with the bill.

The *Canadian Tax Journal,* which is a publication of the Canadian Tax Foundation, of January-February 1966, contains a very complete review of the Canada-United Kingdom tax agreement. I am sure that Senator Hayden has read it.

Hon. Mr. Hayden: That is right.

Hon. Mr. Thorvaldson: I should like to put on the record the brief but comprehensive statement that is found at the beginning of this article:

> The Anglo-Canadian tax agreement signed December 6, 1965 is a stop-gap measure designed to serve until each country sorts out its domestic tax affairs. One major shortcoming is that the agreement leaves open the question of withholding tax on items of investment income such as dividends, interest and patent royalties.

I think this short statement is very much in line with the remarks made by Senator Hayden.

In this same issue of the *Canadian Tax Journal,* at page 48 under the heading "Conclusion", the author says this:

> The new limited interim agreement with the United Kingdom is an interesting innovation in the area of international tax agreements. However, it should not allow a pause in the efforts of the Canadian authorities to press for an immediate reduction in the rates of withholding imposed by the United Kingdom on dividends and other payments to Canadian residents. The existing rates constitute a serious impediment to prospective Canadian investment in Britain. In the context of international business and investment a tax rate of 41¼% on the gross amount of dividends, and particularly on interest and royalties, is simply unfair. The inequity is compounded when the withholding tax is not applied at the same rate to all non-residents. Thus

> while the revised U.S.-U.K. convention restores a measure of reasonableness in the British withholding tax rates payable by Americans, it introduces a serious degree of discrimination against investors from Canada and a number of other countries.

Honourable senators, what we hope and press for is that a permanent agreement with the United Kingdom can be made as soon as possible.

Senator Hayden referred to the fact that the United States and the United Kingdom had succeeded in completing a new agreement. I believe that agreement was completed in January this year. I am taking for granted, therefore, that the Canadian Government must be in process of further negotiation with the United Kingdom Government in order that a final agreement covering these other matters can be entered into as soon as possible.

One wonders, indeed, why the United States and the United Kingdom could come to a satisfactory conclusion when such has not been done in respect of Canada. I understand that two reasons have been advanced. One is said to be the very great revision of British tax laws, which was done in the United Kingdom Finance Act of 1965. Then from Canada's point of view it is suggested that we should not press too quickly in coming to a final agreement with the United Kingdom until the Carter Commission on Taxation submits its report, which should indeed be available soon.

How valid these reasons are, I do not know, but I am presuming that the Carter Commission will report fairly soon, and that it has something to do with the fact that this is an interim and not a final agreement.

As Senator Hayden said, of course, difficulties in regard to the British agreement started to arise in December, 1960, after the introduction of the baby budget of that year. Honourable senators will recall that the then Minister of Finance, the honourable Mr. Fleming, announced as government policy that a minimum withholding tax in regard to dividends paid by Canadian subsidiaries to foreign parent companies would be 15 per cent. This new policy was in direct conflict with one very important provision of the Canada-U.K. act, which provided that no withholding tax whatsoever would be levied on dividends paid by a Canadian subsidiary if such Canadian subsidiary was wholly owned by a British parent company.

For many reasons that was an intolerable situation, and one wonders how we could have negotiated a treaty containing such a provision. However, I am presuming that the explanation is that in 1946, when the original treaty was negotiated, Canadians were not so conscious of the question of foreign ownership of our industries as they are now. Certainly one fact seems to have been overlooked, namely, that when Canada gave complete tax exemption to a wholly-owned subsidiary of a British company, that is completely contrary to the concept that has been developing in Canada recently, namely, the thinking that there should be greater Canadian ownership of Canadian industry. Indeed, this provision amounted to a penalty against a British company unless it owned 100 per cent of the shares of the company. Consequently, a British Company which owned a Canadian subsidiary would be dissuaded from offering shares in that company to Canadians or others, because it would then be penalized to the extent of a five per cent tax difference in the withholding tax that would be levied against it.

The situation was further complicated by Finance Minister Gordon's budget statements in 1963 when he chose a withholding tax as a means of promoting the sale of 25 per cent of the shares of foreign-owned companies to Canadian residents.

Honourable senators, I point these things out only to indicate that there has been a change in Canadian attitudes, and the reason it became necessary in 1964 to abrogate this treaty was because the thinking of Canadians was directed to preserving a greater Canadian ownership in our resources.

As I understand it, at least I am presuming this, that since 1960 Canada has been attempting to re-negotiate this agreement. However, as we all know, such attempts have not been successful until now, and even now we have only an interim agreement, That is all I have to say on that point.

An interesting fact, which I read recently in regard to this agreement, is that there are 25,000 persons resident in Canada who receive pension or annuity payments from the United Kingdom. The number of persons resident in Britain receiving pensions or annuity payments from Canada is only 2,500. I am told that part of the reason for that wide difference in numbers is that particularly

since World War II a large number of pensioners moved to Canada from Britain and consequently received pensions from the United Kingdom. However, if this agreement had not been made, you will quite understand from Senator Hayden's explanation that the position of those receiving these payments from abroad would have been quite intolerable. That is just one example of the reason why the 1946 agreement required to be renegotiated, even though in interim form.

Honourable senators, that is all I have to say on this bill, except to suggest that since an agreement has now been entered into between the United Kingdom and the United States, I would think that we will not have to wait too long before Canada succeeds in completing a tax convention with the United Kingdom covering satisfactorily the matters which are now omitted in this interim agreement.

Hon. Arthur W. Roebuck: Honourable senators, I rise once again, as I have from time to time for the past 20 years, to protest against the method of carrying out this proposed change in our tax law.

The system followed is not the historic one, as it should be. In the past, when the king was not only the head of the executive but also the maker of the laws, the Crown could enter into an agreement and carry it out by the necessary changes in the law. However, as time went on and constitutional monarchy took the place of absolute monarchy in the formation of law, it has become the rule of law that the executive may enter into a foreign agreement which is binding upon the executive, but not upon the country, and if the executive requires a change in the law in order to carry out the agreement it must then come to Parliament and ask for that change and take its chance as to what Parliament may do in the circumstances.

It is quite new procedure, I think, for the executive to enter into a complicated agreement of this kind and then to bring it to Parliament and shovel the whole document into the statutory law of the land. Obviously, the result is confusion worse confounded.

Just fancy the citizens of Canada trying to find out what the law is with regard to taxation in Canada and abroad. Think what it means to those who are doing international business along these lines, to have to read these lengthy agreements in an attempt to find out what is the law. How much better it would be if we simply amended the tax act to make such change in the law as is necessary as a result of the agreement, rather than put all this agreement into a new act.

We make changes in statute law of a complicated character in other connections. The Minister of Finance rises in his place and delivers a budget speech and then, following that speech, there are such changes made in the law as are required to enforce it upon the people of Canada. What would honourable senators say if, instead of making those necessary changes in our statutes, the Government were to ask us to make the budget speech the law of the land? It would be just as sensible as this method of changing the tax law of Canada, which the Canadian citizen is expected to understand, know and obey.

I know I am speaking futilely, because I have made this protest frequently over the past 20 years as these various agreements have come before us, but without my protest being successful or eliciting any response, the same old cumbersome procedure is carried on year after year.

Senator Hayden suggested that on this occasion we should refer the bill to committee. I approve that course. I would ask those in charge, those representatives of the executive, why it is they persist in this cumbersome, unconstitutional, unhistoric method of making confusion worse confounded, asking us to make an agreement into the law of the land. I would like to know what their answer may be.

Hon. J. W. de B. Farris: Honourable senators, I asked one or two questions, as I felt that the problem presented here is one in which we have a serious responsibility. Judging for myself, I doubt if we, generally speaking, are competent to deal with this kind of matter. For my part, I asked my honourable friend Senator Hayden if there was any protest from outside interests. As far as he knows, there has been none, although the question has been debated already in the House of Commons.

We have heard a clear dissertation from my honourable friend Senator Thorvaldson. Relying on what has been said, I am going to vote for this bill.

Hon. Mr. Roebuck: I am going to vote against it.

Hon. Mr. Farris: I am going to vote for it because those who brought it here, and Senator Hayden, who has studied it, consider it is a good bill. He accepts it and recom-

mends it, and I intend to accept his recommendation.

Hon. Mr. Hollett: May I ask honourable Senator Roebuck if he has made a statement that this method is unconstitutional?

Hon. Mr. Roebuck: Perhaps it is not outside the authority of Parliament under the British North America Act. I would not go that far. But it is not the constitutional procedure which has been in vogue for the past 300 years in Great Britain and here, in carrying an international agreement into the law which the citizen is expected to observe.

Hon. Mr. Hollett: If a senator with the experience of Senator Roebuck has some doubts in his mind as to the constitutionality of this method of procedure, I submit we should take plenty of time before we, as senators, pass this bill.

Hon. Mr. Hayden: Honourable senators—

The Hon. the Acting Speaker: Honourable senators, if honourable Senator Hayden speaks now, it will have the effect of closing the debate.

Hon. Mr. Hayden: In the course of my remarks I suggested it would be well if we departed from our earlier practice and referred this bill to committee. Then we could find out what procedures are followed, how negotiations are carried on, why these things have the particular form they have, whether any other forms have been considered, and if they are practicable. These are all questions we could look into in committee. That is why I propose to move that it be referred to committee.

Hon. Mr. Brooks: That is an excellent idea.

The Hon. the Acting Speaker: Honourable senators, it is moved by honourable Senator Hayden, seconded by honourable Senator Crerar, that this bill be read the second time. Is it your pleasure, honourable senators, to adopt the motion?

Hon. Mr. Roebuck: On division.

Motion agreed to and bill read second time, on division.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Hayden, bill referred to the Standing Committee on Banking and Commerce.

PRIVATE BILL

SEABOARD FINANCE COMPANY OF CANADA—THIRD READING

Hon. A. Hamilton McDonald moved the third reading of Bill S-21, to incorporate Seaboard Finance Company of Canada.

Motion agreed to and bill read third time and passed.

SCIENCE COUNCIL OF CANADA BILL

SECOND READING

Leave having been given to call Order No. 4:

The Senate resumed from Wednesday, May 4, the adjourned debate on the motion of Hon. Mr. Hugessen for the second reading of Bill C-149, to provide for the establishment of a Science Council of Canada.

Hon. Joseph A. Sullivan: Honourable senators, I thank the Leader of the Government and Senator Blois for allowing me to speak at this time.

I wish to chastise the honourable Leader of the Government for not paying enough attention to his personal physician and the position of the Senate. We are vitally interested in his health and welfare and wish he would take more care of himself.

Hon. Mr. Connolly (Ottawa West): I talk too much—that is all.

Hon. Mr. Sullivan: I congratulate the sponsor of the bill, Senator Hugessen, on the clear and precise manner in which he elaborated on it. He did so in such a way that further exposition is not necessary.

Secondly, Senator O'Leary (Carleton) with his usual olympian oratory, tore us apart with a lot of important points from the philsophical point of view, some of which I had in my preparation for the discussion of this bill.

As both previous speakers have said, this is one of the most important pieces of legislation ever debated in this chamber. The sponsor of the bill referred to clause 11, in which the duties of the council are set down in eight points. I wish to draw special attention to paragraphs (g) and (h), which I consider of the utmost importance.

Unlike the National Research Council, the Defence Research Board and other agencies and departments of Government, this proposed Science Council of Canada will have no staff, no laboratories, and no authority over expenditures other than the amounts allocated for the chairman and for the expenses of members in attending meetings of the council.

As has been stated, the report of the Glassco Commission on Government Services and the report of that brilliant scientist Dr. C. J. MacKenzie, to whom the sponsor of the bill referred, advocated that such a council should be established. As one who has been vitally interested in medical research for over 30 years, I can assure honourable senators of the importance of such a council.

A little over a year ago the federal Government appointed Professor Frank Forward, a distinguished engineer from the University of British Columbia, to be scientific adviser to the Government. I heard him speak once about the creation of the Science Council, which would have several divisions. The one division of which I have some knowledge is that to be headed by Dr. Louis Paul Dugal, formerly Dean of Science at the University of Ottawa. It was my privilege to be associated with him on the Scientific Medical Council of the Royal Canadian Air Force during the last war. Before that he was a Professor of Physiology at Laval University. He is an outstanding scientist and has the support and confidence of all those in the medical schools. Now you can see the purpose of my speaking to this bill.

I do not know exactly what Dr. Dugal's duties will be, nor what his relationship will be to the Medical Research Council. The medical schools have looked in the past, as indeed they still do, to the Medical Research Council as the main support of medical research in this country. We are all hoping that the budget of the Medical Research Council will be increased markedly, as recommended in the Bladen Report and also in the report prepared by Charles Gundy and submitted to the Government quite recently.

I really do not know what the intentions of the federal Government are in relationship to the support of medical research. I can tell you however that all the medical schools are much in need of more support for medical research and I emphasize that they are all extremely pleased at the formation of this scientific council for Canada. Apart from the private granting agencies such as the National Cancer Institute and the Arthritis Society, the federal Government is the principal source of support for medical research and this comes mainly through the Medical Research Council.

It has been my privilege to be associated with the experimental research on monkeys used first for space travel on this continent, and it is through the kindness and generosity of the Atkinson Foundation that we were allowed to carry on this particular field of endeavour.

The distinguished chairman of the Massachusetts Institute of Technology, Dr. James R. Killian, speaking in Toronto the other day, made this statement:

> Some of the instruments needed for basic research are of such size and cost that no single institution can afford them, and so we see universities forming association to handle them, or countries pooling their resources and efforts. . . The conduct of teaching, as well as the conduct of research, is also calling for new institutional arrangements.

Senator O'Leary made the statement that medical research is now on the gleaming wings of science. Well, he was a little ahead of the times; medicine is still an art but is fast becoming a science.

Presumably, we need informed advice as to the degree to which scientific efforts deserve to be supported, and what sort of balance ought to be preserved among the various scientific disciplines. I suppose this would require representation from the physical sciences, the biological sciences, the health sciences, including the behavioral and social sciences. One of the problems nowadays is the way that these overlap and merge with one another, so that problems often have to be tackled by teams of workers recruited from the various primary divisions of science. Another problem is that these groups may have some difficulty in understanding one another and communicating—all of them find it difficult to explain things to the rest of the world; hence this council, the co-ordinating council of all scientists.

A Science Council, presumably, might have two functions—the one to get the best representatives of each of these areas together to discuss problems and methods of collaboration. However, one of their main tasks would be to assign priorities to various tasks or projects—I emphasize this—and to advise government in this area.

Their ability to do this well would depend as much on their statemenship and philosophical background as upon their stature as scientists. Obviously, the decisions would have to be made by the cabinet and Parliament. The Science Council might not be asked to do more than provide a clear and dispassionate exposition of the issues involved, and an estimate of the resources

required to accomplish various aims. This they might be able to do reasonably well, if they were well chosen.

I think what I am trying to say is that a scientific council could be a great disappointment, unless its terms of reference were very carefully worked out, and unless its members were carefully chosen, not only on the basis of their accomplishments as scientists but also with a view to their qualifications regarding balance, judgment, common sense and ability to express themselves clearly.

Dr. MacKenzie in his report to the Prime Minister made this statement on page 1:

> My overriding philosophy is that getting the right people is more important than drafting an ideal organization chart and I stress this aspect more than does the Glassco Commission.

That was also the focus of Senator O'Leary's (Carleton) concluding remarks yesterday on the composition of the council as detailed by Dr. MacKenzie on page 30 of his report.

As we look forward I do feel that some day we will have a Ministry of Science, as has been advocated.

With the sponsor of this most important piece of legislation, I would ask all honourable senators to give their full support to this bill.

The science of technology, thrusting itself upon us literally faster than the speed of sound, requires our wholehearted support, if we are to maintain and preserve it for peaceful purposes. Otherwise we are only creating a past, which has already been destroyed, to be preserved in a museum if there is that much left.

I commend this legislation. Thank you for your attention to my remarks.

Motion agreed to and bill read second time.

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

REFERRED TO COMMITTEE

Hon. A. K. Hugessen: Honourable senators, I move that the bill be referred to the Standing Committee on Finance. I feel it is appropriate that it should be referred to this committee since there is a possibility that it will involve Government expenditures, and in doing so it will also serve to relieve the pressure on the Standing Committee on Banking and Commerce.

Motion agreed to.

AGRICULTURAL AND RURAL DEVELOPMENT ACT

SECOND READING

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. McDonald for the second reading of Bill C-152, to amend the Agricultural Rehabilitation and Development Act.

Hon. Fred M. Blois: Honourable senators, I wish to make only a few brief remarks in connection with Bill C-152. At the outset may I compliment Senator McDonald on the very clear manner in which he explained the new and changed items in this bill.

I am sorry that honourable Senator Pearson is not in the house this afternoon because I know he wanted to speak to this bill. I am sure all honourable senators know the work done by the Senate Committee on Land Use in Canada which was chaired by the honourable Senator Pearson. It was outstanding work and reflects the great credit due to members of this honourable chamber.

I also believe that the work of this committee and the information contained in its report were used to quite an extent by the Honourable Alvin Hamilton when he was having this bill drafted to present to Parliament.

If my memory serves me correctly, when the ARDA bill was discussed in this chamber in 1961, it passed unanimously, and I think that generally speaking people have been well pleased with it. The fact of the matter is that I have heard a number of persons, and not always Conservatives, say they believe that perhaps the most lasting achievement of the Diefenbaker Government is likely to be the passage of the Agricultural Rehabilitation and Development Act, commonly known as ARDA. I have heard it called the brainchild of the Minister of Agriculture of that day, the Honourable Mr. Hamilton. It is a most imaginative and far-reaching piece of legislation, perhaps one of the most far-reaching that has ever been passed by Parliament to deal with the problems of rural life in Canada.

As were many others, I was pleased that when the Minister of Agriculture introduced the present bill in the other place he paid a compliment to the former Minister of Agriculture, Mr. Hamilton, for the work he and his associates did with regard to this matter.

In legislation as important as the Agricultural Rehabilitation and Development Act,

I think it is not surprising that subsequent events have shown that certain changes are needed, even while the original intent of the bill remains intact and there is little or no real alteration in it. I think this is what Bill C-152 does.

In discussing this bill I am going to speak principally about the work ARDA has done in my own Province of Nova Scotia, because I am better informed about that than what has been done in other provinces. The Province of Nova Scotia has made considerable use of this legislation, and I have no doubt that, with the changes made, my province will make even more use of it in the future.

A great deal of work has been done during the past few years on the dyking of marshland and the drainage of land in Nova Scotia. Many hundreds of acres of fertile land have been reclaimed by this means. Anyone who understands the problems we have in Nova Scotia, with the high tides in some of our bays and rivers, will realize the necessity of building these dykes, and that their cost would be beyond the means of the farmers.

Speaking of high tides, it is probably known to most honourable senators that Nova Scotia has the highest tides in the world. In fact, in my constituency of Colchester-Hants we have tides that occasionally reach a height of 65 feet, and it is not uncommon to have tides at certain times every year, running as high as 40 to 45 feet, so I think it is readily understood why the necessity exists for governments to do so much of this work.

Honourable senators probably know too that the old agreements between the federal and the provincial governments expired in March 1965, and new arrangements were worked out between the governments which will carry on for an additional five-year period, from 1965 to 1970.

I believe that Nova Scotia was one of the first provinces to act under the new agreement, and it has recently announced a project in excess of $3 million for a five-year program of farm enlargement and consolidation designed to increase the size of the Nova Scotia farms to a point where they will provide the operators with a reasonable income.

I should mention that the new agreement includes a number of important changes to the original bill. Generally, it places heavier emphasis on the alleviation of poverty in rural areas by means of diverse resource development programs of various kinds—land use adjustment, farm consolidation and community development.

I do not want to occupy too much of the time of the chamber this afternoon, but I would like to mention just two or three items that the Nova Scotia Government, in conjunction with ARDA, are involved in at the present time. For instance, an ARDA-sponsored socio-economic study of the Shubenacadie-Stewiacke watershed area of Nova Scotia is to be undertaken by the Acadia Institute of Acadia University. These two districts are both in my own constituency of Colchester-Hants, and they cover some of the finest agricultural dairy farming land in the province. The cost of the project is going to be very high and is to be shared equally by the federal Government, through ARDA, and the Government of the Province of Nova Scotia. The study will take the form of a resource assessment of the various aspects of agriculture, forestry, mining, service industries including tourism, and human resources. Before any program of economic rehabilitation or development can be implemented, a comprehensive plan of action is essential. I believe that in the past very often plans have been undertaken before a really thorough study has been made, and the Government of Nova Scotia—which has to watch its money, being a small province with a small population—feels a study of this kind is worth while before anything further is done.

There is also another project in connection with this study that could have a far-reaching effect on the industry of the Province of Nova Scotia. They are studying these watersheds and the possibility of damming certain of the rivers, thereby developing quite a considerable quantity of low-cost electric power. This matter has been discussed there for quite a number of years and some studies have been made, but under the present plan a sufficiently thorough study will be made to see whether the project is economically feasible. That is one of the items that will be under way in a very short time.

There is another research program that is going on in the Annapolis Valley of Nova Scotia. I believe this is quite different from anything tried before. The idea of this study is to determine the economic feasibility of an integrated market-garden farm unit, to produce and market vegetables and small fruits, principally strawberries.

In announcing the undertaking, the federal Forestry Minister, Mr. Sauvé, and the provin-

cial Minister of Agriculture of Nova Scotia, Mr. Akerley, said the cost of the five-year project in Digby county, estimated at $111,000, is to be shared equally by the two governments.

Under the Nova Scotia Farm Consolidation Program, and with the assistance of ARDA, an area of 170 acres of abandoned farmland—small farms that have become run down and are no longer used for farming purposes—are going to be purchased for the purpose of consolidation and development into an integrated unit. This is where the experimental program is going to be put into effect.

They are going into it a little further than this, because they are studying a plan of marketing the produce of this experimental farm unit. They have in mind the fact that the reclaimed land is quite fertile and easily worked, and, the climatic conditions in that part of Nova Scotia are somewhat better than they are in other parts. Another advantage is the ready accessibility of markets in the New England States, particularly Boston and New York, as well as Montreal.

It is felt that if this will work on a farm unit of this size, then it may be tried elsewhere. I might add that the idea is to hire a thoroughly qualified agricultural gardener who will have a trained assistant. Exact records of the costs of this work will be kept. At the end of the four- or five-year period it is hoped to have the exact cost of raising the produce and of marketing it, and consideration will then be given to whether other such land and small farms can be utilized on a similar basis. This is a very worth-while plan, and it is being conducted in conjunction with the dyking and other work on the rivers.

Another undertaking that will be commenced soon is a study of the tourist development of the province, particularly in Guysborough county which does not have any amount of land suitable for farming, and is dependent mostly upon lumbering and the inshore fisheries. The idea there as between ARDA and the Nova Scotia Government is that a very thorough study will be made of the possibility of opening up a large portion of that county, which has many lakes, streams and beautiful spots, as a tourist paradise. It seems feasible that this can be accomplished by the building of additional roads.

This, again, is going to take time and money, but as I mentioned earlier it is one of the things that can be done under the new agreement with ARDA which runs from 1965 to 1970. They can now embark on a type of work that was not allowed under the old plan. I have no doubt that if this works satisfactorily in the Province of Nova Scotia, other provinces will be interested in trying out similar projects. In fact some have already commenced.

At this time I should mention that during the past few years that the ARDA plan has been in effect the representatives of the Province of Nova Scotia and the representatives of ARDA have worked closely together in harmony. This has had much to do with the fact that the people are satisfied with the work being done. I have heard very little criticism in respect to money being wasted on these projects. Everybody seems interested in this work, and there is no doubt that it will bring very good results to the province.

It is for these reasons that I support this bill and the amendments with the same enthusiasm that I supported the original ARDA plan.

Hon. G. Percival Burchill: Honourable senators, I enjoyed very much listening to the remarks of my honourable friend from Nova Scotia, and I was especially interested in the story he told about the ARDA plans in his province. I am wondering what has been the effect of ARDA in the past. Have any projects been carried out in Nova Scotia, and if so with what results?

Hon. Mr. Blois: The only work that has produced results, honourable senators, is that done in connection with the dyking and damming on some of the rivers, which has brought in new land. I know that this has been very successful in many parts of the province. I regret being unable to state the amount of money spent on reclaiming land but, as I said earlier, several hundreds of acres of the most fertile land in the province has been reclaimed. I know from my own personal knowledge, from talking to some of the farmers, both large and small, in the areas where this work has been done, that they are all well pleased with it.

I feel confident that the new projects going forward will prove successful. What I want to stress is this wonderful co-operation that exists between the representatives of ARDA and those of the provincial Department of Agriculture. These projects have the backing of the Agricultural Federation of Nova Scotia and of the people as a whole.

Hon. Mr. Connolly (Ottawa West): Honourable senators, I suggest that the questions that have been raised might form the subject-matter of an interesting discussion in committee. If the sponsor of this bill intends moving that it be sent to a committee then some of the officials of the federal Government who have first-hand information could attend and deal with these points that have been raised.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. McDonald bill referred to the Standing Committee on Banking and Commerce.

AERONAUTICS ACT

BILL TO AMEND—SECOND READING—DEBATE ADJOURNED

Hon. Jean-Paul Deschatelets moved the second reading of Bill C-153, to amend the Aeronautics Act.

He said:

[*Translation*]

Honourable senators, since it is the first time I have the pleasure of addressing this honourable assembly, let me tell you very simply how happy I am to be a member of the Senate and how much I appreciated the friendly welcome extended to me by all my colleagues. I am very grateful to you and I think that the most pleasant atmosphere prevailing here is due in great part to the Speaker who is following in the footsteps of his predecessors.

Honourable senators, since the bill I have the honour of submitting on second reading contains several technical terms, I thought it would be easier to explain it to you in the other language.

[*Text*]

Honourable senators, Bill C-153, to amend the Aeronautics Act, was passed by the other place on April 6 last. Many aspects of this bill are of a rather technical nature, and if this honourable house agrees to its principle on second reading, I would think it is that kind of legislation that should be referred to a committee where experts on the matter can explain it on a broader basis.

Several amendments are being proposed to the Aeronautics Act, so as to permit the making of regulations covering the following main points:

(a) Levying of fees and charges;

(b) provisions to improve the safety of air travel;

(c) changes in the composition of the Air Transport Board; and

(d) a consolidation of the board's powers.

At this stage, and with the indulgence of honourable senators, I shall review briefly the proposed amendments.

As far as the charges and fees for facilities and services are concerned, the proposed amendment will not basically change the present system which the Department of Transport is imposing under the Financial Administration Act. It is now proposed to place the authority for charges from now on in the Aeronautics Act instead of under the financial administration.

At present, the Department of Transport imposes various charges in connection with its airports and related facilities; these vary from the collection of landing fees from aircraft to charges for communications services which may be provided, as well as land and building rentals of various sorts. These are the charges which in the future will be established under the Aeronautics Act on the basis of regulations approved by the Governor in Council.

Honourable senators will understand that the system of charges for air facilities is designed gradually to make our airports self-sustaining. I understand that this goal is achieved presently at the largest airports in the country. So far as less important airports are concerned, progress towards this objective must be gradual and cannot be imposed at a rate which would be prohibitive.

The bill also provides for regulations respecting the maximum hours of work and other working conditions for pilots, co-pilots, navigators and flight engineers employed by any person operating a commercial air service licensed by the Air Transport Board. This is to ensure a maximum standard of efficiency and to prevent crew members remaining on duty for excessive periods of time.

The bill also provides for regulations to be made respecting the entering of the premises of any aircraft manufacturer and the inspecting of those premises. If any civil aircraft manufactured in Canada is to be fit and safe in all respects for flight it is necessary, I am sure you will agree, to obtain complete information on the aircraft, including its parts and components and the facilities and equipment available to its builder.

There are also provisions in the bill for regulations respecting the preservation and protection of civil aircraft involved in accidents; also the protection of accident sites and the removal and testing of any part of an aircraft that has been in an accident. The precise cause of an aircraft accident must be found, if at all possible, in order to avert similar mishaps. The bill authorizes the establishment of boards of inquiry, equipped with sufficient authority, including power to summon witnesses.

There are also provisions made for regulations respecting the use and operation of rockets, moored balloons and kites, which in some cases might be hazardous to air navigation. I am informed that mishaps have occurred recently. We are living in an age where the firing of rockets for military and scientific purposes has caught the imagination and has engendered intense public interest in this field, so much so in fact that we now find the amateur rocketeer constructing and firing his own rocket.

Another provision will vest the Canadian courts with jurisdiction in respect of offences against air regulations committed outside Canada. The Aeronautics Act already provides for regulations respecting conditions under which aircraft registered in Canada may be operated outside Canada, but the amendment in the bill will confer specific jurisdiction on any Canadian court in respect of offences committed outside Canadian territory.

Honourable senators will also note that there is provision in the bill for an increase in the membership of the Air Transport Board to a maximum of five persons, compared with a fixed number of three in the present act. This proposed increase reflects the increasing work load of the board, and the complexity of the problems with which they are dealing.

Honourable senators, I have tried to cover very briefly the main amendments suggested in this bill. As I said before, it would be much easier in committee to assess the importance and urgent need of these amendments to the Aeronautics Act. Airports of this this country are handling continuously more and more air traffic. On the eve of the centennial year and of Expo 1967, we can envisage another tremendous increase of air traffic. Plans are always for bigger and faster aircraft, and I submit that any regulations enhancing more security to the air traffic is a measure which should receive support by this honourable house.

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

COMBINES INVESTIGATION ACT AND THE CRIMINAL CODE

BILL TO AMEND AN ACT TO AMEND— FIRST READING

The Hon. the Acting Speaker informed the Senate that a message had been received from the House of Commons with Bill C-169, to amend an act to amend the Combines Investigation Act and the Criminal Code.

Bill read first time.

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

Hon. Mr. Connolly (Ottawa West): Honourable senators, this is a sort of perennial measure. It has been before us so often that I hate to see it come again, but we cannot help ourselves. The measure may not be proceeded with tomorrow, but if it appears on the Order Paper we may be able to help ourselves with respect to it. Therefore, with leave, I move that the bill be placed on the Orders of the Day for second reading at the next sitting.

Motion agreed to.

BUSINESS OF THE SENATE

Hon. Mr. Brooks: May I ask the honourable leader if the second reading of Bill C-145, to provide for the development of the commercial fisheries of Canada, will be proceeded with tomorrow?

Hon. Mr. Connolly (Ottawa West): Yes. It is the intention of Senator Smith (Queens-Shelburne), the sponsor of the bill, to deal with it tomorrow.

Unfortunately Bill C-171, to amend the Farm Credit Act, cannot be dealt with until Tuesday next.

Of course we also have a number of measures that are specifically set for tomorrow.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Friday, May 6, 1966

The Senate met at 3 p.m., Hon. Maurice Bourget, P.C., Acting Speaker, in the Chair.

Prayers.

NATIONAL RESEARCH COUNCIL BILL

FIRST READING

The Hon. the Acting Speaker informed the Senate that a message had been received from the House of Commons with Bill C-150, to amend the Research Council Act.

Bill read first time.

Hon. John J. Connolly moved, with leave, that the bill be placed on the Orders of the Day for second reading on Monday next.

Motion agreed to.

DOCUMENTS TABLED

Hon. John J. Connolly tabled:

Copy of a Press Release, dated April 5, 1966, issued by the Canadian Wheat Board with respect to quantities and qualities of wheat to be shipped to China. (English and French texts).

Copy of P.C. 1966-575, dated March 29, 1966, amending the Income Tax Regulations. (English and French texts).

Copies of statistical tables as follows:

(1) Federal government revenue and expenditure on national accounts basis;

(2) Federal government revenue: reconciliation of public accounts and national accounts presentations;

(3) Federal government expenditure: reconciliation of public accounts and national accounts presentations;

issued by the Department of Finance. (English and French texts).

Statement respecting products subject to export quota by Chinese Export Corporations for the period August 1, 1966 to July 31, 1967. (English and French texts).

Report of exemptions authorized by the Minister of Transport under section 137 of the Canada Shipping Act in cases where no master or officer was available with required certificate and experience, for the year ended December 31, 1965, pursuant to section 137(2) of the said Act, chapter 29, R.S.C., 1952. (English text).

PRIVATE BILL

QUEBEC NORTH SHORE AND LABRADOR RAILWAY COMPANY—FIRST READING

Hon. Arthur L. Beaubien, for Hon. Mr. Bourget, presented Bill S-31, respecting Quebec North Shore and Labrador Railway Company.

Bill read first time.

Hon. Mr. Beaubien (Provencher) moved that the bill be placed on the Orders of the Day for second reading on Thursday, May 26.

Motion agreed to.

CANADIAN NATIONAL RAILWAY BILL

CONSTRUCTION OF BRANCH LINE NEAR BRUCE LAKE, DISTRICT OF KENORA—AUTHORITY TO PRINT COMMITTEE PROCEEDINGS

Hon. A. K. Hugessen, Chairman of the Standing Committee on Transport and Communications, presented the following report of the committee on Bill C-165, respecting the construction of a line of railway in the Province of Ontario by Canadian National Railway Company from the vicinity of Amesdale on the Redditt subdivision of the Canadian National Railway in a north northwesterly direction for a distance of approximately 68 miles to a point in the vicinity of Bruce Lake, in the District of Kenora:

> Your committee recommends that authority be granted for the printing of 800 copies in English and 300 copies in French of its proceedings on the said bill.

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

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

Report adopted.

REPORT OF COMMITTEE

Hon. Mr. Hugessen, Chairman of the Standing Committee on Transport and Communications, reported that the committee had considered Bill C-165, respecting the construction of a line of railway in the Province of Ontario by Canadian National Railway Company from the vicinity of Amesdale on the Redditt subdivision of the Canadian National Railway in a north northwesterly direction for a distance of approximately 68

miles to a point in the vicinity of Bruce Lake, in the District of Kenora, and had directed that the bill be reported without amendment.

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

Hon. Mr. Hugessen moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

DIVORCE

REPORTS OF COMMITTEE PRESENTED

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the committee's reports Nos. 499 to 579, inclusive, and moved that the said reports be taken into consideration at the next sitting.

Motion agreed to.

PRIVATE BILLS

YORK LIFE INSURANCE COMPANY— SECOND READING

Hon. David Walker moved the second reading of Bill S-28, to incorporate York Life Insurance Company.

He said: Honourable senators, the petitioners, with the exception of Meredith Fleming, Q.C., are all officers or directors of Physicians Services Incorporated which, in Ontario, is known as the P.S.I.

The Physicians Services Incorporated, in turn, is the doctor-sponsored prepaid medical plan incorporated in Ontario in 1947. In 1964 there were 1,997,093 participants in the Physicians Services Incorporated prepaid medical plan, and 6,243 participating physicians.

Of the incorporators, Dr. J. Osler Lockhart is the president of Physicians Services Incorporated; Dr. Owen B. Millar is the vice-president; and Mr. Wallace S. Major, the general manager.

It is anticipated that all, or substantially all, of the capital stock of the life insurance company will be held by Physicians Services Incorporated. It is further anticipated that the present management, which has so successfully guided the P.S.I. in Ontario, will assume the managerial responsibility of this new company.

As a matter of fact, the moving cause behind the petition is the desire of the Physicians Services Incorporated to place itself in an equally competitive position with the commercial indemnity companies selling accident and sickness insurance in conjunction with group life insurance.

The P.S.I. wishes also to meet the competition of the life insurance companies which, conversely, offer a package plan including medical indemnity along with life insurance and sickness and accident benefits.

Honourable senators, it is my intention, if this bill passes second reading, to move that it be referred to the Standing Committee on Banking and Commerce.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Walker bill referred to the Standing Committee on Banking and Commerce.

SUSPENSION OF RULE

Hon. Mr. Walker: Honourable senators, with leave of the Senate, I move that Rule 119 be suspended with respect to Bill S-28, to incorporate York Life Insurance Company.

The Hon. the Acting Speaker: With leave of the Senate, it is moved by honourable Senator Walker, seconded by honourable Senator Méthot, that Rule 119 be suspended with respect to Bill S-28, to incorporate York Life Insurance Company. Is it your pleasure, honourable senators, to adopt the motion?

Hon. Senators: Explain.

The Hon. the Acting Speaker: Honourable senators, may I first read Rule 119, It provides:

> No Committee on any Private Bill originating in the Senate (of which notice is required to be given), is to consider the same until after one week's notice of the sitting of such Committee has been posted up in the lobby—

Senator Walker may wish to explain the purpose of the motion.

Hon. Mr. Walker: Yes, Mr. Speaker.

Honourable senators, in view of the prospective recess of the Senate at the end of next week, as has been suggested by the honourable Leader of the Government and in view of the fact that the Chairman of the Standing Committee on Banking and Commerce has said the committee is willing to consider all bills sent to it before that time, and has also suggested that Tuesday next is

suitable to the committee for consideration of this bill, I am taking the liberty of asking the permission of the house, in these circumstances, to suspend Rule 119.

Hon. Senators: Agreed.

Motion agreed to.

LEAGUE SAVINGS AND MORTGAGE COMPANY —SECOND READING

Hon. Harold Connolly moved the second reading of Bill S-30, to incorporate League Savings and Mortgage Company.

He said: Honourable senators, this bill comes to us from the Credit Union movement of Nova Scotia, which has contributed greatly to the economy of all parts of the province almost without exception, originally in the rural sections and latterly in the urban areas.

It is my intention subsequently to move that this bill be referred to the Standing Committee on Banking and Commerce, and I should like to inform the house that at the hearing before that committee officials of the Credit Union movement in Nova Scotia will appear and provide any and all information the committee desires. Indeed, the men and women in this movement are such enthusiasts that the probability is that they will give the committee far more information than it would ask for. Normally, they remain a modest and inarticulate people, but they do their best under the circumstances.

Hon. Mr. Connolly (Ottawa West): Especially under provocation.

Hon. Mr. Connolly (Halifax North): Especially when they have to talk in the Province of Ontario. Honourable senators, the Credit Union movement, as I am sure is well known to all members of this Chamber, was first introduced in Canada in the last month of the last century by a former parliamentary reporter named Alphonse Desjardins. In the year 1900 he established a still-famous caisse populaire, which was conceived under the most auspicious circumstances and flourished in its early years.

About 1907 or 1908 a great Boston philanthropist and merchant, the late Edward A. Filene, introduced the movement in the United States, the first branch being established, as I remember, in New Hampshire. The movement spread with great speed over the ensuing years.

In 1930 the people of Nova Scotia—if you will permit another reference to the little province in which I live and for which I have a lasting affection, despite the snide remarks sometimes cast—

Hon. Mr. Connolly (Ottawa West): Never.

Hon. Mr. Brooks: Never.

Hon. Mr. Connolly (Halifax North): —the people of Nova Scotia, like most of our people, found themselves in dreadfully depressed circumstances, and there came into the public focus at that time a giant of a man, both in stature and mind, the late Reverend Moses Cody, who thought that perhaps in this movement there was a possibility of impelling the people of Nova Scotia to engage in a self-help program which would improve the economy of themselves and their families. He therefore sought the services of an expert from the organization in New England. In 1932 the first credit union was established in the small town of Antigonish.

In my little province we do not have tornadoes of the usual type. But as all senators from Nova Scotia know, the impact of the credit unions was tornado-like in all its aspects, and there was a great revival, so great that the idea became fixed in the minds of the people of that province, all based upon the theory and the fact of self-help.

I confess with a little shame that for too many years we had looked to others in this country to do for us what we ought to have done for ourselves. However, with the advent of this movement there was a complete change in the atmosphere, and in all the years since, our people, fortified by the knowledge that they had their own capacities, knowing that there is real value in self-help and self-interest, have been able to build a new economy in the province.

There are innumerable credit unions scattered all over Nova Scotia. Eventually the need arose for a central organization, and that central organization is the one from which we received this bill.

The primary purpose of credit unions, apart from encouraging thrift, is to make money available to people who might not otherwise have the capacity to borrow through the regular channels. In order to do that they take greater chances, but in doing so they fall back upon the oldest principle known to Parliament, that of character. They do not ask what assets a man has, they do not seek to find what his connections are; they find out what that man has been during the days of his life, whether his word is good, whether he has made an effort to pay his

bills. When they discover that he is a trustworthy type of individual they are able to take greater chances than ordinary institutions could, because they have the strongest basis of all, character, in their transactions.

They found soon that there was need for mortgage lenders. I must say that the type of men in the organization at that time were a little timid about getting into the mortgage field. Indeed, they advised their innumerable credit unions against it, largely because the individual credit unions lacked the financial capacity to handle these mortgage requests. However, when the war came and the need for housing was evident there was a change of heart, more especially when all the reserve and surplus funds of the many credit unions were funnelled into the head organization and they had moneys available for mortgage purposes.

Honourable senators, I do not propose to burden you with an extended view of the situation. Suffice it to say that they have made somewhere between 700 and 800 loans. It is to their credit and to the credit of their borrowers that their losses have been virtually negligible.

Now, with only 25 years experience in the mortgage field they propose to set up their own mortgage corporation. They seek a federal charter rather than a provincial charter because of the greater guarantee of supervision by the federal insurance branch than is possible through provincial circles, and because they want this business to be conducted on the highest possible plane. They believe that with the supervision they will get from the federal Government that can be done.

It will be noted by the bill that the company will not commence business until $500,000 of capital stock has been subscribed and $250,000 paid thereon. There are sufficient moneys available to the credit unions to proceed immediately, provided assent is given with all the necessary expenditures to set up, and they propose to issue debentures to be purchased initially by credit union members, and finally by the general public in the province and possibly elsewhere.

The capitalization will be $1 million. As I said earlier, the sponsors will enlarge on this when they appear before the Banking and Commerce Committee, at which time I am sure they will be able to answer more satisfactorily than I can any questions which may be directed to them.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Connolly (Halifax North), bill referred to the Standing Committee on Banking and Commerce.

DIVORCE

RESOLUTIONS ADOPTED

The Senate proceeded to consideration of resolutions numbered 438 to 487, inclusive, which were presented on Wednesday, May 4.

Hon. Arthur W. Roebuck Chairman of the Standing Committee on Divorce, moved the adoption of the following resolutions:

Resolution 438, for the relief of Shirley Winnifred Bissessar Shallwani.

Resolution 439, for the relief of Kenneth Stanley Derbridge.

Resolution 440, for the relief of Nicola Cirella.

Resolution 441, for the relief of Peter Minna.

Resolution 442, for the relief of William Gordon Walker.

Resolution 443, for the relief of Joan Margaret Moorcroft Roberts.

Resolution 444, for the relief of Frances Hope Altimas Michaud.

Resolution 445, for the relief of Adelhei Jaeger Daskowski.

Resolution 446, for the relief of Hendrica (Rita) Kerkhof Rochon.

Resolution 447, for the relief of Hilda Wisenthal Spirer.

Resolution 448, for the relief of Vivian Carol Laurin Masson.

Resolution 449, for the relief of Eleanore Barbara Rosenstein Gerstein.

Resolution 450, for the relief of Harold Bernard Parsons.

Resolution 451, for the relief of Marcelle Daoust Couturier.

Resolution 452, for the relief of Johanne Gelineau Poulin Lamy.

Resolution 453, for the relief of Eileen Patricia Sonia Lacombe Toth.

Resolution 454, for the relief of Joyce Allan Davies.

Resolution 455, for the relief of Bernard Maurice Archambault.

Resolution 456, for the relief of Richard Larue.

Resolution 457, for the relief of Muriel Chapdelaine Silverstein, otherwise known as Muriel Chapdelaine Silver.

Resolution 458, for the relief of Carol Donalda Armour Martin.

Resolution 459, for the relief of Annie Reese Roth Maydeck.

Resolution 460, for the relief of Marquita Mainville Lalonde.

Resolution 461, for the relief of Joseph Paul Fernand Bouchard.

Resolution 462, for the relief of Marguerite Jeanne Viau Sunnucks.

Resolution 463, for the relief of Karin Finkelstein Drazin.

Resolution 464, for the relief of Anthony Stephen Rappard.

Resolution 465, for the relief of Rolly Steirman Kisilevsky, otherwise known as Rolly Steirman King.

Resolution 466, for the relief of Joseph Roger Lionel George Bouchard.

Resolution 467, for the relief of Wileen Valery Ede Aldworth.

Resolution 468, for the relief of Karl Heinz Blumhoff.

Resolution 469, for the relief of Normand Roger Beaudin.

Resolution 470 for the relief of Gisele Labrosse Boisvert.

Resolution 471, for the relief of Gilles Corriveau.

Resolution 472, for the relief of Florence Catherine FitzSimons Clarke.

Resolution 473, for the relief of Helen Hadjidakis Jardine.

Resolution 474, for the relief of Anne Segal Abramovits.

Resolution 475, for the relief of Helene Poudrier Trottier.

Resolution 476, for the relief of Franz Straubinger.

Resolution 477, for the relief of Annadale Sandow Ostroff.

Resolution 478, for the relief of Marina Flora Moshonas Lacroix.

Resolution 479, for the relief of Joseph Ernest Andre Bergeron.

Resolution 480, for the relief of Yves Dorais.

Resolution 481, for the relief of Giuseffina Aimola Facella.

Resolution 482, for the relief of Roland Gendron.

Resolution 483, for the relief of Leonard Grondin.

Resolution 484, for the relief of Jean Rene Laurin.

Resolution 485, for the relief of Joseph James Gordon Tite.

Resolution 486, for the relief of Cecile Lavoie Trickey.

Resolution 487, for the relief of Guy Valade.

Resolutions adopted, on division.

COMBINES INVESTIGATION ACT AND THE CRIMINAL CODE

BILL TO AMEND AN ACT TO AMEND— SECOND READING

Hon. John J. Connolly moved the second reading of Bill C-169, to amend an act to amend the Combines Investigation Act and the Criminal Code.

He said: Honourable senators, it is perhaps incorrect to describe this measure as a hardy perennial, but it has been before this chamber in various forms on a number of occasions, going back quite a few years. However, there is a difference in the introduction of the present bill and it lies in the fact that for the most part in the past this type of bill came to us in the dying days of the session, often when it was impossible to give it the consideration which the Senate as a whole felt was warranted, and which Senator Roebuck in particular insisted upon.

On other occasions, Senator Roebuck, despite his objection to the terms of the measure, was good enough to say that he would allow it to pass under the circumstances and because of the lateness of the session.

However, the circumstances this time are different and I intend to move that this bill be sent to the Standing Committee on Banking and Commerce for careful scrutiny.

On the west coast of Canada, in the Province of British Columbia, individual fishermen have formed themselves into groups or combinations to deal with their counterparts, the packers, on questions relating to the quantity of and the fixing of prices for the catch each year.

In 1959 there were objections to this procedure on the ground that it was offensive to the provisions of the Combines Investigation Act and the Criminal Code. These objections were not raised only in respect of the activities of the individual fishermen who

had joined together in associations for their own protection: they were levelled also at the group which sat opposite the fishermen at the bargaining table, the packers.

As a result of these complaints and because the problem was difficult of resolution at that time, the practice commenced of introducing a measure of this kind to exempt this practice from prosecution under the Criminal Code. Since then, the fishermen, through their associations, have continued to negotiate jointly with the representatives of the packing companies on these questions of price and quantity each year. Practically every fishermen belongs to the association, although he is an independent operator. In acting as they do, they may contravene the strict letter of the law, which is found in section 411 (*see pp. 462-3*) of the Criminal Code and is as follows:

> (1) Every one who conspires, combines, agrees or arranges with another person
>
> (a) to limit unduly the facilities for transporting, producing, manufacturing, supplying, storing or dealing in any article,
>
> (b) to restrain or injure trade or commerce in relation to any article,
>
> (c) to prevent, limit or lessen, unduly, the manufacture or production of an article, or to enhance unreasonably the price thereof, or
>
> (d) to prevent or lessen, unduly, competition in the production, manufacture, purchase, barter, sale, transportation or supply of an article, or in the price of insurance upon persons or property,
>
> is guilty of an indictable offence and is liable to imprisonment for two years.
>
> (2) For the purposes of this section, "article" means an article or commodity that may be a subject of trade or commerce.
>
> (3) This section does not apply to combinations of workmen or employees for their own reasonable protection as workmen or employees.

I may comment that fish is indeed a subject of trade or commerce. Furthermore, this section of the Criminal Code obviously rules out any possibility of a contravention by a trade union. Nevertheless, as I have said, these fishermen are considered to be independent, are also independent operators and as such they do not enjoy any exemption from the provisions of section 411.

An investigation was held into this point and it was thought that the practice was, at least technically, a combination of a character which offends against section 411, but no definite finding was made then by the Restrictive Trade Practices Commission. It was felt that if the association of fishermen were dissolved, dire results could flow and the industry might be destroyed. Then the practice of introducing exempting legislation was begun. The first moratorium was placed upon the statute book in 1959 and was due to expire on December 31, 1960. It was extended to December 31, 1961, and then to December 31, 1962, then to December 31, 1964, and finally to June 30, 1966.

The measure now before us proposes an indefinite moratorium, on conditions which are found in section 1(b). This in effect says that any arrangement between the fishermen and the packers shall not be deemed to be an offence. It also says that this moratorium will extend until the later of the two dates—

> (a) the 31st day of December, 1967, or
>
> (b) the thirtieth sitting day of the House of Commons next after the day on which the House of Commons, upon consideration of any notice of motion in that House signed by ten members thereof and made in accordance with the rules of that House, resolves that this section cease to be in force, or such sooner day as this section is repealed.

Hon. Mr. Aseltine: Would not the Senate have something to say about that?

Hon. Mr. Connolly (Ottawa West): I am glad the honourable senator has raised that point, as that is precisely what I am coming to.

As a result of the inquiry, conducted by officers of the Department of Justice, whether under the Restrictive Trade Practices Commission or under the Combines Investigation Act, legislation might find its way into Parliament before December 31, 1967. If it does not, it appears to me, on the clear reading of the wording of this legislation, that the moratorium continues.

When the Restrictive Trade Practices Commission was investigating this situation, various actions were taken in different courts. There were attempts to limit the production of documents felt necessary to the commission for the purposes of this inquiry. Those references to the court resulted in the contention of the Restrictive Trade Practices Commission being upheld, and it was decided that the documents were producible.

In 1963, a federal-provincial committee was established to make recommendations with reference to this whole situation. I understand the report indicates that the practice should be allowed to continue, but I also understand that having regard to the way the law now reads it would be necessary for the Restrictive Trade Practices Commission to examine that report carefully and to decide whether there should or should not be further legislative action taken.

I come now to Senator Aseltine's point, which I consider to be an important one and one which should be considered particularly, if I may say so, by the lawyers in the Senate Standing Committee on Banking and Commerce. The initiative to be taken, as provided for in the bill, is now restricted to 10 members of the House of Commons who can take action by giving a notice. This initiative is not given to Parliament, and I raise the question so that the committee may consider the advisability of investigating whether or not there may be a Senate interest that is affected here. Is there in fact a delegation of the powers of Parliament to the House of Commons? This is a question which I think should be examined very carefully before any final decision is taken.

Honourable senators, I do not raise this point in any contentious way because, in fact, there was a delegation of powers to the Senate some years ago, as you may remember, in the matter of divorce. Here we are dealing with something which is not purely a parliamentary matter, but which affects an important segment of a very important industry in the Province of British Columbia. I feel that all legislators are in duty bound to look at this legislation with a view to ensuring that the right thing is done to preserve that industry so that it may supply as much canned salmon as possible from British Columbia.

Since my recent illness this seems to be one of the few things my doctor permits me to eat for lunch, and I am now enjoying meals far better than I have in many years.

Hon. Mr. Aseltine: We will catch you a trout.

An Hon. Senator: Is that why you are sponsoring the bill?

Hon. Mr. Hollett: What about Newfoundland?

Hon. Mr. Connolly (Ottawa West): It may be one of the reasons I am sponsoring the bill. I am sure no honourable senator would want to do anything that would imperil or endanger in any way this very important industry. No matter where in the world you go, there is nothing more enjoyable than British Columbia canned salmon, if you can get it.

Hon. Mr. Aseltine: What about sockeye?

An Hon. Senator: What about Restigouche?

Hon. Mr. Burchill: Did they specify that it must be British Columbia salmon? Did they not say anything about eastern salmon?

Hon. Mr. Connolly (Ottawa West): It may be that the people in British Columbia have succeeded in popularizing their product more than has been done in the case of eastern salmon. Certainly from the point of view of reputation the British Columbia salmon is very well known.

Hon. Mr. Hollett: While the sponsor of the bill is answering questions, I have one to put to him which he can probably answer now. Why does this amendment apply only to British Columbia—why not to all of Canada?

Hon. Mr. Connolly (Ottawa West): I think the wording restricts this to British Columbia, which is the only place the problem arises under the Combines Investigation Act. So far as I am aware the problem does not arise elsewhere.

Hon. Mr. Hollett: Why not?

Hon. Mr. Connolly (Ottawa West): I do not know. It may be that other arrangements were more appropriate elsewhere. Speaking of British Columbia salmon, let me tell you a little story. I remember being in Vancouver with a friend of mine on one occasion, and having lunch at one of the famous hotels there. My friend ordered the salmon salad for himself and for me, and he specified that canned salmon should be used.

However, I hasten to say that one of the things that I look forward to more than anything else in June is the opportunity to eat boiled salmon from the Restigouche, the Saguenay, from Newfoundland and from Gaspé, especially served with egg sauce. I add that to show that I have no bias against the other side of the country. Now I have spoken for both sides of the fence.

Honourable senators, I hope this explanation and the questions I have purposely raised will result in serious thought being given to the provisions of this bill, and

particularly those dealing with its parliamentary aspects. I hope the commmittee will have the officials on hand to give the answers which in my view are very necessary in this case, and that they will examine the measure thoroughly.

Hon. Mr. Hollett: I am most anxious to have a definite answer to the question I raised. I am wondering if the sponsor of the bill will provide the answer for me.

Hon. Mr. Connolly (Ottawa West): The answer will certainly be available in committee.

Hon. John M. Macdonald: Honourable senators, I have a few remarks to make concerning this bill.

This is the sixth time it has been explained in this house, so it is not necessary to go in detail into the situation it attempts to cure. At the outset let me say that I am wholeheartedly in favour of the principle of the bill. I think these associations should have the right to negotiate the price they receive for their catch, and we should recognize that this is a fact of the industry.

This amendment was first passed in 1959, and the business practices in that industry have been thereby kept alive. They have been kept alive by the previous Government and by the present Government. I think we should recognize the fact that this situation is not going to be changed. However, in my view paragraph (b) of the new section 1, whereby certain powers are delegated to the House of Commons, complicates a very simple matter.

When this matter comes before the committee I think we should consider whether or not there should be an amendment which would delete everything after the word "fishermen" at the 19th line of the first page of the bill. That would make the situation permanent. It would take this practice out of the Combines Investigation Act and the Criminal Code in perpetuity. Unless we do that, we are only fooling ourselves.

This is a situation which has arisen and which is going to remain. Let us simply pass this uncomplicated legislation to say that it is not going to come under the Combines Investigation Act and the Criminal Code, and if by chance some government in the future wishes to bring it under such legislation, it will be quite a simple matter to do so—it will just mean another amendment to the act.

In my view the provision here whereby it can be amended by 10 members of the House of Commons is ridiculous. The sooner we get rid of that provision, the better.

Generally speaking, I support the principle and provisions of the bill.

Hon. Arthur W. Roebuck: Honourable senators, my friend Senator Macdonald (Cape Breton), has said that he supports the principle of the bill. I rise to say that I am utterly opposed to the principle of this bill.

Hon. Mr. Crerar: Hear, hear.

Hon. Mr. Roebuck: The reading of the Criminal Code by the Leader of the Government struck some very responsive chords in my memory. I represented the government of the Province of Ontario as long ago as the early 1920's as counsel in prosecuting the wholesale grocers combine of Ontario for a violation of this special provision of the Criminal Code; and I have been in touch with combines investigations during the many years that have followed.

Let us thoroughly understand that we here are representatives not only of the industry in British Columbia, but we have a responsibility also to the consumers of all Canada—not just British Columbia, and not just those gentlemen who are engaged in the fishing business and who wish to sell their products to the rest of us at a price they set without the competition which the law provides.

Let me say this to the Leader of the Government that since he is a consumer of salmon we are responsible to him as well as to the rest of Canada to see that he is not charged a price beyond that which competition makes proper and legitimate.

Hon. Mr. Connolly (Ottawa West): If I am, I will switch to the eastern salmon.

Hon. Mr. Roebuck: You could not do better, but from what I hear from Senator Hollett, he wonders why this act does not apply to the east as well as to the west. Of course if it applies to the west it should apply to the east. So let us have a good, solid combine of the eastern salmon producers as well as the western salmon producers; and if it is a good thing for salmon producers, why not for all producers? Why should there be some special citizens in this country who are relieved of the provisions of the Criminal Code and allowed to do things that no one else is allowed to do? What rot it is to say that the salmon industry of the west is dependent

upon the kind of combine that is now in existence there and which we are being called upon to protect!

Hon. Mr. Benidickson: And to pay for.

Hon. Mr. Roebuck: Of course, and to pay for through the nose. I am opposed to the whole principle. I think it smells.

Hon. Mr. Brooks: Fishy!

Hon. Mr. Choquette: It smells fishy.

Hon. Mr. Roebuck: It smells fishy all right.

Hon. Mr. Hollett: If you try Newfoundland salmon you will find it does not smell.

Hon. Mr. Roebuck: No. The salmon which comes from the east will not be subject to this kind of high-flavoured legislation we are asked to approve.

Hon. Mr. Brooks: It is too good to put in cans.

Hon. Mr. Roebuck: Everyone recognizes it, apparently. Everyone who has had anything to do with drawing this act recognizes the evils that are latent in the measure because they are doing another extraordinary thing in this act by allowing ten members of the Commons to bring it to a close.

As Senator Macdonald (Cape Breton) has already said, that is all wrong. That is not an act of Parliament; it is an act of ten members of Parliament which has the effect of law. I am opposed to that too, just as he is. I am opposed to the whole thing. These lines come to mind:

> Oh, what a tangled web we weave,
> When first we practise to deceive!

No, honourable senators. This is bad!

When this matter first came before us in 1959 we were told it was a temporary move, that there was a strike of some kind in prospect out there and that unless we passed this miserable kind of legislation there would be a strike and the salmon would stop spawning, or something of that kind—the salmon would be offended.

In spite of the protest I remember making on that occasion, we passed the measure and in due season, two years after, it was before us again for consideration on some other spurious proposal of the kind that it was just temporary. This is the fourth time—

Hon. Mr. Brooks: The sixth time.

Hon. Mr. Roebuck: Is it the sixth? It was a temporary proposal in the first place. I can only count four, but that does not matter: four is as good as six, or six is as good as four in a case of this kind. Be that as it may, here it is before us again.

Let me say, I will vote against the measure and do all I can to stop it. I do not like it: it is beneath the dignity of this house; it is contrary to the traditions of Parliament; it is just dead wrong.

Hon. J. W. deB. Farris: Honourable senators, I have listened to my honourable friend, and he is too depressing for this pleasant afternoon. I am thinking of my colleague the leader and his reference to canned salmon, and if I may be a little frivolous to overcome some of the sobriety that has been perpetrated here, I should like to repeat a story told of a missionary sent out from Vancouver to Asia. His supporters in British Columbia used to send him canned salmon, canned beans, canned meat and all sorts of canned commodities, and he would have all his converts in and serve them these canned goods. Finally, his supporters sent him a television set, and when he had all his converts in to watch television they threw up their hands and said, "Heavens, a canned missionary!"

Hon. T. A. Crerar: Honourable senators, my contribution shall be very brief, but there are one or two things about this measure that have aroused my curiosity.

If I understand it aright, beginning in 1959 we commenced to legislate that certain individuals or companies or both would by law be exempt from the operation of the Combines Investigation Act. That is, in effect, we said to them: we will remove any penalties from you, if you should technically—I think that was the word used by the leader—violate the combines legislation.

On principle, I think it unsound to have a law and then later on, through the creation of another law, exempt certain citizens from the operation of the law that was supposed to apply to all.

I would have liked to have had a little more information—and no doubt we can obtain it in committee—as to why this was proposed in the first instance. If my understanding of the measure is right, it operates like this: A number of fishermen—or perhaps an association of fishermen or something similar to a credit union—go out and catch fish and bring them ashore, proposing to dispose of them to a packing company. At any rate,

to me this legislation appears to be based on the theory that by some connivance between the packer and the fishermen who have fish to sell, the public interest can be hurt. I cannot understand that, and on that point I would like to have some information.

As a matter of fact, when the fisherman brings his fish in to the harbour and the packer's representative is there to buy it, there is a conflict of interest between those two. The fisherman wants to get the highest price he can for the fish he offers for sale, and the packer naturally, unless there is some peculiar breed in British Columbia which I do not suspect, wants to obtain the fish as cheaply as he can. How does an operation of that kind conflict with the public interest? That is the thing I cannot get through my head.

But, on the general principle of the thing, when laws are passed it is entirely wrong to exempt certain people from their operation by passing another law. What would honourable senators think if, for instance, the Criminal Code were amended to the effect that individuals who keep their thievery below $5 are exempt from the operation of the law? That, it seems to me, would not be greatly at variance with what we are doing here.

Hon. Mr. Roebuck: Or murder in a certain place.

Hon. Mr. Crerar: I trust that when the bill goes before the committee we shall get some enlightenment on this point, because it strikes me as rather peculiar.

Hon. Mr. Connolly (Ottawa West): Honourable senators, I thank the honourable members of this house who have participated in the discussion of this short but certainly contentious bill. I might not have opened a can of salmon, but I have undoubtedly opened a can of worms.

I agree generally with both Senator Roebuck and Senator Crerar, that this bears very careful investigation. I agree with Senator Crerar when he says that it is better not to have exceptions to the general law; that the law should apply to all equally. But, I point out that subsection (3) of section 411 reads:

> This section does not apply to combinations of workmen or employees for their own reasonable protection as workmen or employees.

This was designed, of course, to exempt the trade union movement.

Hon. Mr. Crerar: And wrongly.

Hon. Mr. Connolly (Ottawa West): Well, I would not say that, but in any event it was done for the purpose of exempting the trade union movement from the provisions of this section. This is only because—and this point must be kept in mind—these fishermen are independent operators. They are certainly workmen, but they are independent operators.

Hon. Mr. Farris: Not quite.

Hon. Mr. Connolly (Ottawa West): Not quite? That is an argument that is made on their behalf, in any event. However, it was felt that action should be taken along these lines.

I do not think any of us feels this matter can be disposed of this afternoon. I am particularly pleased there has been so much interest shown in it, because of the history of this legislation in this very house, and I am especially pleased that the bill will go before the committee where I hope that people who are interested in not only the fishing industry in British Columbia but elsewhere will give their attendance and their help.

The Hon. the Acting Speaker: Honourable senators, it is moved by honourable Senator Connolly, seconded by honourable Senator Hugessen, that this bill be read the second time. Is it your pleasure, honourable senators, to adopt the motion?

Hon. Mr. Roebuck: On division.

Motion agreed to and bill read second time, on division.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Connolly, (Ottawa West), bill referred to the Standing Committee on Banking and Commerce.

[Later:]

Hon. Mr. Connolly (Ottawa West): Honourable senators, on a point of order, I may owe the Senate an apology, and I am indebted to the honourable Senator Prowse for drawing this to my attention.

I made much of section 411 of the Criminal Code because it is the section of the Code that is referred to in Bill C-169. In point of fact, section 411 of the Criminal Code was repealed in 1960 by chapter 45 of that year and its substance was replaced by sections 32 and 33(b).

The reason why there is a reference to section 411 in this clause eludes me at the moment. I apologize to the Senate for having inadequately briefed myself on the point, but perhaps it is a matter that can be considered when the bill is before committee.

I do not think there should be any other changes made in *Hansard,* apart from the correction I am now making. Is that agreeable to the house?

Hon. Senators: Agreed.

FISHERIES DEVELOPMENT BILL

SECOND READING—DEBATE ADJOURNED

Hon. Donald Smith moved the second reading of Bill C-145, to provide for the development of the commercial fisheries of Canada.

He said: Honourable senators, I consider it a privilege and a personal pleasure to be asked to move second reading of this very important piece of legislation which affects the fishing industry of Canada at every level from one coast to the other and on all lakes in between. I have been closely associated with the fishing industry, and with fishermen and their many problems, for most of my life. Perhaps because of that, and because of my earlier experience in the other place, I have continued to be deeply interested in any legislation which affects fishermen and their families.

Throughout the years during which I have had this association I have seen tremendous changes in the industry which have brought an ever-increasing share of the economic growth of Canada to the fishermen. With energy and hard work intelligently applied I believe it is now becoming possible for the living standard of fishermen and their families to approach that of many of their fellow Canadians engaged in other occupations.

I know that Senator Kinley and Senator Isnor, and others who have had a very close and longer association than I with fishermen and their problems over the years, will agree with me when I say the days of the schooners and of fishing with hand lines from dories tossing about on stormy seas are long gone. Gone too are those weeks and months on the fishing banks, which were sometimes followed by the meagre reward of little more than enough money to pay the family's grocery and supply bill which had been incurred during the fisherman's absence. I think the Lunenburg expression to describe such a trip of a group of fishermen on a schooner was "a broker".

Also gone are the days of the small motor boat powered by a one-cylinder engine and manned by a strong back capable of handlining groundfish and hauling in lobster traps from sunrise to sunset.

Those were the days of the fishing industry as I knew it. The changes in the industry have been slow indeed in coming. For many years the involvement of the federal Government in the fishing industry, as indeed in any other private enterprise, could be considered negligible. In those days it seemed to make economic sense for governments to continually strive for the lowest public expenditure, even during the depression years when people were going hungry because they were without opportunities for employment.

I know there are some who may still mourn the death of this kind of economic thinking and decision, but for my part I welcome the modern economic approach of government which has had such an impact on our rate of growth and development in general, and in particular in the development of our means of utilizing the tremendous resources of the sea.

It has been said, and I believe it is true, that the Department of Fisheries was for many years an orphan of government. It has been my observation that this departmental orphan began to be well-sheltered and nourished when it came under the direction of a formerly successful businessman, the Honourable Robert Mayhew, and his deputy minister, the late Dr. Stewart Bates, an economist who came to Ottawa from Scotland via Nova Scotia. The orphan has since developed into the vigorous and well-led department of government we now know. The blueprints, or guidelines, to use a modern expression,—

Hon. Mr. Connolly (Ottawa West): That is a bad word.

Hon. Mr. Smith (Queens-Shelburne): —of progress were laid down at the time I have referred to, and the industry has continued to expand and flourish ever since.

One of the early contributions of the honourable Mr. Mayhew and Dr. Bates, which gave a tremendous push to the modernization of the fishing fleet in the Maritime provinces, was the introduction and acceptance by the industry of the long-liner type of vessel.

Encouraged by a substantial federal vessel subsidy, in a few years hundreds of these vessels were built in Maritime yards and sailed by the fishermen with greatly increased financial rewards. In later years, as the demand grew for more production and better productivity, this subsidy program extended to larger vessels of the dragger type, as well as long-liners, which now operate from all main fishing ports on the Atlantic coast.

May I say that the long-liner type of fishing, which has proven its worth to us over the years, was first used in Canada on the west coast, and a typical west coast long-liner with adaptations was brought to the east coast by the Department of Fisheries as a demonstration vessel. It met with resistance, but those who were looking for improvements regarded the test as a highly successful one, with the results I have described.

The benefits of employment and higher incomes to those who build as well as to those who sail these fishing craft have flowed from a policy of public investment in what had been for too long a slow-growing resource industry.

Federal encouragement and assistance leading to a modernization of fish processing plants has also been developing for some years. For example, grants for bait-freezing facilities, as well as for public cold-storage facilities, have been made for many years, at least as far back as 1949 when I first came to Ottawa.

Honourable senators, several new federal policies are now playing an important role in the construction and modernization of fish processing facilities. For example, the Atlantic Development Board has stepped into the picture by investing some of its capital funds in site preparation and in the development of clean, adequate water supplies for fish plants. Examples of this form of direct financial assistance are found in the new plants at Riverport, Port Mouton, Pubnico, Canso and others.

The Area Development Incentives Act is also beginning to play its part. Under this act the financial assistance may take the form of tax incentives or grants up to one-third of the cost of a new or expanded processing facility. The investment in harbour facilities by the Department of Public Works is also playing an increasingly important role in fisheries development.

Honourable senators, with the remarks I have just made as a background, I now turn to a brief discussion of the bill before us.

In the first place, Bill C-145, as the short title "The Fisheries Development Act" indicates, consolidates and enlarges the functions of the Department of Fisheries in the many-sided aspects of a modern fisheries development policy.

The minister will be empowered to undertake a variety of projects falling under three classes.

1. A more efficient exploration of presently known fishery resources and the exploration and development of additional resources.

2. The development of new types of vessels, equipment and techniques.

3. The improvement of the processing and marketing of fishery products.

In order to accomplish these objectives, the minister is authorized to enter into agreements: first, to undertake joint projects with any province or any person; secondly, to make grants towards provincial projects or those undertaken by persons; and, thirdly, to undertake economic studies alone or jointly with provincial governments, educational institutions or persons.

The bill specifically provides for payments to be made toward the construction and equipment of fishing vessels. This is not a new program but one that requires to be reviewed and modified in a progressive modernization of the fishing fleet.

Another very important specific provision of the bill is for payments toward the construction, modification and equipment of commercial cold storages and bait-freezing facilities. It has been deemed necessary to include this particular provision, because in many cases it was felt that private enterprise was not in a position to finance on its own the modernization and expansion of these facilities now required under the revised fish inspection regulations. In other words, the Department of Fisheries, in insisting on the installation of very low temperature freezing facilities as an important requirement of quality control, has realized that doing so creates an uneconomic situation for existing plants in making the required capital investment. The conclusion was reached, accordingly, that the industry could be induced to incur additional association costs if financial assistance took the form of grants rather than loans. This, I believe, was a most helpful decision in the light of all the circumstances.

It has not been easy for the already established fish processing plants to meet the other requirements of the new fresh fish inspection regulations, which must be met before a plant

can be registered and permitted to export their products. To be obliged to modernize their storage facilities as well, without financial assistance, would have been carrying compulsory requirements altogether too far.

It is hoped that the regulations to be made under Bill C-145 will be generous in the extent of the grants to be made available, and that there will be some tolerance in the technical requirements.

Honourable senators, this brings me to a subject which is of very deep concern to many fish plant operators in western Nova Scotia. It is a concern which I share and is closely allied to what I have just been discussing. The revised fresh fish inspection regulations to which I have referred have been in effect since April 1, 1965. Except for the large, new fish plants which have been built by Industrial Estates Limited, or financed by another agency of the Nova Scotia government, in general the operators of the many other plants have had great difficulty in meeting the requirements of the Department of Fisheries. Some, indeed, have been forced out of business.

A much larger problem is now being anticipated as a result of proposed new regulations, which are scheduled to come into effect on April 1, 1967, for the salted and cured fish industry. These regulations will require salted and cured fish plants, including herring plants, to meet very high standards of construction, equipment and operation. In meeting these standards, once again, only the large, new and easily financed plants will be able to do so without real hardship or risk of being forced out of business.

I have been informed that there are about 70 relatively small operators in this branch of the industry in western Nova Scotia, and that more than three-quarters of them could not hope to carry on under the proposed regulations without substantial direct assistance. Even under more relaxed regulations, some form of assistance will be required.

This may be the era of centralization and bigness as a general economic requirement. However, we are far from the position that this should apply to the fishing industry, as I know it, of Nova Scotia.

I know that the fishermen of western Nova Scotia are not yet prepared to leave their own villages, scattered on the indented coast, where there is a market for their fish at competitive prices, and move into the few larger centres where the big plants are operating.

Unless most of the smaller plants are assisted and kept in business, they would, however, have no other choice, unless some kind of plants were permitted to remain without modernization and perform the function of feeder plants. I discussed this with smaller elements of the industry. It immediately meets with the criticism from them that if the Department of Fisheries would permit feeder plants of a low standard of construction, operation and equipment, why should our fish, which might be tainted according to the inspection requirement, then be permitted to be bought by the larger plants and sent to the market with the stamp of approval of the inspection service. I found that a very difficult question to answer.

It is important to note that the Counties of Shelburne, Yarmouth and Digby in western Nova Scotia, according to the report of the Atlantic Salt Fish Commission, produce 63 per cent of the salt fish in Nova Scotia and that almost half of the drying capacity is in these three counties. The herring plants in western Nova Scotia are of equal importance.

We are dealing in these circumstances with serious human and social problems, as well as those of economics.

When I first learned of the proposed regulations, which would permit only approved and registered salt and cured fish plants to export their product, I had hoped that there would be substantial modifications in their requirements. I have not yet been made aware that this is to be expected.

My information is that consultations have been held with the industry with respect to the proposed regulations. I do not know who the spokesmen for the industry are who have approved them. I believe, however, that of the 46 members of the western Nova Scotia Fish Dealers Association who met with officials of the Inspection Branch, not one is ready to accept the proposed regulations willingly. I have been informed that many of them, on the other hand, doubt that the department seriously intends to enforce the regulations on April 1, 1967, in view of their financial implications.

This all leads to some suggestions which I make now, for I believe that the second reading of the bill is the time to make them. I have two suggestions for the minister and his officials with respect to this problem.

The first is to take another look at the possible consequences for a great many people, fishermen and dealers alike, of insistence

on the enforcement of the proposed regulations in their present form.

No one can reasonably quarrel with the desirability of regulating and inspecting all aspects of the fishing industry eventually, in order to ensure a high standard of quality for export to other Canadian provinces and to our foreign markets.

The chief inspection requirement should be that the product shall be wholesome and of merchantable quality.

Surely, this standard for salted and cured fish can be maintained without expenditures beyond the means of the smaller operators.

If the department insists on something more than this, with its accompanying higher cost to the operator, it should be prepared to provide the necessary financial assistance in the form of grants.

It was a disappointment to me that Bill C-145, which I read a few days ago, did not contain such a provision. Indeed, I was surprised that the discussion and debate in the other place contained no reference to this deficiency. The problems I have outlined are there to see for all who have an interest in such matters. It may be that the department intends to meet this problem in another way and an amendment to this bill will not be necessary.

I may say I have been reminded of a number of precedents for direct assistance in order to encourage higher quality of food products. For example, for many years, under the Cheese and Cheese Factory Improvement Act, grants have been made to high quality cheese producers. These have totalled $33 million over the life of the program. Of this amount, $7 million has been for grants for improvement of plants and equipment.

The same principle of making direct payments for product improvement is employed with respect to high quality hog product, which is presently costing about $9 million each year.

I am sure Senator Vaillancourt who, I regret, is not here at the moment, is well aware of the federal expenditures which have been made to encourage improvement in maple production equipment. During the life of this program, these subsidies amounted to half a million dollars annually.

With these precedents in mind, it seems reasonable and fair to expect the Department of Fisheries, if it insists on regulating the operation of cured fish plants with the goal of product improvement, to provide substantial assistance to ease the financial burden placed on these smaller operators.

Honourable senators, I now come to the conclusion of my remarks. If the bill receives second reading, I intend to move that it be referred to the Standing Committee on Banking and Commerce.

Hon. Mr. Choquette: Does everything go to the Banking and Commerce Committee, even fish and butterflies?

Hon. Mr. Smith (Queens-Shelburne): The only reason why I suggest the Committee on Banking and Commerce is that this bill deals so much with commerce and finance; it gives the minister power to spend money. If some other committee can be constituted to deal with it, I have no objection to that. It is a little more than the concern of the Standing Committee on Natural Resources, because this bill delves into the subject matter of resources. We are dealing with more than the expenditure of public funds. It seemed to me the natural course to send it to Banking and Commerce, but if honourable members have other wishes I shall be glad to fall in with them.

Hon. Mr. Roebuck: Why not the Finance Committee?

Hon. Mr. Smith (Queens-Shelburne): That might be a good suggestion. I leave it in the hands of the house.

Because the provinces have an important interest, constitutional and otherwise, in the development of the fisheries industry, the subject matter of this legislation was discussed at a federal-provincial conference held in January 1964.

This meeting was followed by a number of conferences at the official level and an agreement was reached with respect to the terms of the bill.

This is a joint field in which apparently there have been no objections to a dominant position being taken by the federal authority. I believe it can be cited as an excellent example of what Senator Aird in another debate referred to as "creative federalism." In this instance, the vigorous part, financial and otherwise, played by the federal authority is of a most creative nature, making possible new employment opportunities and higher incomes for the fishermen and allied workers of all provinces.

I hope that the co-operation of the provincial and federal governments in the joint projects contemplated will be of the highest

order. I hope that no government, whatever its political character may be, will seek a narrow political advantage from either benefits or shortcomings and that good will in the years of fisheries development which lie ahead will be maintained. The people of any province of Canada are not well served unless this be so in all joint federal-provincial undertakings.

Hon. Mr. O'Leary (Antigonish-Guysborough): Honourable senators, I move the adjournment of the debate.

Hon. Mr. Roebuck: May I first ask a question? I have been studying this bill carefully while I listened to the excellent address by the sponsor. I congratulate him on the quality of his address and on the substance of it also.

In the short time I have been reading this proposed legislation I have been wondering whether this means that the Government of Canada intends to go into the fishing business. They may enter into agreements and make payments. What are these agreements and what are their limitations? Are they to become partners with the smaller or larger operators? Are the loans to be purely mortgage loans or something of that nature? Where does all this lead? Does it lead into some socialistic arrangement with regard to fisheries, or is that just a figment of my imagination?

Hon. Mr. Smith (Queens-Shelburne): Honourable senators, I hope that is a figment of my honourable friend's imagination. The grants which I had mentioned before and which have been going on for many years have not resulted in the acceptance of the theory that the Government is engaged in a socialistic enterprise when it makes cash grants to an industry which cannot at a particular stage of its growth stand on its own feet. This has been going on for many years.

Hon. Mr. Roebuck: The word "grant" is not used in the bill.

Hon. Mr. Smith (Queens-Shelburne): Then, let us use the word "payments"—payment of a grant. The word "payment" is used in the bill. There is no new principle in this legislation which has not been used for many years. I pointed out several instances of that when I referred the house to such things as the production of higher quality cheese, maple syrup and hog production.

I might add in passing that most of the money spent on these items has gone to my friend's province, and I do not think he should object if we continue that principle in giving some assistance to the little lake fishermen and to the fishermen of the Pacific and Atlantic coasts. Should we not help them to attain to as high a standard of living as is enjoyed by the wealthier provinces in this country?

I want for a moment to deal with this particular phase which deals with payments and which is one of the smaller aspects of the bill. This is a broadly based bill resulting from much research and exploration, and I might add that I have never yet read a bill that dealt in such plain language with the actual intent of the department.

It gives power to the minister to have a vessel built which, in the opinion of the experts, after careful study, is considered to be the type which should be demonstrated to fishermen in some particular area of the country. It gives some attention to the development of new fishery products which later can be taken up by private industry, and layer upon layer of assistance like this which will ultimately lead to the raising of the standard of living of those engaged in the fishing industry. I am not alarmed by socialistic implications.

Hon. Mr. Choquette: Would my friend permit me a question arising out of what has been said by Senator Roebuck? May I say first that I really think the federal Government is getting into the fishery business and that is the reason for my question.

Is my friend, the sponsor of the bill, aware of the situation which exists with regard to the Arctic char, which is fished with great difficulty by our Eskimos, sold in the summertime at $1 a bag, and then resold to them by the federal Government at $1.50 per fish in the winter months? This industry is monopolized by the federal Government, because the distribution of the fish is made by the federal Government to different fisheries.

Hon. Mr. Smith (Queens-Shelburne): I do not know.

Hon. Mr. Kinley: May I interrupt?

Hon. Mr. Choquette: I have asked a question and I would like an answer.

Hon. Mr. Smith (Queens-Shelburne): I know nothing about Arctic char. There are many enterprises in the far north where the

Government has been in business and this has led to one outstanding criticism for years. I refer to the operations of the transport system leading into the north, which is a crown corporation. I do not think anyone is worried much about selling char.

Hon. Mr. Kinley: May I interrupt to point out to Senator Roebuck one matter relating to his comment about socialistic tendencies and the Government going into the fish business? If he reads the bill carefully he will see that the minister can do nothing without the consent of the Governor in Council, and the provisions are well guarded. The agreements are of no avail until passed by the Parliament of Canada. That is stated in the bill.

Hon. T. A. Crerar: Honourable senators, with great respect to our colleague Senator Kinley, for whom I have a real affection and admiration, surely he does not want to argue that because a measure is passed by Parliament—introduced in the Commons and approved in the Senate—that clears it of any stigma of being socialistic. That surely is preposterous. As a matter of fact, I agree very largely with the criticism of Senator Roebuck in regard to this measure. The area in which governments intervene in matters of this kind is being widened all the time.

Fifty years ago, when the farmers' grain pools were organized, they got no government assistance. They did not get a dollar in government grants. In 1914 and 1915 the farmers of Saskatchewan developed a co-operative elevator company. That company got a loan from the Government. It did not get a grant, but it got a loan, and it gave the elevator as security to the Government for the loan, and ultimately paid the loan back with interest.

The same thing happened in the Province of Alberta. I am bound to say that the old company with which I was associated for over twenty years was not so fortunate because we never got a dollar in government assistance either directly or indirectly. In fact, to my surprise, honourable senators, the men with whom I was associated—and I was much younger than they were when I took over the responsibility of president and general manager—the farmers with whom I was associated would have refused any help. They would have said, "No, we are not going ahead with this if we have to ask the Government for a grant of money for support." That is a measure of the change which has taken place in the intervening fifty years.

What could have been done in this measure, and I readily agree may be of very great advantage and quite within the proprieties, is this: The Government could have brought up a proposal and said to those fishermen or groups of fishermen who wished to buy or build a moderately-equipped fishing vessel, "We will grant a loan on a reasonable rate of interest and take the ship as security but we expect you to pay back the loan." Instead of that we have a shovelling out of money, and I want to say to this honourable house that when a government starts to shovel out money to any favoured individual or group of individuals, it is setting upon a road of which it can never see the end.

Hon. Mr. Farris: Have they not already started that?

Hon. Mr. Crerar: I would not have risen to my feet if it had not been for the rather strange theories advanced by Senator Kinley, that because a measure meets the approval of Parliament it is free from any incubus of socialism.

Hon. Mr. Kinley: I did not say that.

Hon. Mr. Crerar: Our friends in the New Democratic Party, who are the genuine socialists in Parliament today, propose to achieve all their ends by legislation through Parliament. Of course at the rate the two major parties are proceeding down the road of socialism, it will soon be quite possible for the New Democratic Party to withdraw from the field altogether.

Hon. Mr. Hollett: May I ask a question of the honourable Senator Roebuck, through the sponsor of the bill, without endangering my right to speak on this bill? I would like to ask Senator Roebuck if he remembers a bill which was before us for consideration yesterday—this concerned Ontario, and you know a lot of things can happen in Ontario—whereby the Government, through its agent the Canadian National Railways is to shovel out $12 million to aid STELCO—and that is no small company—to build a railway.

I would also like to ask him if he thinks the Government has not been in business with regard to farming and farm products by way of subsidies and that sort of thing. Is there any way the Government can help the

fisherman without shovelling out a little bit of money?

Hon. Mr. Roebuck: I rise to answer the question. Likewise, I do not want to imperil my right to speak on this bill at a later time, if I wish to do so. At all events, there is this distinction between money we advance for railroading and other moneys. Railroading is a natural monopoly and the fishing industry is not.

Hon. Mr. Hollett: The fishing industry is not what?

Hon. Mr. Roebuck: It is not a natural monopoly. Railroading is a public utility, and as such it is necessarily monopolistic. You cannot have many railroads competing. We are supposed to have some competition between the two present great railways, but the railway has to go to the Government for special rights—rights of expropriation, of crossing roads, and so on. There cannot be competition between railways.

Hon. Mr. Hollett: It is a steel company that wants this railway.

Hon. Mr. Benidickson: No. The Canadian National Railways want it; it is a Crown corporation which wants it.

Hon. Mr. Roebuck: We gave that money to the Crown corporation. However, in directing my question to my honourable friend, I asked him whether I had read the bill correctly, or not, or whether there are limitations in the act, or whether the act is an announcement that the Government is going into the fishing business. I did not say it was a socialistic proposal, and I still have an open mind with regard to it.

The second question I would like to ask of the sponsor is, assuming that he is right and these are grants, or perhaps loans which are later to be repaid, is this leading up to some grants to the monopoly we have just heard about on the west coast? Are we giving loans to the British Columbia fishing monopoly which we have allowed to operate, or will continue to allow to operate, if this bill passes, outside the law of the land?

Hon. Mr. Connolly (Ottawa West): No, within the law.

Hon. Mr. Roebuck: All right; I stand corrected.

Hon. John J. Kinley: Honourable senators, I guess we are all out of order; we are getting socialistic tonight.

I remember that the Conservative Government brought in this legislation to promote the building of fishing vessels in Nova Scotia, and it proved successful. His bill, I think, is designed to give assistance to the shore fishermen who are the needy people along the shores.

There is no socialism in this measure. I have been in Parliament for nearly 50 years, and I have heard about grants to promote industries ever since I entered the Legislature of Nova Scotia. There is not a dollar granted by this bill. It gives the minister permission to make an agreement with a province and permits him to make payments for this purpose. It also gives him permission to do research work through his department and with others. This is an enabling bill, and he cannot do anything under the bill unless he has the authority of the Governor in Council. Grants cannot be paid until the agreements have come before Parliament in each individual case. There is nothing wrong in that.

It seems to me this is salutary legislation. Now, I would be the last to want socialism, but I have been following this matter and I have watched Senator Crerar's record in this country. I do not think he would come here and seriously complain that this bill is socialism. I do fear some people in Canada, but I do not fear Senator Crerar because he has learned that in public life you must help to keep the wheels of industry turning, and he has done that over the years. I congratulate him on his long service and achievement, but on this bill we do not agree.

Hon. Mr. Crerar: Honourable senators, if I may add to the gaiety of the moment, I would like to ask Senator Kinley to tell me when I have supported a socialistic measure such as he mentioned.

Hon. Mr. Kinley: The honourable senator comes from that part of the country which has secured government aid, and succeeded well.

Hon. Mr. Brooks: I do not wish to get into this fish fight, but have we not been giving grants to help fishermen to build boats for some years? I think some 40 per cent of the cost of building fishing boats has been granted by this and other governments, and I think Senator Crerar probably voted for such measures too.

Hon. Mr. Roebuck: Were they grants or loans?

Hon. Mr. Brooks: Outright grants.

Hon. Mr. O'Leary (Antigonish-Guysborough): Honourable senators, I am sorry I was so hasty in adjourning the debate. I thought I had given everyone ample time to ask questions. I was caught flatfooted once before by not getting up in time, and for that reason I rose about 45 seconds before the questions started.

Perhaps I might ask one question. I believe Senator Roebuck made a suggestion to the sponsor with regard to the committee to which this bill might be referred, other than the Standing Committee on Banking and Commerce. I did not quite hear his suggestion.

Hon. Mr. Roebuck: I suggested the Finance Committee.

On motion of Hon. Mr. O'Leary (Antigonish-Guysborough), debate adjourned.

PUBLIC SERVICE

APPOINTMENT OF SENATE MEMBERS TO JOINT COMMITTEE

Hon. Arthur L. Beaubien: Honourable senators, I move, seconded by Senator Macdonald (Cape Breton),

That the Senate do unite with the House of Commons in the appointment of a joint committee of both Houses of Parliament to inquire into and report upon a measure respecting employer and employee relations in the Public Service of Canada and upon such other related legislation as may be referred to it by either house;

That the Senate designate twelve members of the Senate to be members of the joint committee, namely, the honourable Senators Beaubien (Bedford), Blois, Bourget, Cameron, Choquette, Croll, Davey, Deschatelets, Fergusson, Hastings, Roebuck and Yuzyk;

That the joint committee have power to call for persons, papers and records and examine witnesses, to report from time to time and to print such papers and evidence from day to day as may be deemed advisable and to sit during sittings and adjournments of the Senate; and

That a message be sent to the House of Commons to inform that house accordingly.

Motion agreed to.

BRETTON WOODS AGREEMENTS ACT

BILL TO AMEND—FIRST READING

The Hon. the Acting Speaker (Hon. Mr. Gershaw) informed the Senate that a message had been received from the House of Commons with Bill C-144, to amend the Bretton Woods Agreements Act.

Bill read first time.

Hon. John J. Connolly moved that the bill be placed on the Orders of the Day for second reading on Tuesday next.

Motion agreed to.

The Senate adjourned until Monday, May 9, at 3 p.m.

THE SENATE

Monday, May 9, 1966

The Senate met at 3 p.m., Hon. Maurice Bourget, P.C., Acting Speaker, in the Chair.

Prayers.

RESTAURANT OF PARLIAMENT

JOINT COMMITTEE—CHANGE IN COMMONS MEMBERS

The Hon. The Acting Speaker informed the Senate that a message had been received from the House of Commons stating that the name of Mr. Nesbitt had been substituted for that of Mr. Vincent on the Joint Committee on the Restaurant of Parliament.

DOCUMENT TABLED

Hon. John J. Connolly tabled:

Order in Council P.C. 1966-747, dated April 25, 1966, authorising under Section 21A of the Export Credits Insurance Act long-term financing by the Export Credits Insurance Corporation for the sale by Dominion Steel and Coal Corporation Limited, Sydney, Nova Scotia, of rails and track accessories to Ferrocarriles Nacionales de Mexico, Mexico City, Mexico, pursuant to section 21B of the said Act, chapter 105, R.S.C., 1952, as amended 1960-61. (English text).

PRIVATE BILLS

CANADIAN PACIFIC RAILWAY COMPANY (SASKATCHEWAN)—FIRST READING

Hon. A Hamilton McDonald presented Bill S-32, respecting Canadian Pacific Railway Company.

Bill read first time.

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

Motion agreed to.

UNITED BAPTIST WOMAN'S MISSIONARY UNION OF THE MARITIME PROVINCES—FIRST READING

Hon. A. J. Brooks presented Bill S-33, respecting United Baptist Women's Missionary Union of the Maritime Provinces.

Bill read first time.

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

Motion agreed to.

CANADIAN PACIFIC RAILWAY COMPANY (ALBERTA)—FIRST READING

Hon. J. Harper Prowse presented Bill S-34, respecting Canadian Pacific Railway Company.

Bill read first time.

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

Motion agreed to.

BUSINESS OF THE SENATE

GOVERNMENT BILLS—PARTICIPATION BY MINISTERS IN SENATE DEBATES

On the orders of the Day:

Hon. J. W. de B. Farris: Honourable senators, I have the nod from the Leader of the Government that I might speak at this time.

Hon. Mr. Connolly (Ottawa West): You are entitled to.

Hon. Mr. Farris: I only seek to do so because I think the subject of my few remarks—condensed to two small pages of notes—is of importance to this house and the Commons in the way that I will explain, and I believe that honourable senators will not object.

I refer to Rule 18A of the Rules of the Senate, which was passed as an amendment in 1947. That rule reads as follows:

> When a Bill or other matter relating to any subject administered by a department of the Government of Canada has originated in and is being considered by the Senate or in Committee of the Whole, a Minister representing the Department, not being a Member of the Senate, may enter the Senate Chamber, and...take part in the debate.

Honourable senators, I have distinct recollections of the time when this was introduced. Senator Wishart Robertson was then the Leader of the Government in the Senate, and the reason for the introduction of the rule was to enable the Senate to co-operate with the Commons in the expedition of legislation. In 1947 there was considerable need for this rule because of the congestion of

legislation, but today there is far more need for adopting this method of procedure that was provided for under the leadership of Senator Robertson than there was then.

As a matter of fact I read in the newspapers—and sometimes they are right, you know—that Mr. Pearson has given warning that unless there is more expedition in respect to the passing of legislation, Parliament will have to sit during July and August. That must be contrasted with the fact that during the past month this house was adjourned.

The reason why more legislation has not originated in this house—and when I say "legislation" I mean Government bills—is that the ministers are all in the House of Commons, with the exception of my honourable friend the Leader of the Government in this house, and they object to anybody but a minister making the opening speech on a motion for the second reading of a Government bill. As a result, most Government bills have been first introduced in the Commons. The provisions of Rule 18A meets this situation. Under this rule my honourable colleague Senator Connolly (Ottawa West) could introduce a certain piece of legislation in this house on first reading, and then the appropriate minister could enter the chamber, move the second reading and make the original speech. To a great extent the objection made at that time was met by allowing the minister to move the second reading of the bill in the Senate.

The Honourable Lionel Chevrier was the first to take advantage of this rule back in 1947, and he was followed from time to time by other ministers. Congestion in Parliament lessened over the following years, and there was not the same need for this scheme that had been devised by Senator Wishart Robertson. But, the rule was never repealed. It has always existed. It dropped into desuetude, and so far as I know has never been acted upon in recent years.

Honourable senators, having regard to the warning given by the Prime Minister, and our own knowledge, it would seem that occasion has arisen for the reviving of this practice under Rule 18A. I am addressing myself particularly to the newer senators who are probably not familiar with this rule, and also to the older senators like myself who have almost forgotten about it. I am addressing myself to the cabinet ministers in the other place. I hope that our leader will feel free—and I believe he does from the discussions I have had with him on this matter—to convey a message to the Prime Minister and his ministers that the Senate is ready, willing and anxious to have Rule 18A revived so that there may be concurrent activity in both houses.

I am sure that will be the sentiment of both sides of this house, and that this change at this time—it is not a change; it is merely a revival—will result in a public benefit.

Hon. Mr. Choquette: Instead of saying the rule should be revived, should you not say that it should be made use of? After all, it is still in existence.

Hon. Mr. Farris: Yes, it is in existence.

Hon. Mr. Choquette: It cannot be revived. It is still there.

Hon. Mr. Farris: I will accept my honourable friend's distinction.

Hon. Mr. Smith (Queens-Shelburne): Perhaps "revitalized" would be a better word.

Hon. Mr. Farris: Yes, revitalized. I used another word—I said it had fallen into desuetude. I was reasonably sure of the meaning of that word, but I went to the library to confirm it. A lady there who volunteered her help told me that there was no such word because she could not find it in Webster's dictionary. However, she found it in the Oxford English dictionary. It means a cessation of use.

Hon. Mr. Choquette: Yes.

Hon. Mr. Farris: What was the phrase you suggested?

Hon. Mr. Choquette: "Made use of."

Hon. Mr. Farris: Very well. In any event, my point is to get the thing going again as it was in the earlier days. I believe I have the support of the members of this house when I say that the result would be for the public benefit. It would stir up the Senate to get a minister here—and it might be the Prime Minister himself. I understand that the Prime Minister knows this is being considered, and I think it would be most interesting.

Hon. Mr. Brooks: Coming events cast their shadows before them.

Hon. Mr. Farris: Sometimes. I do not suppose there would be much objection to that in some quarters.

As I have said, it would stir up the Senate. By coming here the minister would be im-

pressed by the restrained but efficient manner in which his bill would be examined. It would establish a concurrent activity between the Commons and the Senate, each dealing with different portions of government legislation at the same time. It would certainly lessen the legislative congestion, because if there were a full discussion by the Senate, with the minister in charge, there would be a great deal less need or demand for a long inquiry in the Commons as under present conditions.

In conclusion, I would like to feel free to say to the Prime Minister, speaking through the Leader of the Government in the Senate—or perhaps I could talk to him directly—that by coming to the Senate himself, these circumstances would be most interesting and helpful. If he comes, we will welcome him.

Hon. Jean-François Pouliot: Honourable senators, I have just a word to say about the proposal of the honourable gentleman.

In the first place, we already have in this chamber a member of the Privy Council who is entitled to attend the sittings of the Privy Council and is in daily contact with the other members of the Cabinet. He is the Leader of the Government, Senator Connolly.

I appreciate the fact that Senator Connolly is a privy councillor. If I have insisted at times in having all the acting leaders appointed privy councillors, it is because they replace the leader in his absence and therefore they must be in daily contact with the other members of the Cabinet to discuss any piece of legislation with them so that they may enlighten the Senate about its details and purpose.

I would add that the Leader of the Government in the Senate does more work than any other member of the Cabinet, for two reasons. First, he has to explain to us every piece of legislation originating either in the House of Commons or in the Senate. I say that he does more work than any other member of the Cabinet because he has a very small staff. He has a highly competent executive assistant and two perfectly trained and devoted secretaries who work day and night, all week long, and sometimes on Sunday. Other cabinet ministers have large staffs in their offices, which makes a great difference. However, I do not say that as a matter of criticism. I am a realist, and I put the facts before you as I know them. We do not need other cabinet ministers to come here; we already have one.

I would have no objection to seeing some of our other honourable colleagues appointed to the Cabinet, and I would appreciate my honourable friend the Leader of the Government being put in charge of a department, if he had the time and the willingness to do it.

My first point is that we have someone here who is in daily contact with the Cabinet and who attends the secret sittings of the executive council, which is the Cabinet. That is my first point.

My second point is that I do not see why ministers should be bound to come to this chamber, although I saw some of them do so when I was in the House of Commons. That custom is obsolete now.

There is another strong argument against the proposal of the honourable gentleman. It is that the ministers attend the meetings of committees of this chamber. The last minister to come was the Honourable Paul Martin, who came to the Committee on External Relations. The Minister of Finance and other ministers are willing to come before our committees, where each member has an opportunity to ask questions. The questions and answers are taken down in shorthand and they are made part of the report. What more do we want? Our committees are an extension of this chamber and with rare exceptions no minister has ever refused the call of the Chair to attend sittings of a committee. Therefore, what would be the improvement in having a minister sitting here, when he has not the right to vote in this chamber?

Reverting to what I said earlier, when I suggested that the acting leader should be appointed a privy councillor for the reasons that I have given, I believe something should be done by this Government to honour the memory of one of our most distinguished colleagues, the late Senator Bouffard, who in spite of all his other activities, made the sacrifice to agree to be acting leader in the absence of our leader. He should be appointed a privy councillor posthumously, to honour his memory. Also, all those who have been acting as leaders here should be appointed privy councillors. Because one man is dead, we should not ignore what he did in his lifetime. Some people are surprised that we often speak of our departed colleagues—we keep their memory fresh; it is far from being

dead. It means that they are really present in our minds and in our hearts. It is to the credit of the Senate that we can remember our departed colleagues, and tell the new members that they missed a great deal by not knowing them.

That being said, I am satisfied with the present practice with regard to Cabinet ministers. They may be invited to this chamber if the Senate wants to invite them, but I do not see how we can invite every cabinet minister for very piece of legislation that is brought before us. They do not refuse to come before any committee, and that is enough for me.

Hon. David A. Croll: Honourable senators, Senator Farris said he wanted to stir up the thinking of the members of this chamber. He has stirred me up to the point where I totally disagree with him. I have no objection to ministers coming in here; in fact, I welcome them.

However, those who know something of the history of the Senate will remember that one of the great failures of the Senate was that for many years two men dominated the Senate, one on one side and one on the other. They presented the bills: they presented the criticism. That continued for years and years. It is but recently that members are given the opportunity to present a bill and now fully participate in Senate debates.

There is much talent and ability in this house. There is a desire to be occupied. Moreover, when a member is given a bill to present on second reading, whether he be on this side of the house or on the other side, it is educating.

As to regards holding up legislation, we cannot be held responsible for that. We debate every bill as quickly as we can and if there is work to be done we do it expeditiously.

Before we make any move we should consider how better we can employ the talent we have here. The fact that we have been doing this to a greater extent now than ever before, has raised the standing of the Senate in this country.

Hon. John J. Connolly: Honourable senators, unlike some of my predecessors in this short interchange, I am pleased indeed that Senator Farris has raised this point, if for no other reason than that those who have already spoken have put forward points of view which deserve serious consideration.

The recent book *The Modern Senate of Canada*, by Professor Kunz, points out that, during the leadership of the Honourable Wishart Robertson, a retired member of this chamber, there was a very serious effort to spread the work of introducing Government legislation. Senator Croll has already pointed this out. That was a period of transition. I believe Senator Robertson was trying by the introduction of Rule 18A to make it possible for still further work to be done here, as the Senate at that time did not seem to be as fully occupied as it might be.

During the leadership of honourable Senator Ross Macdonald—whom we are always happy to see in the chamber—that practice was continued to the point where many senators got valuable experience. I recognize this as very fine leadership, as it involved many more people in the work than would have been involved otherwise, apart altogether from the committees.

The practice was continued while our good friend Senator Aseltine was leader, and indeed while Senator Brooks was leader. This is an important aspect of the work of the leader, to try to involve as many people as possible in the sponsoring of Government legislation.

A leader should also encourage the back benchers—God must have loved them, as he made so many of them—to take greater initiative in sparking ideas for special committees. This must be done with care and with a sense of responsibility. Whenever it was done in that way in the past it proved beneficial. My honourable friend, the dean of the Privy Council of Canada (Hon. Mr. Crerar), sitting to my right, knows that and so do many other honourable senators.

Although my namesake may not agree with this, if I can believe what I read in a Halifax paper around the turn of the year, it is important for the Leader of the Government in the Senate to be a member of the ministry, although it may seem somewhat anomalous. I really do not know what I would have done if I had not been a member of the ministry in the past two years. I am sure that Senator Ross Macdonald, Senator Brooks and Senator Aseltine would all agree totally with it.

I often wonder how Senator Aseltine—and this is not political criticism; I am talking within our own family here—was able to do so well when he was asked to lead here and was not a member of the Privy Council. Those must have been difficult years for him. Those

who were here then remember with great admiration the work he did and the way in which he did it.

Hon. Senators: Hear, hear.

Hon. Mr. Connolly (Ottawa West): I took my cue from the work of Senator Macdonald (Brantford), Senator Brooks, Senator Aseltine, and Senator Wishart Robertson, and when I started attending meetings of the Privy Council, and in particular the Legislation Committee of which I happen to be a member, I asked for as much legislation as possible for introduction in the Senate. There was no resistance to that suggestion on the part of the other members of the committee or of other members of the Cabinet. I think that request was heard, because since then we have had more legislation for introduction in this chamber.

I have always taken the position, and I always shall, that while it is my responsibility as a member of the Government to support this legislation it is highly proper that persons other than the Leader of the Government in the Senate should be asked to take on the responsibility of sponsoring bills.

Just a few weeks ago I mentioned the fact that when I was on the other side of the house under the leadership of Senator Macdonald (Brantford), we actually took on the sponsorship of a bill on behalf of the Government. This occurred under special circumstances, and I may say we were both very happy to do it. I know Senator Macdonald will support me in this. It was the bill in connection with the Canadian Vessel Construction Assistance Act. I mention this to show that the party line does not run down the middle of the chamber to excess.

There is another point I should make at this time. It has been mentioned by one or two honourable senators that we have only one member of the Cabinet in this house. This is not so in the House of Lords; there you have the Lord Chancellor, a member of the Cabinet, and the Lord Privy Seal, who is the Government leader. In the Lords there are other ministers as well, some rather senior, and quite a number of junior ministers in the back benches. I understand there are 13 or 14 members of the Government in the House of Lords.

The day may come, and perhaps it will come sooner than we expect, when there will be more ministers of the Government in this chamber, not necessarily administering departments, but perhaps assisting. When the leader in this house is the only member of the Cabinet, he does not dare walk out of the Chamber while the house is sitting. His duty is to be here and to be responsible and to act with responsibility.

The purpose of Senator Farris' proposal is, in my view, a most praiseworthy one. He seeks to have more Government legislation initiated here, and thereby to speed the movement of legislation through Parliament. However, I would point out that Rule 18A permits a minister from the other place to come here to deal only with a bill which has originated in the Senate. And we have to remember that a bill involving a financial factor cannot originate here. Automatically these bills are excluded.

What I am about to say now I shall not say in my capacity as a member of the Government but purely in my capacity as a member of the Senate. I would hope that we might be able to amend the rules of Parliament itself so that certain bills could be considered here in the first instance, despite the fact that they had financial implications. The financial sections could be reserved for the special consideration of the House of Commons, while all other aspects of the legislation could be dealt with here. The bill could then be referred to the House of Commons, and then returned here.

It is not my intention to draw up a blueprint for this, but it seems to me that such a procedure would accomplish the purpose that Senator Farris has in mind far better than by simply bringing in a minister. Such a step might stimulate debate, but it might create a furor to have a minister from the other place come in here and speak to the bill.

I am going to be so bold as to say that there are members of this chamber who can explain and have explained bills better than they have been explained in the other place, and debates on many subjects that have taken place in this chamber have been far more enlightening then those in the other place. I have no wish to draw invidious comparisons between the two houses, but the bills that come before us here invariably get careful consideration and thoroughly objective study. To accomplish the purpose that Senator Farris has in mind would involve a change in Rule 18A, to allow bills other than those which can be originated here now to start in this house. Perhaps with the increas-

ing volume of work Parliament has to do every year, this is going to become necessary.

I know there are some important bills, even those without financial implications, that are so much a matter of Government policy that the ministers prefer to introduce them in their own house. I think we can all understand that. But there are other bills which do not fall into that category and which might very well originate here; and if we need a minister from the other place to explain the measure, I certainly would not be averse to having one do so. But in my view we have a pretty good team here to deal with measures as they come before us.

I regard the view expressed by Senator Pouliot as a very valid one, that we have the advantage of the viewpoints of the ministers voiced in our committees. They do not hesitate to come before us, sometimes on very controversial bills. In my view they have always co-operated with us in this respect.

Perhaps I have said too much, but I have expressed my ideas about the importance of the Senate doing all it can to advance expeditiously the work of Parliament. I am glad this interchange has taken place, and I assure Senator Farris, Senator Pouliot, and Senator Croll that I will put these representations before the Government at the first opportunity.

Hon. A. J. Brooks: Honourable senators, it is not my intention to prolong this debate. However, although I had no idea this matter would be raised today, I do want to add a few words.

I have been a member of both the House of Commons and the Senate. We all realize that under the British North America Act the House of Commons has certain functions and the Senate has certain functions, and I think the work of the two houses has proceeded along those lines pretty well for the last hundred years. Possibly some more satisfactory procedure can be made in the future.

I do not agree with my good friend Senator Farris, although I would like to do so because we agree on most things. However, I think if we were to adopt his views we would simply be establishing another House of Commons. It was never intended that we should have two Houses of Commons. It was intended that we should have one Senate and one House of Commons, and together they should form one parliament. As my good friend the leader said, there would be a danger of creating a furor in the Senate if we had the minister here sitting opposite what is called the Opposition, although I understand there is no such thing as an official opposition in the Senate.

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

Hon. Mr. Brooks: Such a situation could create quite a furor, and I think he was quite correct in saying so, and we could be debating back and forth much as they do in the Commons.

I was a member of the House of Commons for 25 years, and since becoming a member of the Senate I have been greatly pleased with the work of the Senate and particularly with the work of its committees, which I think do an excellent job. I do not think it would be amiss if a second cabinet minister were selected from among honourable senators. There are two or three portfolios which are not particularly political, and it might be an excellent idea—especially as I understand that the number of ministers is to be increased again, though I think we have enough already—if in their generosity a second cabinet post was filled from the Senate.

I also agree with Senator Connolly that the Leader of the Government should always be a member of the Cabinet. If he is, he is the connecting link between the Cabinet and the Senate. The Commons have their 25 ministers, and surely the Senate is entitled to a connecting link. The Senate representative in the Cabinet hears the discussions that take place on various bills, from other ministers he appreciates the necessity for each particular bill. Then with that information he can speak with authority before the Senate and is a great asset and help to this chamber.

CANADIAN NATIONAL RAILWAY BILL

CONSTRUCTION OF BRANCH LINE NEAR BRUCE LAKE, DISTRICT OF KENORA— THIRD READING

Hon. A. K. Hugessen moved the third reading of Bill C-165, respecting the construction of a line of railway in the Province of Ontario by Canadian National Railway Company from the vicinity of Amesdale on the Redditt subdivision of the Canadian National Railway in a north northwesterly direction for a distance of approximately 68 miles to a point in the vicinity of Bruce Lake, in the District of Kenora.

Motion agreed to and bill read third time and passed.

FISHERIES DEVELOPMENT BILL

SECOND READING

The Senate resumed from Friday, May 6, the adjourned debate on the motion of Hon. Mr. Smith (Queens-Shelburne) for the second reading of Bill C-145, to provide for the development of the commercial fisheries of Canada.

Hon. Clement A. O'Leary: Honourable senators, like the sponsor of this bill, I too may say that my association with the fishing industry and with fishermen and their problems extends over the greater part of my life. And again, like Senator Smith (Queens-Shelburne), I also learned much during my experience in the other place, particularly in having my sights broadened about the industry nationally, and I gained a more thorough appreciation of the more complex and varied problems on both coasts and in our inland waters. And, once more I too bow to the longer and closer association and consequent knowledge of several senior members on both sides of this chamber.

I immediately offer warm congratulations to the sponsor for the excellence of his presentation and his very humane and unbiased consideration of the subject matter. He certainly enunciated as well as anyone could the general principles contained in the bill. I fully appreciate that it would be difficult for him or anyone else to go into any great depth as to specifics, because to date we do not have much information beyond the general intent. This, of course, is a good reason why the bill should go to some appropriate committee, but I make no particular recommendation in this respect. It seems to me that the actual committee is not of greatest importance but, rather, that the greatest importance should be attached to the witness or witnesses who may be made available to us. I would certainly hope that we might hear the Minister of Fisheries and particularly Dr. Needler, the Deputy Minister, who, I am sure, could give us the benefit of his obvious expert knowledge of at least some of the particulars envisaged, and as to where and how they may apply.

As the sponsor pointed out, the probable initiative for this bill arose as a result of the federal-provincial conference in January 1964, where the subject was discussed at considerable length. I would have hoped too that it was given more recent impetus from proposals made in the last Speech from the Throne. Here again, although only a general reference was made, subsequent press reports indicated, for example, that while no specific figure had been set as an objective annual minimum net report for fishermen, it was expected that it should be in the area of $4,200 a year, similar to the objective set for the Canadian farmer.

Immediately I interpreted this as what we might call the fishermen's ARDA plan, or F.R.D.A., and it is not illogical to hope that as a result of the implementation of at least some of the proposals in this bill, it could be just that. As one Atlantic province newspaper editorialized not long ago,

> This bill could be all important to an industry which is gaining national recognition perhaps for the first time in our country's history.

This statement, of course, had reference to the fishing industry on a national basis. Here we all recognize—and I know I will be excused if I make several references to my native province—that 50 years ago Nova Scotia's fisheries were famous. I presume this was the reason for our first being labelled "Herring Chokers". In view of the fact that in 1965, Nova Scotia for the first time, reached first place in its dollar volume of landed fish as compared with other provinces—

Hon. Mr. Brooks: May I correct the honourable senator? Nova Scotians are known as "bluenosers," and New Brunswickers are known as "herring chokers."

Hon. Mr. O'Leary (Antigonish-Guysborough): I have heard other names for New Brunswickers too.

However, as I say, Nova Scotia did reach first place in 1965 in total dollar value, and we are told that the herring played an important part in our reaching that position. From time to time we are still called "herring chokers," and I acknowledge this title with at least a tolerant degree of pride. I must be quick to point out, however, that the Province of New Brunswick obtained the greatest share of the herring catch, but plans and predictions seem to indicate that Nova Scotia has the greater future potential in this area. This was confirmed by the experts at last week's meeting in Fredericton of the

Canadian Atlantic Herring Fishery Conference.

I want to console British Columbia too with the fact that their fish poundage volume exceeded that of Nova Scotia by some 20 million pounds last year, but our dollar volume was higher by approximately $2 million. This is partly explained by our higher yield of lobsters, scallops and haddock. I shall not say anything about salmon at this moment.

Hon. Mr. Connolly (Ottawa West): Not canned salmon, anyway.

Hon. Mr. O'Leary (Antigonish-Guysborough): There are four kinds of salmon, as the honourable Leader of the Government must remember. As a former retailer I would never go into a store and ask for a can of salmon. I would specify a variety. Perhaps there are others, but I am going to suggest that there are four kinds of canned salmon, namely, Keta, Fancy Pink, Cohoe and Red Sockeye. Ask for Red Sockeye if you want the best.

Hon. Mr. Connolly (Ottawa West): What about Nova Scotia canned salmon?

An Hon. Senator: It is too good to be put into cans.

Hon. Mr. O'Leary (Antigonish-Guysborough): Yes, and the same thing applies, I believe, to Gaspe salmon. Newfoundland has canned some salmon.

Hon. Mr. Connolly (Ottawa West): I hope the honourable senator does not mind these interruptions.

Hon. Mr. O'Leary (Antigonish-Guysborough): Not at all.

Hon. Mr. Connolly (Ottawa West): There are other Nova Scotia fish that have been canned in recent years and brought to the attention of the people of central Canada. I am thinking particularly of lobster. Some of it is really magnificent. Perhaps the honourable senator could enlighten us on what other Nova Scotia sea products are canned.

Hon. Mr. O'Leary (Antigonish-Guysborough): There are others present more qualified than I am to enlighten the house on this subject. Lobster has been mentioned, and this is the most widely recognized canned food product. I recall from my experience in the retail business that American tourists were always looking for a Nova Scotia pack. For sardines I suppose we have to go to New Brunswick; I am not too sure. I will not boast too much about our chicken haddie—our cat loves it. I cannot enlighten you any further.

Hon. Mr. Connolly (Ottawa West): This question might be raised in committee. The officials will be able to give us some information on it.

Hon. Mr. O'Leary (Antigonish-Guysborough): Without laying it on too heavily but to continue my boasting, if honourable senators will bear with me for one moment more, I will say that Nova Scotia's fishery value in the past year totalled more than that of Newfoundland, New Brunswick, Prince Edward Island and Quebec combined. Lobsters alone contributed $12 million to our total landed fish value which amounted, incidentally, to over $48 million for the last year. It can be seen that this is approximately a $100 million industry in that one province alone, in that the market value is approximately twice the landed value.

May I now refer to the not-so-bright side of the picture. Senator Smith (Queens-Shelburne) made certain observations in this sphere, upon which I shall comment later. At this time I want simply to state that the Canadian fishing industry, although it has been making progress, just is not keeping pace with other countries. Peru, Russia, Poland and other new converts have taken the initiative. They are setting the pace. I understand that this is basically a result of their concentration on the herring harvest, and unfortunately the greater part of this harvest is obtained from the waters of our coast.

Over the past years Iceland has increased her yearly herring catch by 50,000 to 60,000 tons. Norway plans to increase her fishing fleet this year by over 100 sea-going vessels of 100 feet or more in length. As we all know, Russia is constantly developing her fleet, as are other countries.

In 1964, Iceland produced three times the weight of fish that the Nova Scotia industry did. I am sure all honourable senators will agree that we just cannot permit this situation to continue. Anything that this bill does to rectify that situation certainly deserves our commendation and support.

I am not unaware of the present assistance being given the industry right across Canada by the federal Government, not only by the federal Department of Fisheries but by many other agencies of government, both federal and provincial. I commend the excellent work

of the Fisheries Research Board, and suggest that its functions and financial support must necessarily be enlarged in the future if this measure is to be effective.

I call the attention of this house also to Item 5 of the 1966-67 Estimates of the Department of Fisheries, and the breakdown of the Fisheries Development projects participated in jointly with the Atlantic provinces and Quebec, which was given to the Standing Committee on Fisheries of the other place. These too will undoubtedly be considerably enlarged with the implementation of the bill now before us.

In effect, what I am trying to say here is that we have not been entirely standing still. As a further example of this, in the field of providing new and better vessels, the Nova Scotia Fisheries Loan Board lent only a little over $1 million for new construction in 1964, but in the year ended March 1966 that figure is in the area of $8 million, and a still larger sum is anticipated for the year ending in March 1967. As a result of this, some 30 vessels of over 65 feet in length are to be commissioned in the province this coming year.

Perhaps the honourable sponsor of this bill or some other honourable senator has more information on this particular item than I have, but in the Halifax *Chronicle Herald* of Tuesday, April 26 there was an item from the Ottawa Bureau which indicated that a meeting was to be held on April 27 in Montreal of senior fishery officials from the Atlantic provinces and Quebec and the federal Government to discuss measures to improve the productivity of the inshore Atlantic fishermen. It then went on to say that the Minister of Fisheries had made a forecast to the effect that it was very possible that at this meeting there would be consideration given to increasing the present 25 per cent to 30 per cent subsidies to 50 per cent for vessel construction.

The minister also indicated that the federal Government was prepared to recommend provincial loan agencies as lenders under the Fisheries Improvement Loans Act. I have not seen any report on this since. I presume a meeting was held, but perhaps it was a matter between senior officials, and possibly there has been no public release. However, that can be inquired into in committee.

The sponsor of the bill indicated the difficulties experienced by many plant operators in Nova Scotia in attempting to comply with the standards set out under the revised fresh fish inspection regulations which came into effect since April 1, 1965. I, too, am aware of the effect of these regulations on some of my friends who operate or operated some of these plants. If the inspection regulations were too rigid, that is one thing; on the other hand, if these regulations were intended to protect and expand our consumer and export market for quality fish, then I too would hope that cold storage facilities assistance be generous under the regulations of this bill.

As for the "degree of tolerance in the technical requirements," without adequate knowledge on my part, I would hesitate to express an opinion.

Senator Smith (Queens-Shelburne) then expressed an even more serious concern and alarm over the regulations to come into effect on April 1, 1967, which in effect will permit only approved and registered salt and cured fish plants to export their product. I will not argue that these standards may be too high. I can appreciate that they will be costly, but here again, guaranteed high quality seems to be the objective.

The sponsor suggests that "the chief inspection requirement should be that the product shall be wholesome and of merchantable quality." I think we would all like to know if that can be brought about by a stricter enforcement of the regulations in their present form. If not, then the precedents that he has given us for direct assistance to encourage higher quality food products should be made applicable here.

This leads me to an even wider and more general concern as to the future prospects of our inshore fishermen. When Dr. Finn, a former Deputy Minister of Fisheries, was looking into the advisability of establishing a salt fish marketing board, he naturally was obliged to cover the entire industry during his examination, and as a result, in addition to advising against such a board he tells us that the inshore industry is failing as opposed to the rapid progress being made in deep-sea fishing. He then draws the logical conclusion that more competent men need to be trained to properly man these vessels.

With this I have no quarrel. It appears to be a "must," and I believe that when the proper incentives with training are provided and the industry is made just a bit more attractive, our younger men will show greater interest and enthusiasm. Presently we have approximately 13,000 fishermen in Nova

Scotia—3,000 off-shore and 10,000 inshore. Dr. Finn correctly referred to the low landings per inshore fishermen—$762 per year average in 1963—and referred to it as "a limited resource with an excessive number of people dependent upon it." As a result of his report, it is his opinion, and appears to be the opinion in some quarters, that an effort should be made to attempt to divert about half the inshore fishermen to the off-shore fishing grounds.

Needless to say, with the average income as given above, it would perhaps seem impossible for us to visualize why any young man would wish to pursue the inshore industry. On the other hand, I feel it is quite impractical and would be morally wrong to limit in any way the endeavours of our middle-aged and older men presently engaged in the inshore industry. Certainly here it is a matter of human and social problems—and even economic as well.

I shall not take time to discuss many major problems affecting the industry on both our coasts and inland waters, such as the development of the salmon industry on the west coast, and, I might add, the Atlantic coast as well; the lobster volume decline so far this year; the disappearance of our clams; the Lake Erie perch, and other problems.

I was a bit surprised at the nature of the questioning at the conclusion of Senator Smith's introduction of this bill. It seemed to me that much was being made of the Department of Fisheries as such making provisions for payments or grants of any type to private industry. In the instance of this bill, the only new item appears to be cold storage, which was formerly under the Department of Agriculture. I do not know whether it will continue to be under that department.

I am still not too clear what the intent was behind some of the questions. I simply say that there is no precedent here, and certainly not in many other agencies or departments of government. This does not say that those who feel otherwise have a right to oppose the general principle which has been carried on for years of developing any industry which is of national, genuine economic value and needs encouragement and tangible assistance.

Hon. Orville H. Phillips: Honourable senators, I wish to say a few words on this bill, although I am somewhat reluctant to say them after the discussion between the honourable Senator Brooks and the honourable Senator O'Leary (Antigonish-Guysborough) as to who was a "bluenoser" and who a "herring choker." A resident of P.E.I. is called a "spud islander". Indeed, it might well be asked why I should rise to speak on a fisheries bill.

For some time there has been a great need for national fisheries policy. While perhaps this bill does not introduce many of the needed measures, nevertheless, it consolidates them under the one program. I believe Senator Smith (Queens-Shelburne) made that statement, in introducing this bill.

The Department of Fisheries had been the orphan of the Government for some time. I recall the late George Clark, who was deputy minister, telling me on one occasion that with regard to his budget he was something like the character in Alice in Wonderland who had to keep running steadily to keep from getting behind. Yet there can be many improvements made with little expenditure. I recall one that was made in a small village in my riding when I was in the House of Commons.

The fishermen in that area had about eight weeks of lobster fishing. Then they tried to hand-line or jig cod fish. The season was very poor, and the Department of Fisheries in conjunction with the province moved in and set up a school to teach the fishermen how to use gill nets. The total cost of the program was the huge sum of $1,800. Since that time the fishermen have gone on out into different types of netting and seining. Two fishermen who took part in this first program told me that between them last year they landed approximately 300,000 pounds of mackerel that they would not have been able to land without the benefit of this school. I point this out to illustrate that we do not need huge sums of money to change a lot of our habits: it is instruction in new techniques that is needed.

The bill makes reference to research. I hope this will be developed and speeded up in many areas of fishing. I am interested particularly in the oyster farm at Bideford. We have an excellent program under way in oyster research, and it is fascinating to visit this station and speak to the biologists who are carrying out the research work and attempting to develop oyster farming. I remember on one occasion the senior biologist told me that he hopes within five years to develop what he termed purebred strains of oysters, just as we have purebred strains in cattle.

I recall another occasion when I visited the station with a medical specialist, a heart

specialist. He asked the biologist questions about his work. Mr. Drinnan turned to him and said "You are a heart specialist—how would you measure the heart beat of an oyster?" This indicates that these people have a very interesting and difficult task and that they are worthy of our support.

Sometimes their work gets tied up in red tape. Certain expenses of the station must be divided between the Fisheries Research Board and the Department of Fisheries. It is unfortunate that these highly qualified men of training and education should have to spend so much time breaking down such expenses.

I should like to see more research work in the lobster industry. Last year, in the Northumberland Strait, the lobster fishing was poor. We need research to attempt to get into the so-called farming of lobsters. On that subject may I point out to the Leader of the Government that the trend in lobsters now is to freeze them, to provide a frozen pack, and that canning is not nearly as important now as it used to be. If he is not familiar with these excellent packs, the next time I visit Prince Edward Island I will try to bring some back so that he may acquaint himself with this excellent product.

The bill makes reference to grants to universities and for research projects. These should receive a great deal of emphasis, for two reasons. First, we are short of graduate students in marine biology in Canada. This provision would give the universities an opportunity to train the biologist. We would then have the value of their knowledge to apply to our fishing techniques. I hope this section of the legislation will not be overlooked.

Senator O'Leary (Antigonish-Guysborough) mentioned that some inshore fishermen probably should be transferred to deep sea fishing. This may be desirable but it is difficult to take a person who has invested in one way of life and change him completely.

Hon. Mr. O'Leary (Antigonish-Guysborough): Pardon me, I did not say that.

Hon. Mr. Phillips: The honourable senator cited some official who made that suggestion. The honourable senator is quite right in that regard. The lobster fisherman invests several thousand dollars in a fishing boat, motor, trap, ropes, etc. It would be difficult for him to leave this investment. It would be better if we could persuade those who design vessels to develop a boat which would carry out the purposes of lobster fishing, which would take the traps out to the grounds, let them slowly turn over and let them use the ropes, so that the traps can be emptied and rebaited and, when lobster season is over, they can be used in seining. That would do much for the lobster fishermen.

The bill deals with cold storage. I have some questions on that point which I hope will be answered in committee. Formerly, this function was carried on under the Department of Agriculture. I wonder if it will still be carried out under that department or whether there will be a new section in the Department of Fisheries.

As regards the grants, I recall that the expenditure was made up of one-third from the province, one-third from the federal government, and one-third from the participating company or co-operative. In return, the firm or co-operative receiving the grant had to postdate guarantee that these facilities would be available for public use for ten years. I hope to receive an answer on that point in committee.

Honourable senators, I was disappointed that the terms are not spelled out in more detail in the bill. I tried to find out something from the officials in the department or from the minister's office concerning the plan in certain fields. I could get no information. The answer I received was that they cannot say anything until the Governor in Council has approved certain orders. This makes me feel we are giving them a blank cheque which they may use or discard. I recall that we gave the same authority in the Territorial Waters Act, regarding the so-called 12-mile limit, and no action has been taken in this regard. Perhaps because of the annual provincial conferences they need not have the same fear of neglect as we had in the case of the Territorial Waters Act.

Hon. James Gladstone: Honourable senators, I am happy to take this opportunity to speak on behalf of the British Columbia Indians. This is a very important feature of their livelihood, and the protection of their interests in the waters of the Pacific is most necessary.

About three weeks ago a delegaton came from British Columbia with a brief. I did not see it because at that time I was at a meeting of two Indian organizations in the interior of British Columbia. I was told at that meeting by some of the delegates that a brief was

being presented at that time in Ottawa to the Indian Affairs Branch, not only on behalf of Indians who are making their livelihood in fishing but also on behalf of people in British Columbia who live or work along the Charlotte Island adjacent to Alaska. They find that the encroachment of the Alaskan and Japanese fishermen is making an inroad into their fishing interests.

When this bill comes to committee, I would like to see consideration given to those interests of British Columbia, not only of the Indians who are making their livelihood in commercial fishing but also those who are fishing for their food.

Hon. Donald Smith: Honourable senators,—

The Hon. the Acting Speaker: I must inform honourable senators that if honourable Senator Smith (Queens-Shelburne) speaks now it will have the effect of closing the debate.

Hon. Mr. Smith (Queens-Shelburne): At the outset let me say to my honourable friend from Nova Scotia (Senator O'Leary, Antigonish-Guysborough) how pleased I am that he spoke for the official Opposition in the Senate in such terms as to give me to understand that this bill does have the support of all parts of this house. He made some helpful suggestions and raised some interesting questions. I hope these will be fully dealt with at the committee stage.

Senator Roebuck was interested in the powers of the minister and how the money was going to be spent, and whether there would be some form of mortgage loans and so on. Unfortunately, I do not have the information at this time to satisfy him on these points. I was also interested to know that Senator Phillips could not obtain the information at this stage of the legislation. I want to say to Senator Roebuck that those of us who are sure to be in attendance at the committee meeting when we have before us the minister, the deputy minister and other officials, will bear down very intensely and seek to ascertain the information which he requires.

Senator Phillips also made some interesting points in his very fine representation on behalf of his beautiful Province of Prince Edward Island. But while his views were mainly concerned with his own province, he did suggest that the bill gives a blank cheque—and I think that was the expression he used—to the minister and the department to do all kinds of things without parliamentary approval or control.

I am not actually sure of my ground on this point, but when I first looked at the bill I found that section 8 on page 3 is the section that covers the particular questions he had in mind. Subsection (1) of section 8 says:

> All expenditures for the purposes of this Act shall be paid out of money appropriated by Parliament therefor.

Then subsection (2) of section 8 says:

> No agreement entered into pursuant to subsection (2), (3) or (5) of section 3 providing for the payment of any money by the Minister has any force or effect until such time as money has been appropriated by Parliament for the purpose of discharging any commitment under that agreement.

My non-legal and uninformed conclusion from reading section 8 was that the items would have to be submitted through the Estimates to be approved by Parliament before the minister could spend any money. In so far as the Minister of Fisheries might in effect have a blank cheque on Parliament, I do not think that is something we would have to be unduly concerned about.

I hope that other members of the committee will in the meantime think about the subject of fisheries, and perhaps suggest some questions for those of us who are rather closer to the industry than they may be, so that as a result of those questions we may have a complete and full exposure of the intentions of the minister and the department under this act, and thereby satisfy ourselves that the lot of fishermen and their families who have long been connected with what has long been a low-income industry will no longer have to remain in that category. Thank you.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

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

Hon. Mr. Smith (Queens-Shelburne): Honourable senators, it was my original intention that this bill be sent to the Standing Committee on Banking and Commerce. Then it was suggested to me that another committee might be more appropriate. I have not, however, had an opportunity to discuss the

matter with the Chairman of the Standing Committee on Finance, but on review it now seems that the agenda for that committee has been prepared very far ahead, and therefore I cannot see any alternative except to add the butterflies and the fish to the work already before the Standing Committee on Banking and Commerce. I therefore move that it be referred to that committee.

Motion agreed to.

NATIONAL RESEARCH COUNCIL BILL

SECOND READING

Hon. A. K. Hugessen moved the second reading of Bill C-150, to amend the Research Council Act.

He said: Honourable senators, as the title implies, this is a bill to amend the Research Council Act, and should be taken in conjunction with the bill which I had the honour to explain to this house last week, to set up the Science Council of Canada. As honourable senators will recall, that bill is designed to provide a body which will have the duty of advising the Government generally on matters of scientific policy. At that time I referred to the National Research Council, and it so happens that the Research Council Act itself provides for the carrying out of the function of advising the cabinet on matters of science and technology. Therefore, the setting up of the Science Council of Canada involves a change in the act setting up the National Research Council, and that is the principal object of the bill before us.

As honourable senators are aware, the National Research Council has not carried out the function of advising the Government on general matters of scientific policy. What it has done, and done very successfully, has been to take charge of scientific and industrial research in Canada, to carry on major operations in research, and also to encourage and give grants to universities for the same purposes. Those are functions which the National Research Council will still continue to fulfil. And that is the reason for the proposed amendment to section 7 of the act by clause 6 of the present bill. The new section simply states for the future that:

> The Council has charge of all matters affecting scientific and industrial research in Canada that may be assigned to it by the Committee.

It makes no reference to the power of advising the Government on matters of scientific research to the National Research Council, as contained in the present act. That change is the principal object of this bill.

However, as so often happens, when a department comes to revise for some specific purpose an act which has been in force for a number of years, it always finds a lot of other amendments which it would like to have put in, amendments which have arisen as a result of circumstances or the operation of the act over the years. That has been the case with the Research Council Act.

In addition to this section to which I have specifically referred, the bill contains a number of other sections dealing with amendments and revisions. One of them will, I think, appeal to this house.

I did not know until I read this bill that the National Research Council, which everyone knows about under that name, has in its original act another title. It is called The Honorary Advisory Council for Scientific and Industrial Research, which in itself is quite a mouthful, and by which name this organization has never been known. It is now known generally throughout the country as the National Research Council. One or two of the sections of the present bill propose to confine its name to that of the National Research Council, by which, as I say, it is now generally known throughout the country, and to add the words "of Canada". So from now on the organization will be known as the National Research Council of Canada. That involves two or three consequential amendments to various sections of the present act, into which I do not need to go in any detail.

There are various other amendments. I do not propose to go into all of them; they can be adequately discussed and explained in committee. However, there are one or two which may be of some interest.

There is the additional power to be given to the Council by clause 9 to acquire money or securities by gift, bequest or otherwise, and to expend these moneys subject to the terms upon which such money has been given. I find the explanation of that somewhat interesting. Under the present act the Council has authority only to expend money received through the conduct of its operations by bequest, donation or otherwise. The Council already has had to refuse gifts from donors who wished to create trusts for scientific work because there was no authority to administer such trusts. The proposed change makes it clear that the Council has the power to accept gifts or bequests of property and

deal with such property, subject to the terms on which it is given.

There is another subject which seemed to me to be rather interesting. That is the authority at the end of clause 9 of the bill, to establish, operate and maintain a national science library. In that connection, I am told that there has been a long-term understanding between the National Library of Canada and the library of the National Research Council, that the Council's library would accumulate scientific literature on a national basis and avoid duplication in the National Library. That is the reason for this particular clause.

There are various other minor changes, as I say, with which I do not think at this juncture I need labour the house, but which can and will, I am sure, be satisfactorily explained in committee.

As honourable senators may perhaps recall in connection with the Science Council bill, I suggested that that be referred to the Standing Committee on Finance because there were certain financial implications in it, and also for the purpose of lightening the burden of our beast of all work, the Standing Committee on Banking and Commerce.

If the Senate should see fit to give second reading to this bill, seeing the connection between the two bills, I think it would be appropriate for me to move that this bill be referred to the Standing Committee on Finance.

Hon. Paul Yuzyk: Honourable senators, Bill C-150, to amend the Research Council Act, is necessary legislation after the passage of the act establishing a Science Council of Canada. It is not a controversial bill, and consequently it received unanimous approval in the other chamber. The explanations given in the other house and the lucid presentation of the bill given in this House by Senator Hugessen, together with the excellent debate in the Senate last week on the Science Council of Canada, have convinced me that whatever I would have to say would merely be belabouring the essential features of the bill. Hence my remarks will be short.

It can be argued that a science council should have been established many years ago and that as a result of this delay Canada has not kept pace with new developments in the rapidly changing modern society in this era of technology, automation and conquest of space. However, we should be happy that provision has now been made for the functioning of this most important body, and that the efforts of our Government will be directed towards furthering a general science policy to exploit efficiently both our natural and human resources for the betterment of the life of our people and our position among the leading nations of the world. Because of the tremendous impact of science upon all aspects of society, the next logical step in the near future would be the formation of a Ministry of Science, as has already been suggested by Senator Grattan O'Leary.

This year marks the fiftieth anniversary of the establishment of the National Research Council. We are indeed proud of the excellent scientific work that has been accomplished by our dedicated scientists. It was these men who were responsible for the report on government science that was presented over two years ago by their president, Dr. C. J. Mackenzie, whose recommendations finally resulted in the establishment of the Science Council of Canada. We hope that the debate on the two bills in both houses of Parliament and their unanimous enactment will be regarded as wholehearted appreciation of and a tribute to the outstanding service these men and women of science have contributed to the welfare of our Canadian nation. With faith and confidence in their dedication and work, we look forward to a more promising future benefiting not only Canadians but all mankind.

It would take a long account to outline the valuable achievements of the National Research Council. From my own connection with the N.R.C., I can give an example of the high quality of its research projects. After I had returned from the Canadian Army in 1945, immediately after the last war, I was hired by Dr. T. K. Pavlychenko, head of the Department of Ecology at the University of Saskatchewan, to be his assistant in his researches on weed control, which were financed by the N.R.C. My task consisted of helping to spray crops of grain in several parts of the province and a variety of weed patches with various concentrations of chemicals, such as Sinox, 2-4D and others, and recording the effects of these herbicides on weeds, grains, garden vegetables, shrubs and trees. From these experiments, effective herbicides, such as 2-4D, were developed, which destroyed weeds and saved the crops. During the six months of my employment, I met top scientists from many countries of the world, including the Soviet Union, who had come to observe the work of Dr. Pavlychenko, whom

they regarded as an outstanding scientist in the world. His discoveries have been a great boon to farmers, agriculturists and urban dwellers maintaining lawns, not only in Canada but throughout the world.

Under the direction of the new Science Council of Canada, it is expected that the National Research Council will make much greater strides in carrying out and promoting basic research for the Government, as well as giving increased aid to universities to establish and maintain laboratories and scientific facilities. A much more elaborate program will have to be worked out with private industry in order to improve its competitive position in our own country and the world. By providing more research facilities for scientists, the N.R.C. will help to keep our university graduates in Canada and thus stem the tide of the brain drain.

We have rich, untapped natural resources and we have rich human resources. Conscious of the fine record of the N.R.C. in the past, we are confident that with increased government financial contributions and direction the N.R.C. will harness both the natural and human resources to help solve many of our complex problems that face science and technology.

I hope and expect the Senate will give unanimous approval to the bill before it.

Hon. Arthur W. Roebuck: Honourable senators, may I make one suggestion in connection with this bill? If the bill is sent to a committee, would the chairman inform the National Research Council that we would be very pleased to receive from it a condensed report of its activities, so that its accomplishments may be made part of the record of this house.

I admit that my own knowledge is very deficient and incomplete, but I have heard of some of the work done by this Council. For instance, it has developed a method of sterilizing canned goods. I do not know whether it can be applied to fish, but it can to many other commodities. The old method of preserving fruit, for instance, required that the product be boiled and put in a jar so hot that the container became filled with steam, and in consequence of the heat some of the qualities of the fruit were destroyed. The Council has developed a method of radiation which pierces the can and sterilizes the contents in a cool condition, giving them greater lasting qualities. Perhaps the biggest accomplishment in respect of this particular piece of experimentation is the destruction of the eyes or buds or sprouts on potatoes when they are passed in front of this radiation machine, making the potatoes more fit for storage and lasting a much longer time than has been the case in the past.

I am told that we have sold two or three of these machines, one to the State of Texas, for $1 million.

If I am at all correct in this information, an authoritative statement on what has been accomplished by the Council would be exceedingly interesting to the members of this chamber and to the public at large. I am not endeavouring to give a comprehensive statement of the achievements of the National Research Council, but merely an illustration. I suggest that the chairman of the committee notify the Council that the members of the committee and of the Senate would welcome such a statement.

Hon. Mr. Connolly (Ottawa West): I undertake to do that on behalf of the chairman of the committee.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Hugessen, bill referred to the Standing Committee on Finance.

DIVORCE

REPORTS OF COMMITTEE ADOPTED

The Senate proceeded to consideration of reports of the Standing Committee on Divorce Nos. 499 to 579, inclusive, which were presented on Friday, May 6.

On motion of Hon. Mr. Roebuck, Chairman of the Standing Committee on Divorce, reports adopted.

RESOLUTIONS PRESENTED

Leave having been given to revert to Presentation of Petitions:

Hon. Mr. Roebuck, Chairman of the Standing Committee on Divorce, presented the following resolutions:

Resolution 488, for the relief of Marie Henriette Diane Lemay Payot.

Resolution 489, for the relief of Pierre Adolphe Lefebvre.

Resolution 490, for the relief of Karin Victoria Alward Jackson.

Resolution 491, for the relief of Rene Dandurand.

Resolution 492, for the relief of Bruce Allan Heggtveit.

Resolution 493, for the relief of Marie Azilda Pauline Lamy Boisvert

Resolution 494, for the relief of Joseph Jean Lucien Sigouin.

Resolution 495, for the relief of Erwin Harris Goldberg.

Resolution 496, for the relief of Feodora Vardic Compain.

Resolution 497, for the relief of Alison Stella Creese Howling.

Resolution 498, for the relief of Joseph Andre Guy Claude Melancon.

Resolution 499, for the relief of Molli Beatrice Shapiro Kert.

Resolution 500, for the relief of Joan Ann Tierney Bisson.

Resolution 501, for the relief of Patricia Leger Fontaine.

Resolution 502, for the relief of Marie Paule Yvette Blouin Harvey.

Resolution 503, for the relief of Marie Cecile Florence Lacoste Wright.

Resolution 504, for the relief of Bertha Abish Michael Rosenfeld.

Resolution 505, for the relief of Lorenzo Fletcher.

Resolution 506, for the relief of Willie Bouchard.

Resolution 507, for the relief of Nona Miller Nadler.

Resolution 508, for the relief of Marjorie Alice Heath Boland.

Resolution 509, for the relief of Jean Mary White Gallant.

Resolution 510, for the relief of Grace McKenzie Morrison Brady.

Resolution 511, for the relief of Naoma Harriet Therese Ward Falardeau.

Resolution 512, for the relief of Therese Larose Groleau.

Resolution 513, for the relief of Andree (Comere) Camire Gratton.

Resolution 514, for the relief of Doreen Helen Hampshire Jones.

Resolution 515, for the relief of Marie Donate Rolande Denise Pellerin Marin.

Resolution 516, for the relief of Sandra Lynn Mary Aspell Ellison.

Resolution 517, for the relief of Sebastian Oriold.

Resolution 518, for the relief of Giovanna Bracchetti Retrosi.

Resolution 519, for the relief of Henry James Bilney.

Resolution 520, for the relief of Elynidd Foulkes Evans Wilton.

Resolution 521, for the relief of Nancy Victoria Rankin Stanger.

Resolution 522, for the relief of Lucie Fontaine Couturier.

Resolution 523, for the relief of Sheila Olive Beaton Wright.

Resolution 524, for the relief of Janet Carol Mitchell Leslie.

Resolution 525, for the relief of Mary Mable Spooner Bernard.

Resolution 526, for the relief of Joseph Diorio.

Resolution 527, for the relief of Wladyslaw (Walter) Gardzinski.

Resolution 528, for the relief of Hilda Roberta Thompson Wilson.

Resolution 529, for the relief of Shirlee Palefsky Gillman.

Resolution 530, for the relief of (Gyorgy) George Sarfi.

Resolution 531, for the relief of Mary Norma Bateman Weston Millington.

Resolution 532, for the relief of Joseph Onil Irenee Saint-Pierre.

Resolution 533, for the relief of Klara Weinstein Polikar.

Resolution 534, for the relief of Edith Kathleen Beard Morris.

Resolution 535, for the relief of Helen Mary Green Mercer.

Resolution 536, for the relief of Rosalie Goldstein Segal.

Resolution 537, for the relief of Charlotte Kehle Alfonso.

Resolution 538, for the relief of Kathleen Bourbonnais Gariepy.

Resolution 539, for the relief of Andre Ste Marie.

Resolution 540, for the relief of Hermine Hedwig Watzinger Ranner Stocek.

Resolution 541, for the relief of Louise Marie Phelps Perkins.

Resolution 542, for the relief of Myra McCune Burns.

Resolution 543, for the relief of Marylyn Rosenfeld Solovitch, otherwise known as Marylyn Rosenfeld Soloway.

Resolution 544, for the relief of Marie Claire Gisele Lavallee Waterlot.

Resolution 545, for the relief of Cestmir Holoubek.

Resolution 546, for the relief of Anita Morelli Renaud.

Resolution 547, for the relief of Leo Skrzypinski.

Resolution 548, for the relief of Virna Rose Howe Pym-Hember.

Resolution 549, for the relief of Archibald Stuart de Wilden.

Resolution 550, for the relief of Marie Joseph Jean-Pierre Peron.

Resolution 551, for the relief of Anneliese Erika Irene Sack Bossi.

Resolution 552, for the relief of George Cleland Kilpatrick.

Resolution 553, for the relief of Marie Penelope Cumas Cowie.

Resolution 554, for the relief of Yvon Louis Georges Desloges.

Resolution 555, for the relief of Doris Margaret Everilda Thornton Ross.

Resolution 556, for the relief of John James Collins.

Resolution 557, for the relief of (Laszlo) Leslie Pentek.

Resolution 558, for the relief of Istvan Gyore.

Resolution 559, for the relief of Sara Rosenberg Michaelson.

Resolution 560, for the relief of August Karl Mettgen.

Resolution 561, for the relief of Claude Beland.

Resolution 562, for the relief of Emery Haineault.

Resolution 563, for the relief of Margaret Valerie Elizabeth Johnston Viau.

Resolution 564, for the relief of David Julius Koeppe.

Resolution 565, for the relief of Gillian Mary Lewell Smith.

Resolution 566, for the relief of Carolyn Forsythe Baird Ponder.

Resolution 567, for the relief of Francine Annette Chiasson Villeneuve.

Resolution 568, for the relief of Marie (Mary) Jane Chandler Schneider.

The Hon. the Acting Speaker: Honourable senators, when shall these resolutions be taken into consideration?

Hon. Mr. Roebuck: Honourable senators, I move that these resolutions be considered on Wednesday next.

Motion agreed to.

DIVORCE (EXTENSION OF GROUNDS) BILL

SECOND READING—DEBATE CONTINUED

The Senate resumed from Wednesday, May 4, the adjourned debate on the motion of Hon. Mr. Roebuck for the second reading of Bill S-19, to extend the grounds upon which courts now having jurisdiction to grant divorces *a vinculo matrimonii* may grant such relief.

[*Translation*]

Hon. Jacques Flynn, P.C.: Honourable senators, until now, no French-speaking, Roman Catholic, Quebec resident senator, has taken part in the debate. Considering that this silence, or this non-intervention, could be considered as contempt, indifference or even hostility towards the sponsor of the bill and those who supported him, I believe it was necessary for our group to express its opinion. Let there be no misunderstanding. I take part in the debate at this stage of the proceedings neither to support the bill, nor to object to it. I must say that so far I do not have a definite opinion. I know that later, before inviting the house to express its opinion on the principle, on second reading, it will be moved that the bill be not read now but instead that its subject matter—

Hon. Mr. Connolly (Ottawa West): For the second time only.

[*Text*]

Hon. Mr. Benidickson: Honourable senators, I would like to be bilingual, and I am trying to improve my capability in that respect by study. In the meantime, however, I have to make use of the simultaneous interpretation system, but I am having no success with it at the moment.

Hon. Mr. Roebuck: I cannot hear the English translation at all.

Hon. Mr. Choquette: Perhaps the interpreter is not on hand.

The Hon. the Acting Speaker: I shall send for the interpreter.

Hon. Mr. Choquette: Perhaps I could do the job from here.

Hon. Mr. Flynn: If there is no interpreter, honourable senators, I am prepared to change to the English language.

Hon. Mr. Connolly (Ottawa West): No.

Hon. Mr. Benidickson: I would not want my colleague to defer his speech. I think a number of us are able to understand partially well. However, I think the equipment should be working. I can understand.

Hon. Mr. Roebuck: Well, I can't.

Hon. Mr. Choquette: The principle still remains, that there is no reason why the interpreter should not be on hand.

Hon. Mr. Croll: Right.

Hon. Mr. Connolly (Ottawa West): It is equally true that any honourable senator may speak in either language at any time. It is a convenience—a necessity for the interpreter to be here.

However, if there is some difficulty about that, perhaps we could just wait for a moment.

Hon. Mr. Macdonald (Brantford): I am pleased that the bilingual *Hansard* reporter is here.

Hon. Mr. Connolly (Ottawa West): He is always here.

[*Translation*]

Hon. Mr. Flynn: As I was saying, I do not want to be misunderstood. I do not at this stage intend to support the bill because I have no definite opinion yet on the matter.

However, I am happy that eventually, before the bill is submitted to this house for second reading, it will be moved that the bill or its subject matter be referred to a special joint committee on divorce. In my opinion, that is where a better judgment can be made, especially by those who, traditionally, because of their religious convictions, are against divorce—if a new outlook is possible, if there has been some progress in the Catholic outlook or even in the Quebec outlook.

For the time being, I want to make some remarks about that bill and as a background to them, I intend to quote from an editorial published in *Le Devoir* March 9 last and signed by Mr. Claude Ryan, one of our most competent editorial writers in Canada, and certainly in the province of Quebec.

Here is the first extract I want to quote:

> In societies where a strong religious homogeneity prevails, more often than not the religious conception of marriage pervades the laws passed by the legislator about the civil aspects of marriage. Strongly Catholic societies are opposed to divorce in general.

Everyone knows what the situation is in Canada at the judicial level. The federal Parliament, which is solely responsible in the matter of divorce, has rarely used its power. Adultery is the only ground for divorce today. In all the provinces, except Quebec and Newfoundland, the legislatures have authorized some provincial courts to grant divorce on grounds of adultery, except in New Brunswick where, occasionally, extreme cruelty is accepted.

Hon. Mr. Choquette: I would say that is in Nova Scotia.

Hon. Mr. Connolly (Ottawa West): It is in Nova Scotia.

Hon. Mr. Flynn: I stand corrected, it is rather in Nova Scotia.

As for the two provinces of Quebec and Newfoundland, the legislatures have not empowered the provincial courts to hear divorce cases so that Parliament, and, for the last few years, the Senate almost exclusively, has been responsible to this task. Such is the situation.

But precisely because we in Quebec are largely homogeneous as far as religion is concerned, there has always been opposition to any attempt the federal Government might have made to foist divorce laws upon Quebec. On the other hand, looking at the situation from the point of view of the whole country, outside Quebec, there is no such religious homogeneity but a multi-denominational society. On a Canada-wide basis, the religious homogeneity of Quebec is not reflected in a majority, but in a minority.

Having made this point and given this description, I should now like to quote a second excerpt from the editorial by Mr. Ryan. I quote:

> Feasible and most useful in thoroughly homogeneous groups, a perfect accord of the citizens' religious convictions and civil laws becomes gradually more difficult in a modern, multi-denominational population. Catholics, for instance, are perfectly justified in demanding that marriage laws of the State do not require them as catholics to act in any way contrary to their religious beliefs. Are

> they, for all that, entitled to demand that their views on marriage, or, if it is preferred, the only catholic views be imposed on all, including the citizens who hold moral and religious tenets different from their own?
>
> In such a country as ours, an increasing number of public figures feel that the time has come to reconsider attentively our divorce laws, the sale of birth control devices, abortion etc.

And further on:

> There is obviously no ground to jump inconsiderately to a decision to simply foresake the legislation which has largely contributed to build up in this country a healthy and deeply moral population. Nor is there any question of being steam-rollered into adopting any legislation so as to satisfy the latest hot-headed fanatic with a high opinion of himself.

I do not know to whom he is referring.

> A sound middle course should be sought to express truly the consensus of modern Canadians, to enable everyone to live according to his creed without forcing it on others and also to ensure the minimum moral stability and social balance without which the very survival of our population would be jeopardized.
>
> Weak laws promote lawlessness. Overly severe laws promote hypocrisy.

I should now like to make three or four comments pertaining to the bill.

Bill S-19 does not deal with the principle of divorce. It suggests additional grounds, such as desertion and intractable insanity besides adultery which, in practice, is the sole ground recognized for divorce. Therefore, here is the reasoning behind the bill: if you recognize adultery as ground for divorce, should you not also recognize desertion for a period of five years, or unsoundness of mind? I think that is the crux of the matter. Put in such a way, it is difficult to say no. One is inclined to recognize the logic of such an assertion.

On the other hand, as pointed out by the sponsor, the bill would not apply to either Quebec or Newfoundland. The intention is no doubt sincere. But, I wonder if it is a good thing to maintain this special status, and even stress it further in the case of Quebec and Newfoundland. I think this matter should be discussed by the joint committee.

The federal Parliament has been given authority in divorce matters because Canada as a whole constitutes a society with many religious beliefs. But why should Quebec and Newfoundland be isolated in this regard? I think that it would be a difficult principle to accept.

I should like to make another comment and say that the bill does not deal with the problem of courts having jurisdiction to grant divorce. The bill recognizes the existing situation and provides that courts so authorized by provincial governments will be able to grant divorces on grounds of desertion and incurable lunacy. There again, the bill—I do not criticize the sponsor, for I know his good intentions—thus maintains this particular situation in Quebec and in Newfoundland. Considering our experience in the Senate for many years and in view of the present situation which is becoming increasingly difficult to accept, I ask whether it is not time that the Senate cease to be a divorce court for the provinces of Quebec and Newfoundland? Personally, I find this system absolutely abnormal.

I would like to see the joint committee examine the possibility of this Parliament authorizing a court for all the Canadian provinces, for the whole of Canada, so that all divorce cases receive equal treatment.

As I said, these are some thoughts which came to me regarding this bill and this problem which is becoming increasingly important in Canada. Undoubtedly, public opinion in Quebec is not as interested in this matter as elsewhere, but I think that the few passages which I quoted from the editorial by Claude Ryan show a marked evolution in the last few years.

Nobody is satisfied with the present situation. I am confident that the special joint committee will be able to shed light on the problem and perhaps soon find acceptable and valid solutions.

[*Text*]

Hon. Jean-François Pouliot: Honourable senators, I have listened with interest to the speech just delivered by the honourable gentleman. I take the opportunity to translate his suggestion—that we should have one court for Canada to deal with divorces. I hope that translation is satisfactory to him.

At the present time we have a proposal to enlarge the causes of divorce and to allow Parliament to give divorces in the case of desertion and mental deficiency. I will say nothing about that. I cannot understand the

suggestion that a joint committee should study these questions of divorce in order to make a recommendation about this bill. To be realists, we must make the point and see where we are with regard to divorce legislation.

The legislation governing the granting of divorces in Canada is the most absurd thing on earth. The House of Commons has got rid of it and has left to the Senate the burden of passing resolutions with regard to divorce.

How does it happen? A divorce case is submitted to one of the Divorce Commissioners in the West Block. Mark you, they are the only judges who are part of the staff of the Senate. They are Senate civil servants; they have the designation of judges and the salary of judges. They hear witnesses, they make reports to the Divorce Committee, and then the Divorce Committee presents resolutions here.

Since the beginning of the present session, 572 such resolutions have been approved by the Senate. I will take each one of the resolutions which are printed in the Minutes of the Proceedings of Friday last. Those cases have been heard by one of the so-called judges who sit in the West Block. I have nothing to say in their favour or against them. I do not know what happens there. Very few members of the Senate know what happens in any one of those cases. We have to vote blindly and approve.

The judge makes a report to the Divorce Committee. Then the evidence is distributed amongst the members of the committee. Some have five, then, twenty files to read, with the report of the chairman that they are all right.

I do not criticize the members of the committee. They act according to the law. They sit in committee and receive the reports from the judges. The judges recommend or do not recommend a divorce. The members read the file, they read the stenographic evidence. All members of the committee do not read the whole evidence of all the cases. It is divided. Some members have so many cases they must be bored to death in reading them. Other members have other files. They read them and report to the chairman. Then after having perused that literature, the chairman comes here and moves that such and such resolutions be adopted at the next sitting or some future date. Then we have something formal which means absolutely nothing. The name of the person concerned is here. I will read one for you. I find it pitiful, but it is the law.

I will go to the middle of the report to be found in the Minutes of Proceedings of the last sitting. It says:

> The Standing Committee on Divorce makes its five hundred and eighth report, as follows:
>
> 1. The committee refers to the Senate herewith the Report of the Commissioner relating to the petition of Alison Stella... of the town of...in the Province of Quebec, for a Resolution of the Senate dissolving her marriage to....
>
> 2. The committee concurs in the recommendation of the Commissioner.
>
> 3. The committee recommends adoption by the Senate of a Resolution dissolving the said marriage.
>
> All which is respectfully submitted.
>
> A. W. Roebuck, Q.C.,
> Chairman.

I do not give the family names or the name of the town concerned, but this is found at page 459 of the *Minutes of Proceedings*. But what do you know about it?

I shall read another one. They are like Chinamen, they are all alike. It reads:

> Tuesday, March 29, 1966.
>
> The Standing Committee on Divorce makes its five hundred and ninth report, as follows:
>
> 1. The committee refers to the Senate herewith the Report of the Commissioner relating to the petition of Joseph Andre. . . ,

—I do not mention the family name—

> —of the city of . . . , in the Province of Quebec, for a Resolution of the Senate dissolving her marriage to . . . .
>
> 2. The committee concurs in the recommendation of the Commissioner.
>
> 3. The committee recommends adoption by the Senate of a Resolution dissolving the said marriage.
>
> All which is respectfully submitted.
>
> A. W. Roebuck, Q.C.,
> Chairman.

Do you want me to read more than this? I want to ask you what you know about it. You will approve a resolution and everything will pass just like a picture which is shown too fast on a screen. You will know nothing of the case, but still you will pass it, and the good order of the state is safeguarded and the Senate has done its duty in fulfilling the provisions of the British North America Act, which gives the Parliament of Canada full

authority in matters of marriage and divorce. What do you think of that?

Now, I could mention the name there and then ask you or ask the members of the Divorce Committee what is this case about? What happened in this case? Were the commissioners right or not? What about other cases? What about No. 1, 2, 3 or 4 in this book? I could ask all these questions, but no one would be able to answer them. I could illustrate what I say by mentioning names and by asking what happened in the cases involving these names. And, if you have not read the file, you will not be able to answer. All the members of the committee do not know what happens to every file submitted to the committee on which they sit. They take the word of the chairman. I have no objection to taking his word, but I am not to ask questions of him about each case that is listed in this Order Paper. Who would do that?

It is submitted to us and I know everything must be done in good faith; everything must be done in accordance with the law, against which I protest, in accordance with the law that came at the last minute before prorogation, so late in fact that the leader at the time, the Honourable Ross Macdonald, for whom I have the greatest respect, refused to let it pass because he felt it was a last-minute amendment. At the time a former Minister of Justice was hidden behind the curtains of the House of Commons when the bill was sponsored by a cabinet minister who was not a lawyer. Last time it was sponsored by the then Minister of Justice himself, but it was not a credit to him. If we want to get into divorce matters, if we have that ambition, what we have to do is to have the judges fulfil their task and continue to hear the cases and give judgments. They must cease to be civil servants or officials of the Senate; they can be placed under jurisdiction of the Exchequer Court of Canada. This would meet the suggestion made by the previous speaker, and then what we should do would not be, in the first place, to enlarge the grounds for divorce but to enlarge the jurisdiction of the Exchequer Court. One day the honourable gentleman who is Chairman of the Divorce Committee expressed himself clearly about this, and he seemed to be fed up with this mockery of legislation.

We are here to legislate and to study each bill that comes before us, to give it three readings, just the same as is done in the House of Commons, and to do whatever committee work is necessary, but I do not see why the Senate should adopt resolutions confirming the report of the Commissioners or the Judges to the Divorce Committee when we do not know a word about these resolutions. It is repugnant to the human intelligence to pass legislation like that. It is not in the language of the law. It gives no importance to the Senate.

One day I saw the Dean of the Faculty of Law of one of our Canadian universities coming here with a group of students to have some explanation of the divorce proceedings here. I could have informed him very well—I was too modest for that—but if he had come to me I would have said to him exactly what I tell you. I wonder how legislators of your standing continue to pass on such legislation without protesting against the law that exists. This is not a reflection on the judges or on the members of the committee; it is not a reflection on the Senate itself, but we must expect some kind of reform. We should act in accordance with what has been recommended by the previous speaker, so that we would have a law that applies to the whole country and which would be applied by qualified judges without interfering with the daily routine of our business in the Senate.

I am very tolerant. I have waited two or three years to tell you this, but the time has come when things should be changed. The change suggested would be superficial, and would change nothing of the actual conditions except to enlarge them. We would simply have more complaints from people whose consorts are mentally deficient, or whose husbands or wives have deserted the home. How could we deal with it? At the present time there are so many cases that it is almost impossible to understand what is going on. What will be the situation when there are two more grounds for divorce?

Judges can deal with the situation. It is very easy to increase the number of judges, if necessary. The judges are there and it is for them to decide; it is not for us to decide. It is a mixture of judicial legislation and judicial power.

Honourable senators, if a judge rendered a decision without knowing what had happened in the case, what would be the result? We know nothing about it, and yet we make a decision.

I understand that the members of the Divorce Committee have made great sac-

rifices. I know they have been in earnest, and I know that they have done painstaking work to try to come to a satisfactory solution, but what we have now is not a solution at all. It is an archaic disorder of the law, and it is a mockery to see the Senate adopting resolutions with blind eyes. It is pitiful. I hope that we will come to some understanding before the committee has finished its study, and that the whole matter will be given to judges who will have authority in these matters. If their judgments are faulty in any manner there can be an appeal, and I would have no objection to facilitating the procedure with regard to appeals.

There is something else that from the start has not been considered by the members of the Divorce Committee. It was mentioned to us by one of our colleagues some months ago, at the beginning of the session. It is that according to the Constitution, marriage and divorce are matters that belong exclusively to the Parliament of Canada. You know that; I have not to dot the "i's" and cross the "t's". There is something else. It is that in the following section, section 92, there is provision to the effect that the ceremony of marriage comes under provincial jurisdiction. When the Constitution of Canada, the B.N.A. Act, was adopted, the Civil Code of Quebec had been in force for eleven months, and the legislators, Cartier, Macdonald and the others, knew what the provisions of the Code were. Dorion knew that, and he was the leader of the Liberal Party. The others were the leaders of the Conservative Party, but they were all good lawyers and knew about it. They decided that the only matter that came under provincial jurisdiction was the ceremony.

Take the case of a couple appearing before a judge on a complaint. Perhaps the wife whose husband has committed adultery—he has also deserted her, but the complaint is for the adultery—has three, four, five or six young children. How many women have appeared before the Divorce Committee since Confederation, women with young children? Did the committee decide anything about the children? They said they could do nothing about them because it is a matter of civil law. It is true that it is in the Civil Code, but do not forget that that part of the Code, marriage, is under federal jurisdiction. Therefore, the Divorce Committee has no excuse whatever not to provide the children with some assistance in virtue of the law, because the whole part of the Civil Code—and I will not discuss what happens in other provinces —which concerns the family and the care of the children comes under federal jurisdiction. The exception does not apply to it, and therefore the Divorce Committee has had full authority to decide what the delinquent husband should have done with regard to the care of the children. That has never been considered, under the pretense that it was civil law. It is civil law, but it is civil law under federal jurisdiction, and Parliament has been lacking in that respect ever since Confederation.

How many women have had so much trouble with regard to the care of their children just because that part of the law has been ignored by the Divorce Committee since Confederation? I understand that the members were acting in good faith, but they were in error just the same. It is a serious matter, and shows how vast is the question of divorce. We must be very careful and consider the whole question of divorce, not only from the point of view of those whose consort is deficient in mind or has deserted, but from the point of view of separation, separation with a certain degree of security for the party who lodges the complaint. I may surprise you with that, and when one of our colleagues spoke about it one afternoon in the winter, I remember very well some members were surprised. They did not pay much attention to what was said, but it is a very serious matter and if you want to study it you have only to look at the Constitution, and you will see it in black and white. I do not blame anyone. We must take things as they are, and here in the City of Ottawa it is the land of the accomplished fact. But it is not enough. We must be careful of what will happen in the future, and as there will be a joint committee of both houses to study the divorce question, they do not stop at the study of desertion and mental deficiency of the consorts. Do I make myself clear enough?

There are pages and pages of reports and resolutions; they are all the same. We know nothing about them. Very often I have been tolerant. I consider I am still tolerant, but I have deep convictions and I do not think as much of the litigants in divorce as I do of their children who have been deprived of their own rights because the law of this country has been—I will use my term—forgotten.

You will say that the provisions of the B.N.A. Act are obsolete, and they may be obsolete. At the present time we all speak of

the new way, but no one can declare seriously that we are not bound by the B.N.A. Act to conform ourselves to the very clear enactments we find there. At the present time there is a great agility exhibited by some lawmakers to jump over the fence and pay no attention to the restrictions of the B.N.A. Act, but until they are amended they are in force, and as long as they are in force there is no excuse for the Divorce Committee not protecting the children in the case of divorce—not only the children of the guilty party, but the children who are issue of the marriage when the consort asks for a divorce.

I try to be just as calm and tolerant as one could be, but I have a great deal of anxiety and worry about it. I know that the members of the Divorce Committee are all good fellows. They are friendly, and they do their best to make people happy. But the family is the cornerstone of the country and when there is a divorce the home and the family is broken, and the country suffers. I ask all honourable senators to think of that.

I do not expect to be a member of the committee, but I can tell you now that I find it shocking that all of us have to pass resolutions on what I can only call hearsay. We have nothing before us but the word of the chairman (Hon. Mr. R Roebuck) which, of course, I take, but to my mind that is not satisfactory at all. It is not satisfactory either to the members of the committee, some of whom are no better informed than any other honourable senator, because they have not read the evidence. That being that, I leave it to your consideration.

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

PRIVATE BILL

LAURIER LIFE INSURANCE COMPANY—SECOND READING

Hon. Jacques Flynn moved the second reading of Bill S-27, to incorporate Laurier Life Insurance Company.

He said: Honourable senators, I shall not detain you for very long. This bill seeks to incorporate an insurance company under the name of Laurier Life Insurance Company and, in French, Compagnie d'Assurance-Vie Laurier. The bill is in the classical form, and I will refer the house only to clause 8 which gives the company the right to acquire by agreement the whole or any part of the rights and property, and to assume the obligations and liabilities, of Laurier Life Insurance Company, incorporated October 6, 1965, under and pursuant to The Corporations Act, Chapter 71 of the Revised Statutes of Ontario, 1960.

The Laurier Life Insurance Company, which was incorporated under the laws of Ontario, has an authorized capital of $5 million divided into 50,000 shares with a par value of $100 each, of which 10,000 shares have been allotted and issued as fully paid and non-assessable shares. These shares were issued at a premium of 100 per cent, thereby giving the company a paid-in capital of 1 million, and a contributed surplus of $1 million, being the excess of the issue price over the par value of such shares. Mr. E. E. Brooker, now the President of Laurier Life Insurance Company, and formerly the executive officer in charge of the group department of Global Life Insurance Company, conceived the company and learned, after negotiations with officers of Global Life Insurance Company, that it was possible to acquire the group portfolio of that company, which at that time represented over $80 million worth of insurance in force with an annual premium income of over $1,300,000. The bulk of insurance in force was situated in Ontario with some in the Province of Quebec.

As a result of discussions between the company and the Department of Insurance of Ontario and the federal Department of Insurance, it was agreed that Laurier Life be incorporated and licensed by Ontario, and registered in Ottawa under Part IX of the Canadian and British Insurance Companies Act to carry on business in Ontario.

After Laurier Life was so licensed and registered it acquired the group portfolio of Global Life out of its contributed surplus, but because of the licensing and registration conditions, although it was allowed to reinsure the insurance in force in the Province of Quebec, it has not been able to sell insurance anywhere other than in the Province of Ontario. This means that although the company services business in Quebec under the terms of the reinsurance treaty with Global Life, and maintains an office in that province, it cannot sell new policies in Quebec. Hence the necessity of incorporation under federal laws. In addition, the company wishes to carry on business in other provinces as well as Ontario and Quebec.

I do not need to mention the petitioners. If the bill receives second reading I shall move

that it be referred to the Standing Committee on Banking and Commerce.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Flynn, bill referred to the Standing Committee on Banking and Commerce.

THE ESTIMATES

REPORT OF FINANCE COMMITTEE ADOPTED

The Senate resumed from Wednesday, March 30, consideration of the report of the Standing Committee on Finance with respect to the expenditures set out in the Estimates laid before Parliament for the fiscal year ending 31st March, 1966.

Hon. David A. Croll: Honourable senators, I shall be very brief. I wanted to indicate to the Senate the value of committee work. In the course of the investigation made by the Standing Committee on Finance some matters that I thought were very important came to my attention.

The Standing Committee on Finance had been carefully studying what the Senate had given it as its task, and much of the credit for that is due, of course, to the chairman. I was disturbed by some of the evidence that was given before the committee. I was disturbed on the day I heard it, but I did not bring it up at that time because I had a very much harsher speech to make on that day. Since then I have cooled off a little, but nevertheless I feel the matter should not be left without some observations being made in regard to it.

The part of the evidence that bothered me was that dealing with the municipal winter works program, in respect of which the federal Government pays 50 per cent of the labour cost. The purpose of the municipal winter works program is the alleviation of unemployment that exists in various parts of Canada, particularly in the winter months. The program has been working out very unevenly and very unfairly.

The Province of Quebec, as is its right, made extensive use of the program. The Province of Ontario made less use of it. Some of the western provinces made some use of it, but the maritimes did not use it at all, or, if they did, it was to a very small extent.

Hon. Mr. O'Leary (Antigonish-Guysborough): Honourable senators, may I interrupt for a moment. There was one point that was not made. I wonder if the honourable senator is aware that the Province of Nova Scotia has its own winter works program, which is separate and apart from the joint federal-provincial program, and in which they promote current and not capital expenditures.

Hon. Mr. Croll: Well, I find it hard to understand how a province—

Hon. Mr. O'Leary (Antigonish-Guysborough): Municipalities were given a choice, and they chose the provincial program.

Hon. Mr. Croll: What choice is there when the dominion Government is paying 50 per cent of the labour cost under its program as against the total cost being borne by the province under the other? I see no choice there at all. It just does not make sense to me. This is the point I am making.

The Province of Quebec added a subsidy of 40 per cent to the contribution that the dominion Government made, and in designated areas it added another subsidy of 10 per cent, which meant that the municipality received 100 per cent of the labour cost of a particular program.

The Province of Ontario added a broad 25 per cent, and in some instances in a designated area added another 10 per cent, which made 85 per cent of the cost.

Manitoba added 25 per cent, and, in cases where persons were taken off relief, added another 25 per cent, making a total of 50 per cent.

Saskatchewan added 25 per cent across the board. Alberta did the same. British Columbia, like Manitoba, added 25 per cent, and where it applied to people who were taken off relief, paid 50 per cent. Prince Edward Island, I understand, contributed 30 per cent. Nova Scotia, New Brunswick and Newfoundland paid no subsidy at all.

Hon. Mr. Brooks: I believe that is correct, but I think it should be pointed out that where the Province of Quebec paid 40 per cent, it was a rich province that could afford to do so. New Brunswick and Nova Scotia—

Hon. Mr. Croll: Let me make my point. I am here to make a case for the Maritime provinces.

Hon. Mr. Brooks: It is a little late to bring the matter up now.

Hon. Mr. Croll: I did not intend to go on. I need not have spoken today. New Brunswick, Nova Scotia and Newfoundland paid no subsidy at all.

The Province of Quebec in 1964-65 received $25 million from the federal Government towards the winter works program. Ontario during the same period received $6 million, and the Atlantic provinces less than $1 million—$995,000, to be more precise.

Hon. Mr. Brooks: That is where it is needed most.

Hon. Mr. Croll: Yes, of course. My point is that the program works well in the provinces of Quebec and Ontario. They can afford to participate, but the Maritime provinces cannot afford the ante to come into this program.

Now, this business of talking about "matching grants" is nonsense. Here are provinces that cannot afford to participate and consequently are not receiving any benefit, yet at the same time unemployment in the Maritime provinces is double that of the rest of Canada.

Hon. Mr. Connolly (Ottawa West): In percentage.

Hon. Mr. Croll: In percentage. However, the reason for my rising is that a Department of manpower will probably be established within a few days, and it is time that this matter was brought to their attention as forcibly as possible, not only by me, but by others to make sure there is an alternative way of passing on these goodies to that part of the country that can use them.

When I ask people from the Maritimes what the reason is for this they say, "Well, it was being pushed, for instance, in New Brunswick, but was not being pushed in other parts of the Maritimes." But that is not borne out at all. It is not a matter of selling the program. The provinces just cannot afford to participate, and the Government must find some other method of passing out money for purposes of alleviating unemployment; otherwise, we shall continue to do what we have done for years, just perpetuate our poorness in various parts of our country. It seems to me that the time has come that we ought to be correcting our mistakes instead of making new ones all over again.

Hon. Jean-François Pouliot: Honourable senators, when this matter was discussed at a sitting of the committee, the minister explained what happened with regard to winter works, particularly in the provinces of Ontario and Quebec.

Naturally in every province of Canada there are unemployed who need some help during the winter months, and the kind of work that is being done in the designated areas is a great boon to the people who need help. However, there is an essential condition for a grant of money, and that is that an application should be made. If fewer applications were made in Ontario than in Quebec, no one can complain about it. It simply means that the Province of Quebec—the municipalities themselves—submitted a larger number of applications.

As one of our colleagues pointed out, in one of the eastern provinces it is the provincial government which does the most in that regard.

I am not criticizing a provincial government, but I know that the province has paid out a lot of money. However, there were so many cases of poverty in certain areas, especially where the settlers lived, that the number of applications was more numerous for the Province of Quebec than the Province of Ontario. There was no unfairness. If Ontario had made more applications they would have been granted, as well as those of Quebec. The same applies to all other provinces.

Hon. T. D'Arcy Leonard: Honourable senators—

The Hon. the Acting Speaker: I must inform honourable senators that if the honourable Senator Leonard speaks now it will have the effect of closing the debate.

Hon. Mr. Leonard: Honourable senators, I rise only to move the adoption of the report and to thank those senators who spoke on the debate. Before the Easter recess, Senator Brooks, Senator Smith (Queens-Shelburne), and Senator Pouliot spoke, and today, Senator Croll.

This now completes the proceedings of the committee on the reference to the 1965-66 Estimates. We are now engaged on the 1966-67 Estimates. The first meeting of the committee was held last week, and I expect that the next meeting will be Thursday of this week. May I say that I am grateful for the interest taken, and I hope that something may come of the suggestions of the committee in connection with the winter works program.

Honourable senators, I move the adoption of the report.

Report adopted.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Tuesday, May 10, 1966

The Senate met at 3 p.m., Hon. Maurice Bourget, P.C., Acting Speaker, in the Chair.

Prayers.

PENITENTIARIES

JOINT COMMITTEE—CHANGE IN COMMONS MEMBERS

The Hon. the Acting Speaker informed the Senate that a message had been received from the House of Commons stating that the name of Mr. Rochon has been substituted for that of Mr. Macdonald (Rosedale) on the Joint Committee on Penitentiaries.

PRIVATE BILLS

THE EXCELSIOR LIFE INSURANCE COMPANY—REPORT OF COMMITTEE

Hon. Salter A. Hayden, Chairman of the Standing Committee on Banking and Commerce, reported that the committee had considered Bill S-26, respecting The Excelsior Life Insurance Company, and had directed that the bill be reported without amendment.

THIRD READING

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

Hon. Mr. Leonard: Honourable senators, with leave of the Senate, I move that this bill be read the third time now.

Motion agreed to and bill read third time and passed.

YORK LIFE INSURANCE COMPANY—REPORT OF COMMITTEE ADOPTED

Hon. Mr. Hayden, Chairman of the Standing Committee on Banking and Commerce, reported that the committee had considered Bill S-28, to incorporate York Life Insurance Company, and had directed that the bill be reported with the following amendments:

1. Page 1, line 15: Strike out "York" and substitute "Anniversary".

2. Page 1, line 17: Strike out "York" and substitute "Anniversaire".

3. In the Title: Strike out "York" and substitute "Anniversary".

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

Hon. Mr. Hayden: With leave of the Senate, I move that this report be taken into consideration now.

Hon. Mr. Roebuck: Explain.

Hon. Mr. Hayden: Honourable senators, the change in name from York Life Insurance Company to Anniversary Life Insurance Company was made at the request of the proponents of the bill and with the concurrence of the Superintendent of Insurance.

Report adopted.

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

Hon. David Walker moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

AGRICULTURAL AND RURAL DEVELOPMENT ACT

AUTHORITY TO PRINT COMMITTEE PROCEEDINGS

Hon. Salter A. Hayden, Chairman of the Standing Committee on Banking and Commerce, presented the following report of the committee on Bill C-152, to amend the Agricultural Rehabilitation and Development Act:

> Your committee recommends that authority be granted for the printing of 800 copies in English and 300 copies in French of its proceedings on the said bill.

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

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

Report adopted.

REPORT OF COMMITTEE

Hon. Mr. Hayden, Chairman of the Standing Committee on Banking and Commerce, reported that the committee had considered Bill C-152, to amend the Agricultural Rehabilitation and Development Act, and had directed that the bill be reported without amendment.

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

Hon. Mr. McDonald moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

CANADA-UNITED KINGDOM INCOME TAX AGREEMENT BILL, 1966

REPORT OF COMMITTEE

Hon. Salter A. Hayden, Chairman of the Standing Committee on Banking and Commerce, reported that the committee had considered Bill C-154, to implement an agreement between Canada and the United Kingdom for the avoidance of double taxation with respect to taxes on certain classes of income and to implement a supplementary income tax agreement between Canada and Sweden, and had directed that the bill be reported without amendment.

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

Hon. Mr. Hayden moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

STANLEY CUP

CONGRATULATIONS TO SENATOR MOLSON ON SUCCESS OF CANADIENS

Hon. John J. Connolly: Honourable senators, before the Orders of the Day are called, I am sure you would wish me to say that we are all very glad indeed to see Senator Molson back with us again, and to congratulate him upon the success of his *Canadiens* enterprise of the past winter. To paraphrase, perhaps inappropriately, the title of a play—we are all very glad that something good has again happened to him on the way to the forum.

SPEECH FROM THE THRONE

ORDER STANDS

On the Order:

Resuming the debate on the motion of the Honourable Senator McDonald, seconded by the Honourable Senator Gouin, for an Address to His Excellency the Governor General in reply to His Speech at the Opening of the Session—(Honourable Senator Beaubien (Provencher)).

Hon. John J. Connolly: Honourable senators, may I ask for consent that item No. 8—the resumption of the debate on the Address in reply to the Speech from the Throne—on today's Order Paper stand and appear as item No. 1 on the Orders of the Day for tomorrow?

Hon. Senators: Agreed.

Order stands.

BIRTHDAY FELICITATIONS

Hon. Jean-François Pouliot: Honourable senators, before the Orders of the Day are called, may I wish a happy birthday to two of our colleagues and friends, honourable Senator Gordon B. Isnor and honourable Senator David Walker.

DIVORCE (EXTENSION OF GROUNDS) BILL

SUBJECT MATTER REFERRED TO JOINT COMMITTEE ON DIVORCE

On the Order:

Resuming the debate on the motion of the Honourable Senator Roebuck, seconded by the Honourable Senator Croll, for second reading of Bill S-19, intituled: "An Act to extend the grounds upon which courts now having jurisdiction to grant divorces *a vinculo matrimonii* may grant such relief".—(Honourable Senator Croll).

Hon. John J. Connolly moved in amendment:

That the bill be not now read the second time but that the subject-matter thereof be referred to the Special Joint Committee on Divorce.

The Hon. the Acting Speaker: It is moved by the honourable Senator Roebuck, seconded by the honourable Senator Croll:

That Bill S-19, intituled "An Act to extend the grounds upon which courts now have jurisdiction to grant divorces *a vinculo matrimonii* may grant such relief" be now read a second time.

In amendment, it is moved by the honourable Senator Connolly (Ottawa West), seconded by the honourable Senator Hugessen:

That the bill be not now read a second time, but the subject matter thereof be referred to the Special Joint Committee on Divorce.

Is it your pleasure, honourable senators, to adopt the motion in amendment?

Hon. Arthur W. Roebuck: Honourable senators, of course I thoroughly approve the amendment to my original motion. It is what I asked for in the course of my address when I brought the matter to the attention of this house. I asked that the Government, the Commons and ourselves, join in a joint committee for a thorough study of this matter.

Speaking to the amendment—and I hope that the lines of the rules will not be too closely drawn—I would like to make some general observations and in particular answer a number of questions that have been raised in the course of this long debate.

In the first place, let me express my thanks to all those who have taken part in this debate for the effort they have made to throw light upon our future path, for the thought they have given and the interest they have shown in this very important subject, and to those who have asked questions concerning the matter, for the concern they have manifested.

It has been a matter of great satisfaction to me that all those who have spoken have, I believe without exception, expressed approval of the effort that we are making to improve what is generally agreed among us is an unsatisfactory situation in a good many, if not all, respects. I do not mean that they approve in any way of the principle of divorce. That is not the principle of this bill. Were this bill to become law, it would affect only those jurisdictions which now have courts in operation enforcing certain rules with regard to divorce, and which have recognized this principle of divorce for a great many years.

The principle of this bill, as I see it, honourable senators, does not touch the question of divorce itself. The principle of the bill is the improvement of the administration of the law with respect to divorce. It is to remove certain abuses in the administration of the law and to make it more reasonable, more considerate and more honest. For the sympathy that has been expressed for the effort that we are making, I am grateful. I am also grateful for the approval that has been expressed in the press almost generally all over Canada. I am also grateful for the approval that has been expressed in many letters which I have received—and the correspondence has been fairly heavy—since this bill was introduced. There seems to be an overwhelming sentiment throughout Canada at the moment for what is the substance—with little exceptions here and there—of the bill which I have had the honour to introduce.

Honourable senators have no doubt noticed that the Anglican Synod met in London a short time ago and passed a resolution which I may say, without going into too much detail, in general approves the substance of this bill. And I have no doubt that all here have recognized what took place in the State of New York very recently. From time immemorial the State of New York has restricted its grounds of divorce to adultery only, and very recently that ancient and, I think, archaic restriction has been abolished and the State of New York has adopted, in many respects a more liberal, shall I call it, rule than would be the case were this bill of mine to be adopted.

I trust that those honourable senators who have spoken and asked questions will pardon me if I fail to respond to all the comments that have been made in the course of this fairly long debate. Of course my time is limited in reply by common sense, but some vital points have been raised which I think call for a somewhat comprehensive rejoinder on my part.

The first one I shall mention is not so insistent, but Senator Aseltine, having assured me that he would support this bill one hundred per cent, added that he thought the bill which he introduced in 1955 was a better bill than mine. Well, I am very ready to admit that that bill was well and skilfully drawn. I am not much interested in comparisons between these two bills, but I am interested in the reasons that Senator Aseltine advanced as to why his bill was better than mine, and I wrote down a list of some twelve matters which he mentioned in the course of his address. They were as follows: rape; sodomy; beastiality; death; judicial separation; avoidance by non-consummation; unsoundness of mind; alimony; venereal disease; pregnancy of the bride; domicile; certain procedural rules and regulations. He said that these were all mentioned and dealt with in his bill but were not to be found in mine.

Honourable senators, let me tell you why these matters are not to be found in my bill. To begin with, rape is adultery on the part of the aggressor—not, of course, on the part of the victim—and is considered as such by the

courts and I am sure would be so considered by us. So it is not something we need to legislate on now; it is already covered.

Let us take next sodomy and beastiality. I suppose it is not generally known among us, but the fact is that both these matters are included in the grounds for divorce in the English law of 1870, and in consequence are within the jurisdiction of the Senate at the moment under the Dissolution and Annulment of Marriage Act, and they are within the jurisdiction of all the provincial courts which rely upon the English law of that day. So there is no need for us to touch that at all at the moment. They are very seldom used, but they are there.

The next is the right to declare a missing spouse to be dead. That is within provincial jurisdiction, and it is not at all necessary for us to consider it here. It is now dealt with, I think, in all the provinces. I know that in the Province of Ontario applications are frequently made for a declaration of the decease of a certain person, and those are dealt with by the courts under provincial legislation.

The next matter was that of judicial separation. That may be within federal jurisdiction, but I do not know. It has always been considered to be within provincial jurisdiction, and has been so dealt with by the Province of Quebec for many years. The Province of Ontario has avoided any rules with regard to judicial separation, and has relied on agreements of separation. I am not sure about the other provinces, but I am sure that practice and law and a proper understanding of the British North America Act would place the matter within provincial jurisdiction.

Voidance on the grounds of non-consummation is also within the law of England of 1870, and is a matter that has come before this body many times. It is already dealt with, by both the Senate Committee and also by the provincial courts which rely on the law of England, as most of them do.

Unsoundness of mind was differently expressed in my bill as compared with that of Senator Aseltine of 1955, but it is dealt with.

Venereal disease is horrible, but due to the advances made in medicine it is not now the incurable curse it was some years ago. It may be evidence of adultery on the part of the spouse accused. Should the committee to which the substance of this bill is referred consider that venereal should be included, then I would have no objection to its doing so, although I do not think we would have very many applications on that ground.

The next item was pregnancy on the part of the bride for which the groom was not responsible and which was unknown by the groom at the time of the marriage. I suppose a good deal could be said on both sides of the question as to whether divorce should be granted on such a ground. There are those who think that marriage cures the past and that the parties embark on a new course. If it can be shown that there is a substantial demand for the addition of this ground, then I would not have any serious objection to it. However, I do think that the bill goes far enough without taking in matters of that kind.

Alimony, in my opinion, is a matter ancillary to divorce. The words of the British North America Act are "marriage and divorce", which are placed within dominion jurisdiction. Alimony is ancillary to the granting of divorce. But, on the other hand, alimony has been taken care of by the provincial courts all over Canada ever since Confederation, and they have done a satisfactory job with respect to it. There would be various serious objections from the Province of Quebec and the other provinces if after all these years we intervened and took this matter into our own hands. Furthermore, let me say, we would be undertaking something for which we have no machinery. There are no sheriffs or sheriff's officers, or other such machinery of the courts, attached to the dominion Parliament. It is quite clear, and I feel sure that most honourable senators will agree, that we should leave that matter alone.

Then comes the question of domicile. Senator Aseltine had some very fine paragraphs in his bill with respect to it. It does seem to be most unfair that the general rule be that the domicile of the husband is the domicile of both the husband and wife, and certainly it is unfair that when a man deserts his wife her domicile should follow him like his shadow. This has been appreciated by the dominion Parliament, and in 1930 there was passed the Divorce Jurisdiction Act, which provided that when a woman has been deserted for two years, although the rule is that domicile follows the husband, she may nevertheless claim divorce from him in the courts in the province in which she still resides and in which she was deserted.

The Divorce Committee has always recognized the right of the woman, if she has been

deserted for more than two years, to claim divorce in any of the provinces. There is objection taken now to the delay of two years, but if it is thought to be too unjust, and I can see some serious objections to it, the proper procedure is to amend that act. It should not be included in a bill such as that now before us.

Those are all the differences that have been mentioned between the bill of 1955 and this one of 1966. I am perfectly sure that were Senator Aseltine and I to sit down together to draw a bill there would be very little difference between us.

A good deal has been said in the course of this debate, and elsewhere for a long time, about the fabrication of evidence and collusion in cases before the courts. In my opening remarks I said that generally speaking, with some inconsequential exceptions, the one ground for divorce in all of Canada was adultery. I was taken severely to task by a critic whose name I need not mention. I was told I was wrong, that there were two grounds. I questioned this, and was told that in the first place there is adultery, and in the second place there is perjury.

I will not agree for one moment that perjury is a ground for divorce. I will concede, however, that it is a means sometimes used, very wrongly and fraudulently, to obtain a decree of divorce on the grounds that are recognized. But I ask you: Is not the frequency with which collusive and perjured cases come before our courts and before our own Commissioner very much exaggerated? It is so easy to throw out general charges of this kind.

It was said on the floor of this house that 50 per cent of the cases were collusive and were decided on perjured evidence. I intervened at the time to say that that percentage was much too high. Feeling that it was an unnecessary downgrading of our courts, I asked our Commissioner to make an investigation in order to separate the goats from the sheep.

It is perfectly obvious that when we find people living together in what has always been known as a common law relationship—although there is no common law about it; that is the phrase used—there is no suspicion of collusion or perjury when the facts showing how they are living together are laid before the court. When adultery is proven to have taken place on repeated occasions in the home of the respondent or the co-respondent, it is not a matter you would suspect of having been concocted. It is in these one-night stands in hotel and motels that suspicion is aroused. For that reason, I asked for an analysis of how many cases of that kind are or are not reasonably open to suspicion and this is what our Commissioner had to say:

> As requested by you I have made an analysis of the last 200 uncontested divorce petitions which I have recommended for approval, this being a sufficiently large number to provide a representative sample, with a view to determining how many of these would be based on evidence of one-night adultery in a motel or hotel and which could conceivably have been arranged by connivance between the parties.
>
> I classified the evidence into four categories as follows:
>
> Cases where there is a commonlaw relationship or evidence of continuing adulterly with the same co-respondent—134.
>
> Cases where adultery took place on one or more occasions with the same co-respondent either in respondent's own residence or in that of co-respondent—33.
>
> Cases where the adultery took place in a hotel or motel, the husband being the respondent—28.
>
> Cases where the adultery took place in a hotel or motel with the wife being the respondent—5.
>
> There figures proved surprising even to me, since it is apparent that in 67 per cent of all cases there is a commonlaw relationship or continuing adultery. In addition to this, although it would not of course be impossible for collusive adultery to take place at the residence of respondent or co-respondent, this is certainly less likely, and such adultery was proved in 33 cases or 16.5 per cent. Furthermore although there may always be some suspicion where the husband is respondent and the adultery proven is a one-night adultery in a hotel or motel, I think you will agree that it is much less likely to be collusive when the wife is respondent as it is unlikely that she would deliberately provide evidence of adultery against herself to enable her husband to get a divorce, so we can probably rule out these five cases. This leaves only 28 cases or 14 per cent of the

total where there would appear to be a reasonable possibility that the evidence might be collusive.

This is not to say of course that I believe that the evidence was collusive in 28 cases out of 200, since had I been convinced of this in any of these cases I would not of course have made a favourable recommendation. In all these cases the evidence indicated the likelihood that the adultery was committed as alleged, and it is certainly not difficult to believe that a man who picks up a woman with intent to have sexual relations with her would take her to a hotel or motel rather than to his own residence or to her residence which might be impractical if not impossible in many cases. It would certainly be wrong to assume therefore that all evidence of adultery in a hotel or motel is fabricated.

To conclude, therefore, I would doubt whether there was any connivance in as many as 10 of the 200 cases, and even in these cases it could not be detected from the evidence. It would appear therefore that a maximum of 5 per cent of all petitions might involve connivance or collusion, which is a far cry from the 50 per cent figure which one sometimes hears mentioned.

One of the reasons for the introduction of this bill, of course, is to make the courts of the land more honest in this regard. However, I do not like to see a grossly exaggerated estimate that seems to downgrade our courts. I think it is worth while to assure my fellow senators that a reasonable view of what takes place is that not more than five per cent of all the cases presented are open to this suspicion.

Senator Choquette, on March 4 last, during the course of this debate raised a most important and somewhat difficult question. He asked whether the Commissioner's proceedings were not that of a court, and therefore whether this bill should not be amended if we wished to exclude the provinces of Quebec and Newfoundland from its operation.

Section 2 of the bill reads:

> In any court having jurisdiction to grant divorce *a vinculo matrimonii* any husband or wife may commence an action praying that the marriage may be dissolved—

And so forth. My friend suggested that that might include the Commissioner's court, and therefore this chamber.

On that occasion, Senator Choquette said:

> I recall that a few years ago there was a case heard before the Senate Standing Committee on Divorce in which two private detectives were alleged to have committed perjury. Subsequently, they appeared before Magistrate Strike in the City Magistrate's Court, and he had no difficulty in finding them guilty of perjury. Then their solicitor appealed to the Court of Appeal of Ontario, and that court decided that these witnesses had not committed perjury in the sense that they had not been before a tribunal or properly constituted court; therefore, the appeal was allowed and the action dismissed.
>
> Then my friend, the sponsor of the bill now before us, decided to remedy that situation by introducing a bill, which was subsequently passed, to the effect that henceforth the Standing Committee on Divorce would be considered a court and a tribunal for every purpose.
>
> That bill of some 12 or 13 years ago, providing that thereafter the committee would be considered a court in which someone who gave false evidence could be found guilty of perjury, having been passed, I ask this question: Does the Senate committee—and the more so now that a judge of the Exchequer Court is appointed the Commissioner—hearing divorce actions constitute a court? If it does, then I say the phrase "in any court having jurisdiction" will include the Senate Divorce Committee and all petitions that are heard by the committee or by the Commissioner may invoke any of the new grounds proposed in this bill.
>
> If that is not so, then I suggest that this bill should be amended to read: In any provincial court having jurisdiction to grant divorce . . .
>
> In the light of the facts I have outlined, it would be most ambiguous to say "in any court".
>
> It is my opinion that the Senate Committee on Divorce has been constituted and recognized as a court for some 12 or 13 years, and that this bill would entitle people in the two provinces that are excluded to come to the Senate and ask for a divorce on these extended grounds. My question is, am I correct in so thinking? I hope I have made myself clear.

I replied that he had made himself very clear, but I reserved my right to consider it further. I said I thought he had raised a point.

Well, remember that it was 12 years ago and one's memory fades to some extent on details of this kind, but in the interval that has passed between the senator's question and this, on reviewing this matter and refreshing my memory, I find: first, that the detectives were not charged with perjury; and, second, that in the amendment to the Criminal Code which we made—at my suggestion—we did not make the Senate or the Senate Commissioner a court, or to use my friend's words, "a court and a tribunal for every purpose". Thirdly, we did not do that and, accordingly, the bill as drawn would not affect the Province of Quebec or the Province of Newfoundland.

And now, in view of the misunderstandings and perhaps the fogginess of memory, I think it is necessary that I make clear just what the situation is. What is the true character of our Commissioner and his proceedings and his status?

It is correct that on November 24, 1954, two private detectives were convicted in an Ottawa court, not of prejury, but rather of fabricating evidence. Let me be perfectly specific on this: Two private detectives were convicted as follows:

> With intent to mislead a court of justice did unlawfully attempt to fabricate evidence by means other than perjury or subornation of perjury.

The charge was laid in pursuance of section 117 of the Criminal Code, which reads as follows:

> Every one who, with intent to mislead, fabricates anything with intent that it shall be used as evidence in a judicial proceeding, existing or proposed, by any means other than perjury or incitement to perjury is guilty of an indictable offence and is liable to imprisonment for fourteen years.

The accused appealed their conviction and the Ontario Court of Appeal quashed the conviction on the ground that the proceedings before the Senate, or a committee thereof, was not a court of justice within the meaning of the Criminal Code.

We proceeded to cure that matter, and I have the case here which I think is interesting. I refer to *Regina* vs. *Pichette* and *Santerre*, found in Canadian Criminal Cases, volume 3 of 1955 at page 403.

This is what the judge says with regard to our status, and it is important that we understand our real status.

Chief Justice Pickup:

> The appellants are two private detectives who appeal to this Court from their conviction on November 24, 1954, by His Worship Magistrate Strike at Ottawa. The charge was that the appellants, "with intent to mislead a court of justice, did unlawfully attempt to fabricate evidence by means other than perjury or subornation of perjury—
>
> The facts of the case may be simply stated. The appellants, desiring to obtain evidence for the purpose of enabling a married woman to secure a divorce, planned to trap the husband into a false position from which adultery might be inferred or found if evidence was later given in some proceeding for divorce. This plan was to have a woman go to a room in an hotel, register under an assumed name, and give the room the appearance of the bed having been occupied. She was not required to do anything more. The husband was to be lured by a pretext to the room and, when there, would be found by the two appellants, who would then be in a position to give evidence as to his being found there with the woman. In carrying out this plan, the appellants arranged with woman "A" to obtain the hotel room and perform her part of the plot, which she did. In the meantime, the appellants arranged with woman "B" to call the husband, under an assumed name, which was the name which woman "A" was to use at the hotel, and invite him to come to the room. This was done by woman "B", but the husband was suspicious. Woman "B" claimed to be a friend of the husband's sister, and the husband took the precaution of calling his sister as to the friend whose name he had been given over the telephone. Instead of going to the hotel room as invited the husband went to the police, with the result that the plan at that stage miscarried and it was the police who went to the hotel room, instead of the two appellants who were endeavouring to mislead someone.
>
> The first ground of appeal is that the Crown failed to prove the intent necessary to constitute the crime charged. It is

> argued that it was necessary, under the charge as laid, to prove an intent to mislead a Court of justice, and that the intent proved in this case was not an intent to mislead a Court of justice but, at most, an intent to mislead the Divorce Committee of the Senate, and Parliament which might act upon a recommendation of the Divorce Committee...This ground of appeal, therefore, turns upon whether or not the Senate committee and Parliament are a "court of justice" within the meaning of s. 177. In my opinion, they are not. The expression "Court of Justice", in the sense in which it is used in this statute, in my opinion, should be given the meaning attributed to the word "court" in Murray's New English Dictionary, vol. II, p. 1091, column 1, under item 11, from which I quote the following: "An assembly of judges or other persons legally appointed and acting as a tribunal to hear and determine any cause, civil, ecclesiastical, military, or naval."

Senator Choquette was correct, that I initiated the amendments of the Canadian Criminal Code to correct that situation. Let me say what we did. In consequence of this decision, we amended the Interpretation Section, which affected section 117 of the Code to include the Senate and such parliamentary bodies in the prohibition against the fabrication of evidence.

Section 99 of the Criminal Code as amended, reads as follows:

> "judicial proceeding" means a proceeding (ii) before the Senate or House of Commons of Canada or a committee of the Senate or House of Commons, or before a legislative council, legislative assembly or house of assembly or a committee thereof that is authorized by law to administer an oath,

It is clear, therefore, that the Code as a result of *Regina vs Pichette* and *Santerre* did not constitute the Senate or its committees a court, nor the Commissioner or his proceeding's—which by the way, were not in existence or contemplation at that time. Nor does the dictionary do so.

The Oxford dictionary defines "court" as follows:

> An assembly of judges or other persons legally appointed and acting as a tribunal to hear and determine any cause, civil, ecclesiastical, military or naval.

Hon. Mr. Choquette: Now that we have changed the system and we have our Commissioner who does not render a decision but only makes a recommendation, could anyone who takes an oath before him be brought up for perjury and convicted?

Hon. Mr. Roebuck: I will go through that a little more fully, because I think it is important to understand our own status.

When the Dissolution and Annulment of Marriages Act was before our Standing Committee on Banking and Commerce on August 2, 1963, the Deputy Minister of Justice, Mr. E. A. Driedger, said that the function of the Senate Commissioner when he is hearing evidence in support of divorce petitions and making recommendations to the Senate is legislative and not judicial in character. I have the report of the committee of that time, and this is what the Deputy Minister said:

> In the first place I tried to take particular care to frame this bill so that it would provide for a legislative dissolution rather than a judicial dissolution. One of the very important reasons for that was that if the proceedings are judicial, then they might well be subject to the prerogative writs such as *mandamus*. prohibition, *certiorari* and so on; but if the bill is framed purely as a legislative process then the internal machinery, the internal procedure, is of a legislative character and therefore will be outside the scope of prerogative writs. If we were to put in a clause to the effect that nothing in this bill shall be construed as altering or changing the jurisdiction of some courts, then we are half confessing that it really is a judicial procedure rather than a legislative procedure. By inserting such a clause the courts might say that this man is a judicial officer rather than a legislative officer, because such clause makes it clear that he is and therefore is subject to the prerogative writs.

Senator Power asked:

> Mr. Chairman, I would like to know what definition Mr. Driedger gives of legislative action as against judicial action.

This is Mr. Driedger's answer:

> My answer, Senator Power, would be this. If it is a judicial act you have preordained laws and the tribunal finds

> the facts and applies those laws. In the case of a legislative act the tribunal makes the laws, taking into account such facts as it considers desirable. As a legislative act I would include not only acts of Parliament but regulations of the Governor in Council or a minister. Those are what I call legislative acts....
>
> The power to dissolve marriage is conferred on the Senate by resolution, and section 3 has a limitation, an administrative limitation on the recommendations that the officer can make . . . he does not actually apply a law.

He only makes a recommendation.

The power and authority of the Senate Commissioner under this act is set out in section 3 of the Dissolution and Annulment of Marriages Act. It reads as follows:

> The Senate shall adopt a resolution for the dissolution or annulment of a marriage only upon referring the petition therefor to an officer of the Senate, designated by the Speaker of the Senate, who shall hear evidence, and report thereon, but such officer shall not recommend that a marriage be dissolved or annulled except on a ground on which a marriage could be dissolved or annulled, as the case may be, under the laws of England as they existed on the 15th day of July, 1870, or under the Marriage and Divorce Act, Chapter 176 of the Revised Statutes of Canada, 1952.

I pointed out that our Commissioner has no power except as he finds it in these rules and as set out in the act. He can recommend to the Senate only, but the Senate has no obligation to accept his recommendations. And if the Senate does dissolve a marriage, it does so in a legislative capacity and by legislative means, not by a decree of a court. If the Senate dissolves a marriage it is the Senate's act and it is not that of a Commissioner. In consequence, I would say to my friend who raised this difficult question that there is absolutely no question whatsoever that the bill as it is now drawn does not extend to the Commissioner or add to his powers.

Now let me attack the question that the honourable senator has just raised: Is the Senate a court in that case? Of course it is not. The bill said, in any court having jurisdiction to grant divorces *a vinculo matrimonii*. Certainly, our Commissioner has no such power. It is true that we may, by passing a resolution, conform in procedure to an act of our own, but it is a legislative act. Of course Parliament has the power to do anything, and so any act of ours will not add to Parliament's jurisdiction. That fact is immaterial at the moment to the question before us.

Honourable senators, if after what I have said with regard to our status as a legislative body rather than a judicial one, if after what the Deputy Minister of Justice, Mr. Driedger, has said, and if after what has been found by the Court of Appeal in *Pichette* and others, anyone still thinks that we are a court, or that the Senate is a court, or that the Commissioner is a court so that he is included in this phrase, I would be quite willing to add certain words when we get to committee. I think it totally unnecessary, but if it laid the question so that there was no further argument about it, I would be willing to add such words as these:

> Nothing in the Act shall affect or be deemed to affect the operation of the Dissolution and Annulment of Marriages Act or to extend the grounds on which the Officer of the Senate designated thereunder may recommend to the Senate resolutions for the dissolution or annulment of marriage.

I say that is quite unnecessary, but if there is anyone who still thinks there is any confusion in this phrase, "a court having jurisdiction" and so on, I would suggest that the committee add this phraseology to the bill.

Honourable senators, I am sorry it has taken so long, but I felt it necessary to put on record what the facts are with regard to our status, whether we are a court or a legislative body or what we are, because I know there is a great deal of confusion, and when the question was raised I was not ready with my answer.

Senators Grosart, Baird and Hollett would like the Senate to be included in this bill, and if my friend was right in his question I suppose it would be. I would also like to see these provinces included, and I would like to see the Senate Commissioner included in the wider powers to be found in this bill, but not until the Province of Quebec or its authorities, or the Province of Newfoundland, so intimate to us. If they will do that, I will be very glad to see the bill amended accordingly.

Senator Haig says that one consequence of the bill would be an increase in the number of divorces. I have one comment in that

regard. There would, of course, be an increase in the first year or so, because there are those who are waiting for such an opportunity to settle their domestic affairs.

But, let me point out that many of those who would now be included in this bill have in the past found means of complying with our restrictive procedures, so that there is not such a large backlog as one might otherwise imagine. There will be an increase, but let us be as realistic in this as we are in other things. It will not be overwhelming.

There is only one thing more I need say. I am sure my fellow senators would like some intimation as to why we are not making better progress. Before we adjourned at the beginning of the Easter recess I did my best to arrange a meeting of the joint committee. Both houses had agreed to it, each one having appointed its members, but I was unable to arrange a meeting because I was told a quorum could not be obtained in the Commons. Immediately we returned I tried to activate the matter, and the chief of our committees branch saw the chief of the committees branch of the other place and asked for immediate action. I was told that he went through the roof, and said that there were so many committees over there that they could not handle them, and they were not going to try to handle any more because they had neither the staff nor the reporters, and that it was impossible to obtain members for another committee.

I sent our Chief Clerk of Committees back to tell them that if a meeting was held for just one half an hour, or even ten minutes, we could appoint the chairmen and a steering committee, and we could then go to work organizing the basic task of the committee, so that it would be ready for the time when the Commons would be in a position to carry on this work. I received word shortly after from the co-ordinator of the Commons committees that even that would not be done. I went then to the highest authority and engaged his co-operation in the matter, but still nothing is done. I am hopeful, however, that as soon as one or other of the committees of the Commons has completed its work, which should be quite soon, we may then be able to proceed with the sittings of this committee. I want all honourable senators to know that any delay in connection with the bringing together of this committee is not due to the fault of the Senate or any member of it.

Honourable senators, I thank you for your patience in listening to me. My remarks have been longer than I intended, but I think they were necessary.

Hon. Walter M. Aseltine: Honourable senators, I did not know that this motion was going to be put today. I did not know either that my honourable colleague, Senator Roebuck, was going to give us this learned argument, but I want to congratulate him on the manner in which he has done so.

My sole object in rising is to say that I am entirely in favour of the motion. It would be a mistake if the Senate were to divide on this issue at this stage before this bill and others have been considered carefully by the special joint committee.

I was interested in the criticism, if I may call it that, of the bill which Senator McMeans and I introduced in 1938, a duplicate of which I introduced in 1955. I am not going to argue with the honourable senator on all the points he has raised. His remarks indicate that he is convinced that a number of the twelve points I raised in my speech are covered in his bill.

I am only going to say that when we drafted the bill in 1938 we copied it almost entirely from the English act that had been passed in 1937. When we inserted those grounds—if you may call them that—in the 1938 bill, which actually passed this chamber but which was not given second reading in the other place, we were merely following what had taken place in England. It was our opinion that if those things were already in the law as it stood in 1870, the English Parliament would not be passing the bill that it did pass in 1937. That is the reason why I included those twelve points in the bill I presented to this house in 1955.

I think nothing more should be said about these matters at this time. We should leave them to the special joint committee which will be able to obtain expert legal opinions on them. When a measure is brought in, if the committee so decides, I believe the bill will be satisfactory both to Senator Roebuck and to myself.

The Hon. the Acting Speaker: Honourable senators, it is moved by honourable Senator Roebuck, seconded by honourable Senator Croll, that Bill S-19, intituled: "An Act to extend the grounds upon which courts now having jurisdiction to grant divorces *a vinculo matrimonii* may grant such relief", be read the second time.

In amendment it is moved by honourable Senator Connolly, seconded by honourable

Senator Hugessen, that the bill be not now read the second time, but that the subject-matter thereof be referred to the Special Joint Committee on Divorce.

Is it your pleasure, honourable senators, to adopt the motion in amendment?

Hon. Mr. Roebuck: So far as the debate on the motion is concerned, I wish to adjourn it. The bill still remains. What we are considering now, as I understand it, is the adoption of the amendment to refer the subject-matter of this bill to the special joint committee. I am in agreement with that. What are we going to do with the bill?

Hon. Mr. Hayden: It just stands.

Hon. Mr. Roebuck: It is still before us. I want the bill to stand, and I move that it be adjourned.

Hon. Mr. Choquette: In other words, the soul departs and the body remains?

Hon. Mr. Roebuck: Yes, that is it.

The Hon. the Acting Speaker: As I understand it, the amendment was moved by honourable Senator Connolly, and Senator Roebuck was speaking on the amendment.

Hon. Mr. Roebuck: That is right.

The Hon. the Acting Speaker: I am now reading the amendment I have before me. Does any honourable senator object to it?

Hon. Mr. Connolly (Ottawa West): I think Senator Roebuck is concerned about whether this bill will appear on our Order Paper again after the committee has reported.

Hon. Mr. Roebuck: That is all I am asking.

Hon. Mr. Connolly (Ottawa West): When the committee reports, the bill is revived.

Hon. Mr. Roebuck: In that case, I am entirely satisfied.

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

Hon. Senators: Agreed.

Motion in amendment agreed to.

BRETTON WOODS AGREEMENTS ACT

BILL TO AMEND—SECOND READING—DEBATE ADJOURNED

Hon. T. D'Arcy Leonard moved the second reading of Bill C-144, to amend the Bretton Woods Agreements Act.

He said: Honourable senators, I propose to make my explanation of this bill in three parts.

The bill is entitled, an act to amend the Bretton Woods Agreements Act. Section 7 of the act, which is repealed by clause 2 of this bill, deals with the report the Minister of Finance makes to Parliament at the end of each year on the operations under the Bretton Woods Agreements Act. As section 7 now stands that report must be laid before Parliament within 30 days of the fiscal year which ends on March 31.

The fiscal years of the two institutions covered by this act, namely, the International Monetary Fund and the International Bank for Reconstruction and Development, do not coincide with the end of our fiscal year; and therefore the submission of the report by the Minister of Finance within 30 days of March 31 means that a good deal of unnecessary work has to be done in order to bring operations up to date. This amendment therefore proposes that the report be submitted to Parliament before the 31st day of March next following the end of each year or, if Parliament is not then sitting, on any of the first 30 days next thereafter that Parliament is sitting. This will provide, as the explanatory note says, for the submission of such a report on a calendar-year basis rather than on a fiscal-year basis. I am sure that all will agree that that is a practical and much more effective and efficient way of dealing with the report.

Clause 1 has the effect of increasing Canada's quota and subscriptions to the International Monetary Fund and to the International Bank for Reconstruction and Development. I shall refer to the latter by its common name, the International Bank.

I shall divide that clause into two, taking first of all the International Monetary Fund. This fund was the result of a conference of a number of countries at Bretton Woods in New Hampshire in 1944. Those countries reached an agreement for the establishment of the International Monetary Fund.

In 1945 Canada passed the act which authorized us to join the fund, and we were one of the first and original members.

Until the establishment of the fund there had been no effective international means or international institution to provide for settlement of international balance of payments or for maintaining stability of exchange. The purpose and function of the fund was to promote stability in international exchange, to assist in establishing a multilateral system of payments, and to help correct maladjustments and balance of payments.

Prior to the establishment of the International Monetary Fund, settlement of international balances were made largely on a bilateral basis, sometimes trilateral, and in a few cases multilateral, as in the case of countries which belong to the sterling bloc. In so far as Canada is concerned, our traditional position so far as balance of payments was concerned was that we had a deficit position with the United States. We had a surplus position with respect to our balances with the United Kingdom, and in those days were able to offset our deficit with the United States by our sterling surplus in London.

Owing to World War I and the events which followed—such as going off the gold standard by a number of countries, the depression of the thirties, the devaluation of currencies, the increase in price of gold and, finally, the devastation and destruction and interference with trade that took place during World War II—there was general agreement that it was necessary to set up a new international body to help in the restoration of international trade, and to provide for some means of bringing about stability in international payments. That was the reason for the establishment of the International Monetary Fund.

During the intervening 21 years, unquestionably this fund has proved its worth and is now recognized as being indispensable in the international relations of countries such as Canada. I need only refer honourable senators to the exchange crisis in Canada in June of 1962, at which time we were able to draw on the International Monetary Fund to the extent of $300 million, as one of the means we took then to overcome the crisis. In 1961 the United Kingdom drew on the fund to the extent of $1½ billion. Even the United States has drawn upon the fund.

As a result of the situations I have mentioned, it became apparent that the resources of the International Monetary Fund were not sufficient to take care of the probable strain that might be put upon it. In 1962, therefore, a group of 10 countries, of which Canada was one, informally and on a consultative basis, agreed that they would make available to the fund the total of $6 billion to assist it in meeting the drawings that might become necessary.

The group of ten countries have continued on such a consultative basis, and are commonly known as the Paris Club.

As a result of this action on the part of the ten countries, which was of a temporary character, although it is still in effect, it was apparent to all members of the fund that it was necessary to increase the quotas. Following meetings which were held in 1964 and 1965 it was decided that the quotas of all member countries should be increased by 25 per cent.

Perhaps I should have said previously that a country becomes a member of the fund by a quota being assigned to it which it must pay into the fund, and then its right to draw on the fund bears a relationship to its quota. It was also decided to increase the regular or established quotas of 16 countries, of which Canada was one, by certain amounts.

The reason those countries were selected for new quotas to be established was that they had expanded more rapidly than the others, and their share in the problem of balance of payments was thereby greater. In the result, with Canada's consent, our quota in the International Monetary Fund is being raised from $550 million, first of all, by an additional $42 million, which brings our regular quota up to $592 million which with the 25 per cent increase and which is general to all countries, amounting to $148 million, brings our new quota to $740 million.

I should add, that because of that additional quota, our reserve position is thereby strengthened.

I come now to the second division of clause 1, dealing with our participation in the International Bank for Reconstruction and Development. This bank was also established at Bretton Woods by an agreement among the same countries. It also came into effect in 1945, and the same act that authorized Canada to join the International Monetary Fund also authorized us to become a member of the International Bank and to subscribe for shares in it.

However, while the two institutions were related, and while the amount of each country's subscription to the International Bank was related to its quota in the International Monetary Fund, the functions of the two institutions were quite different.

The main function of the International Bank was actually to lend money and, to that extent and in that sense, it was a true bank. It was to lend moneys to countries for increasing their productive resources where private funds were not available on reasonable terms. When one looks at the history of this bank over the intervening 21 years, one can say that it has performed excellently and has made its loans on a sound basis.

Its investments are good; it has assisted greatly in developing the resources of coun-

tries throughout the world, particularly the developing countries. The funds are used for such purposes as construction of roads, railways, and public utilities, for industry in some cases, and for education. At the present time the total investments represented by such loans amount to some $5,500 million.

Hon. Mr. Paterson: Have they had many losses?

Hon. Mr Leonard: No. it has been a very successful operation, and the reserve they have established is ample to take care of any potential losses.

In addition to that, the bank has developed excellent technical facilities, which are available to assist countries in their own work of developing their resources.

In the case of the International Bank there is no general increase in the subscriptions of countries, because there is no need for further additional capital. However, under the terms of membership in the bank, the amount that a country has to subscribe is related to the amount of its quota in the International Monetary Fund, and, when Canada's quota in that fund is increased by $42 million a similar increase takes place in the amount which we must subscribe to the International Bank.

So that by clause 1 of this bill we are increasing our subscriptions to the International Bank by $42 million. We are increasing the authority for our quota in the International Monetary Fund by $190 million, and the total increase to both funds is $232 million.

Now, if you look at the act, you will see that the figure there authorized is $1,532 million. This section repeals the former act under which the Government had authority for $1,300 million. Therefore, the new authority of $1,532 million is the amount which we have already subscribed over the years plus an additional $232 million.

Honourable senators, in conclusion, I think there are one or two interesting pieces of information that you might like to hear about.

There are, I understand, some 102 countries which are members of these institutions. After this increase of 25 per cent and the increase in the special contributions, the total of the quotas of all the countries will be approximately $21 billion. That is with respect to the International Monetary Fund.

The International Bank assets are approximately $8 billion. In addition, there is an uncalled portion of the subscriptions of member countries, because in subscribing to shares they are asked to put up only 10 per cent of their subscription. This uncalled subscription amounts to some $19,500 million.

These figures illustrate the importance of these two institutions and the extent to which they have assisted, not only in the development and expansion of trade but in increasing the productivity of the nations of the world, and increasing the general standard of living, and to that extent contributing also, tc peace in the world.

The act, from its beginning in 1944, and the amending acts by which from time to time the quotas have been increased, have had support from both major parties represented in this house; the legislation has been nonpartisan and non-controversial, and I am sure again it will command support from all members of the Senate.

If the bill receives second reading, I propose that it be referred to the Standing Committee on Banking and Commerce.

Hon. Mr. Paterson: Might I ask the honourable senator if Eugene Black is still the head?

Hon. Mr. Leonard: No. The president is now George B. Woods.

Hon. Mr. Paterson: Is he an American?

Hon. Mr. Leonard: I believe so.

Hon. Mr. Burchill: Might I ask Senator Leonard a question? I am not clear on the relationship between the two institutions. Has not the International Bank got something to do with the investment of the funds of the loan?

Hon. Mr. Leonard: No, Senator Burchill. From that standpoint the two institutions are separate. The one is, of course, a reserve fund represented by gold, the currencies of different countries; the other is a lending body that lends the capital that has been subscribed to it, and it issues bonds which are bought by life insurance companies, trust companies and other investors in Canada, the United States and elsewhere.

These obligations are sometimes in U.S. dollars, sometimes in Canadian dollars and sometimes in Swiss francs. These funds then are loaned to the countries where the railroads and the other industries are being built.

There may be a certain amount of collaboration, shall we say, in the administration of

both funds, but the functions are quite separate.

Hon. Mr. Burchill: Was the monetary fund just held in reserve to be called upon when needed?

Hon. Mr. Leonard: It is my understanding that that is the situation. It may be in short-term loans of the particular currency involved, but they must hold so many Canadian dollars, so many French francs, and so on. Every member of the International Monetary Fund puts up 25 per cent of its quota in gold, and the balance it puts up in its own currency. It is true, I imagine, that the fund could, or does from time to time, hold more of one particular currency than another, but this does not relate to the investment funds.

I might add that if I have been mistaken in my answers we will soon find out when the bill goes to the committee.

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

PRIVATE BILL

UNITED BAPTIST WOMAN'S MISSIONARY UNION OF THE MARITIME PROVINCES— SECOND READING

Hon. A. J. Brooks moved the second reading of Bill S-33, respecting United Baptist Woman's Missionary Union of the Maritime Provinces.

He said: Honourable senators, you will recall that this bill was before the Senate last session, at which time it received first and second readings, and it was also dealt with before the Standing Committee on Miscellaneous Private Bills, but Parliament was dissolved before it was reported back from committee.

There is very little to explain regarding the bill. It simply enlarges the territory of this organization.

The original act, the United Baptist Woman's Missionary Union of the Maritime Provinces, was passed in 1906. Since that time, as everyone knows, Newfoundland has been taken into Confederation. The activities of this organization extend now, and have extended, to the four Atlantic provinces.

The purpose of the bill is to change the name of the society to United Baptist Woman's Missionary Union of the Atlantic provinces. I may say that this does not interfere in any way with the existing rights of this society.

Motion agreed to and bill read second time.

23031—46½

REFERRED TO COMMITTEE

On motion of Hon. Mr. Brooks, bill referred to the Standing Committee on Miscellaneous Private Bills.

COMMONWEALTH PARLIAMENTARY ASSOCIATION

CONFERENCE IN NEW ZEALAND— DEBATE CONTINUED

The Senate resumed from Thursday, May 5, the adjourned debate on the notice of the honourable Senator Connolly (Ottawa West) calling the attention of the Senate to the 1965 General Conference of the Commonwealth Parliamentary Association, held in New Zealand in November and December, 1965, and in particular to the discussions and proceedings of the Conference and the participation therein of the delegation from Canada, and to the forthcoming meeting to be held in Canada in September and October, 1966.

Hon. Frank C. Welch: Honourable senators, I would like to take this opportunity to give an account of my mission to New Zealand. First, I wish to thank those responsible for sending me on such a delightful travel tour. I am pleased that Senator Connolly (Ottawa West) is here today so that I can express to him the great sense of gratitude which I feel. Senator and Mrs. Connolly were both very kind to Mrs. Welch and me. I would also like to thank our honourable Speaker, Senator Sydney J. Smith, for his special friendship.

Many of us met in Vancouver, and by the time we reached Fiji most of our Canadian and West Indies groups had become acquainted and were really enjoying each other's company. On arrival in Wellington, New Zealand, we were split up into groups and taken to different hotels. From there, two days later, we started our tour of New Zealand by bus; about seven buses comprised the group, each bus arriving in different towns and cities for meals and lodging.

At this time I would like to name the Canadian delegates who attended this conference. Senator John J. Connolly attended in the capacity of Vice-Chairman of the General Council. The delegates from the Senate were: His Honour the Speaker, Senator Sydney J. Smith, and myself. The delegates from the House of Commons were: Mr. Patrick Asselin, from Quebec; Mr. Ron Basford, from British Columbia; Honourable J. Angus MacLean, from Prince Edward Island; Honourable Marcel Lambert, from Alberta; Mr. Max Saltsman, from Ontario, and the

secretary to the Canadian Delegation, Mr. T. R. Montgomery. The provincial delegates were: Honourable Donald Morrow, Speaker of the Legislative Assembly of Ontario; Honourable Guy Lechasseur, Speaker of the Legislative Assembly of Quebec; Mr. H. J. Spence, M.L.A., Nova Scotia; Mr. Clarence S. Menzies, M.P.P., New Brunswick; Honourable W. H. Murray, Speaker of the Legislative Assembly, British Columbia; Honourable J. E. Snedker, Speaker of the Legislative Assembly, Saskatchewan; Honourable Alfred J. Hooke, M.L.A., Minister of Municipal Affairs, Alberta; Honourable George W. Clarke, Speaker of the Legislative Assembly, Newfoundland; Lt. Col. J. D. Stewart, M.L.A., Prince Edward Island, and Honourable George Hutton, Minister of Agriculture and Conservation, Manitoba. The secretary to the provincial delegates was Charland Prud'homme of Winnipeg, Manitoba.

The New Zealand Government had everything superorganized. We were taken to all important points in the country, from north to south and east to west, seeing everything from beautiful pastoral scenes to volcanic mountains. New Zealand, the most southerly settled land on the Pacific, lies 1,400 miles southeast of Australia and half way between the Equator and the South Pole. The two islands are 1,000 miles in length. The North Island is the more populated. The climate is temperate with plenty of rain to provide grass for the 70 million sheep and 7 million cattle. The snow-clad mountains provide abundant water for the beautiful rivers and lakes.

At Rotorua, the hot springs and other thermal wonders are more spectacular than anywhere else in the world. It is fascinating to see the Maori people cook their foods in hot thermal pools. Also at Rotorua it was exciting to see the teenagers swimming in the river coming down from the ice-capped mountains, then diving in the hot pools to get warm before taking another ice bath.

New Zealand is the most concentrated wonderland of scenery of any country I have visited. Here you have a land of sunshine and temperate climate, you see boiling mud pools, spouting geysers, caves illuminated by myriads of glowworms, snow-clad peaks towering 10,000 feet into the sky, and lakes and fishing streams of unbelievable beauty.

You have very good hotels, and travel is easy by air, ship and rail. As you travel through this country you see great flocks of sheep and herds of cattle. The wool and mutton is exported to Britain. This is largely in the hands of the New Zealand Wool Board. In fact, almost all farm produce is sold and controlled by a board.

In the Rotorua district great areas of pine have been planted; I understand about 286,000 acres. The New Zealanders are preserving and taking great care of their forests of which about 14 million acres still remain. Pulp and paper is one of their major industries, and I visited one large plant where they were making pulp, paper and building materials. In fact, everything was manufactured except the noise from the saws. They now have five large plants in different sections of the country.

Electricity is supplied to homeowners at very cheap rates. Both the North and South Islands are covered by a grid network of transmission lines. This, of course, is made possible by the numerous large streams of water coming from the mountains. Eighty-five per cent of the country's electricity is owned and controlled by the New Zealand Electricity Department.

The two and a half million New Zealanders, mostly British settlers, work closely with Polynesian Maori people, who comprise about 7 per cent of the population. The story is told that when the English arrived in New Zealand the Maori people met them on the shore. The Maori chief, carrying a two-handled basket of food, invited the British explorer, Captain James Cook, to take one handle of the basket thus helping to carry and share the food. The British and Maori have been carrying the load together ever since. They know only friendship for each other.

The seasons in New Zealand are the opposite of those in the northern hemisphere, Christmas being the hottest time of the year. When we left there in December the schools were closing, and the children were going to the beaches for vacation.

New Zealanders are very keen on politics, as is evidenced by the fact that over 90 per cent of the voting population votes in the general elections. I might add that New Zealand does not have compulsory voting, as does its neighbouring country, Australia, I was told they were giving it serious consideration, but it is to be noted that in Australia, where there is compulsory voting, 93 per cent of those eligible exercise their right, whereas in New Zealand, with no compulsion, 92 per cent do so. The present Prime Minister of New Zealand is the Right Honourable K. J.

Holyoake, and the Leader of the Opposition is the Honourable A. H. Nordmeyer. The next election is to be held in 1966.

The main flow of trade goes to other Commonwealth countries, chiefly Britain. This is why I made the statement, when speaking at the conference, that if Britain joins the common market they could be forced to share their trade with common market countries thereby reducing their purchases from New Zealand and Canada as well as other countries between which the balance of trade at the present time does not favour Britain. Grassland farming represents about 90 per cent of the country's exports. New Zealand exports a very high quantity of wool, beef, lamb, mutton, butter, cheese, et cetera. One can readily see why New Zealand depends so much on the British trade.

While agriculture is the main industry, the economy is changing somewhat to manufacturing. At present New Zealand has 9,034 factories, mostly small plants, employing 191,515 men and women. It has been said that there are eleven jobs for every ten persons. Unemployment, therefore, is no problem. Education is compulsory to age fifteen, and free to age nineteen.

There is no doubt that the role of the conference is extremely useful; indeed, with the wide expansion of the Commonwealth it is necessary. The opportunity to express points of view on common matters of importance, to know and understand the backgrounds of other Commonwealth countries and their governments, and to forge some common objectives from the wide differences in problems, environments and attitudes that will make the Commonwealth an increasingly useful assembly, must be considered an experience of high priority. The tour of New Zealand gave us an important insight into the life and economy of the country.

Certainly knowledge obtained in this way is better than that obtained by listening to commentaries by others, or reading reports or books on such matters. First-hand examination and experience has no substitute. Thus, over a period of time all parts of the Commonwealth must become equally well known to all members, so that when Commonwealth affairs, or even domestic affairs of some members, are being discussed we have informed members of governments available for their view and opinions. In addition, the tour provided us with a cross-section of representatives who travelled and lived together for this period, enabling us to gain a better understanding of their views, particularly as they compared life in their country, or how their economies related to what they witnessed in New Zealand. All in all, the tour was a most profitable part of the meeting.

The conference itself was officially opened by the Governor General in Wellington on November 30. The agenda was as follows:

1. Economic growth in the Commonwealth

   The effective use of technical and financial resources for economic development.

   Problems of commodity stabilization. Agricultural co-operation. The growth of population in relation to resources.

2. Parliamentary Government in the Commonwealth

   Differing party systems. The redress of grievances: The office of ombudsman.

3. International Affairs

   The United Nations.
   Southeast Asia.
   Africa.

4. The Commonwealth Parliamentary Association

   The future role and development.

5. A Commonwealth Court

The final item on the agenda, however, was deleted and replaced by a discussion on Rhodesia, clearing the first day of conference.

As might be anticipated, the discussions on economic growth and international affairs held the widest attention. My own contribution was a speech on Agricultural Co-operative Marketing in which I was able to draw the Canadian experience to the attention of other delegates. In addition, I suggested that a committee might well be set up to study the need of Commonwealth co-operative marketing and the role it might have in strengthening overall supply, demand, and price arrangements. It seems to me that this is one aim which should receive a good deal of attention in the light of our competitive positions on the international scene.

I might point out that for the first time data papers were prepared for the delegates, and they provided extremely timely and useful sources of information for the discussions.

While I cannot hope to present a detailed view of the many papers and discussions that went on, I believe it is worthwhile to pass on my particular impressions on economic

growth in the Commonwealth. As the Commonwealth now stands we have a wide spectrum of economic development varying from the more industrially mature economies to those which are just emerging.

Much of the commentary at the conference, and indeed elsewhere, centered around the role in which the developed economies can play in assisting the underdeveloped. Naturally, this leads to the part which foreign aid and technical assistance can play. I believe that the Commonwealth countries should examine this in detail and, indeed, such a task could well be carried out by the new Commonwealth secretariat.

I am sure that Canada will provide whatever assistance she can, yet it is necessary to recognize that our own resources in the form of financial assistance must be held to some limit, for we are not in a position to provide funds indiscriminately. This, in itself, should make us realize that Canada must ascertain the priorities in the nature, size and direction of her involvement in external aid to Commonwealth countries. As painful as it is, there must be the recognition that some countries do have limited potential and resource endowment for economic growth, and that no amount of external assistance will make a change in such a situation.

Thus, it is my contention that the whole structure of assistance must be examined so that priorities, means and direction be given to Commonwealth assistance, rather than following a random process without long-term objectives.

I might also point to the dissension in the C.P.A. itself, and note briefly the outcome of this discussion. Much of the commentary centred around the strength and structure of the organization, and it was decided that a committee system should be introduced by the annual conference.

In addition, urgent considerations were raised as to how the most effective utilization of conferences, proceedings and the association's regular work could best be attained.

The General Council proceedings must also be noted. Its meetings dealt with the general business and elections, as well as the role of the council. The most important consequence was the unanimous passing of the following resolution on Rhodesia:

> That in view of the fact that the Rhodesia Parliament has condoned the act of rebellion by the illegal Smith régime and actively supported the actions of the said illegal régime, it is hereby resolved that the Rhodesia Branch be expelled from the Commonwealth Parliamentary Association forthwith and it is further resolved that when a legal and constitutional government is restored to Rhodesia, re-admission of the said Branch of the association will be duly considered by this Council.

In closing, I would like to mention that the Prime Minister's invitation to hold the Twelfth Commonwealth Parliamentary Conference in Ottawa in 1966 was warmly received, and accepted. It was also decided that the Thirteenth Conference would be held in Uganda.

May I extend my congratulations to Senator John J. Connolly, who was unanimously elected chairman for 1965-66.

Again, I would like to thank the very fine people of New Zealand for the hospitality they extended us in their wonderful country. The slogan of New Zealand is "The Land of Peace and Prosperity."

AERONAUTICS ACT

BILL TO AMEND—SECOND READING

The Senate resumed from Thursday, May 5 the adjourned debate on the motion of Hon. Mr. Deschatelets for the second reading of Bill C-153, to amend the Aeronautics Act.

Hon. J. Campbell Haig: Honourable senators, this afternoon we have listened to a long discussion on divorce procedures and the law in respect thereto, and another on the Bretton Woods Agreements, after which we had a very entertaining and instructive speech by Senator Welch on New Zealand. I wish to speak at this time on an ordinary bill to amend the Aeronautics Act, which was introduced in the other place by the minister without portfolio, whose remarks may be read at page 3675 of *Hansard* of the House of Commons.

I refer first to the powers of the board to make regulations regarding fees, to make changes in the composition of the Air Transport Board, and certain other powers. Certain objections were raised in the other place as to the unavailability of aircraft, to the charges of available aircraft, and the question of allowing the minister to make orders and regulations under subsection (1) of section 3A. This was later withdrawn.

I am pleased to see that in this bill there are certain rules, regulations, and procedures

and controls given by the minister in connection with aircraft accidents, but I think there should also be spelled out somewhere in the regulations some provision as to the right of procedures to be used and the right of counsel in connection with any injured party for the aircraft affected. I think these should be spelled out, because they are not clear at the present time.

There is also provision in the regulations making it an offence now to obstruct or hinder any investigation in connection with an aircraft accident. Also the Governor in Council may make charges in connection with an aircraft, such as a landing fee, and also for any other facilities not coming within subparagraph (i) provided by the minister in respect of any aircraft.

May I suggest that if this bill goes to the Transport and Communications Committee—

Hon. Mr. Connolly (Ottawa West): It will go to that committee.

Hon. Mr. Haig: Thank you. Then, may I suggest that certain information be provided by the officials as to the revenues obtained by the department in connection with some of these silly little charges being made, such as 10 cents for the use of toilets, and 10 cents for going up on the observation platform.

Hon. Mr. Connolly (Ottawa West): Hear, hear.

Hon. Mr. Haig: These are nuisance charges, and I think we should have some information about them.

I should also like to get some information as to the cost of operating certain of our major airports in Canada, which are under D.O.T., because, as mentioned by Senator Deschatelets, and also in the other place, we are attempting to make airports as self-sustaining as possible.

I should also like to see the Government of Canada formulate some kind of an air transportation policy. The question comes to mind quickly as to another transcontinental run, the Canadian Pacific Air Lines; another question arises as to the use of the route from Toronto to Chicago. We are allowed two flights, and Air Canada has only one. There is some suggestion that this be given to C.P.A. I think that should be a matter of Government policy.

Honourable senators, in conclusion, I commend this legislation to your favourable consideration. I think that most of the proposed amendments would strengthen the hand of the Government and the Minister of the Department of Transport in connection with the safety of air travel, which is increasing all the time.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Connolly (Ottawa West) for Hon. Mr. Deschatelets, bill referred to the Standing Committee on Transport and Communications.

PRIVATE BILL

THE INTERNATIONAL SOCIETY OF ENDOCRINOLOGY—SECOND READING

Hon. Hartland de M. Molson moved the second reading of Bill S-29, to incorporate The International Society of Endocrinology.

He said: Honourable senators, before I deal with this bill, I should like to express my appreciation to the honourable Leader of the Government for the very kind remarks he made a few moments ago about the accident that happened to me on the way to the forum. I also wish to express my appreciation for the way in which the honourable leader's remarks were seconded by my colleagues in this house.

Perhaps it is not inappropriate to say that while the merits and values of professional sports are frequently questioned, I think we could agree that both clubs in the final series of the Stanley Cup put on a highly creditable display.

May I say that I personally am proud that the Canadien Hockey Club, le club de hockey Canadien, demonstrated qualities of sportsmanship, courage and skill in keeping with the best Canadian traditions.

Honourable senators, Bill S-29 is for the purpose of incorporating in Canada an international society, the prime activity of which is research and dissemination of knowledge in one particular field of medical science.

It is not the first time such a bill has come before Parliament. In fact, I had, as many of my colleagues will remember, the privilege of presenting a bill in February 1961, with a similar objective—to incorporate the International Brain Research Organization.

It seemed to me that my explanation of Bill S-29 should cover three essentials: first, the bill itself as to form and content; second, the background leading up to the request for incorporation; and, third, the nature of the activity in which the members of the association are engaged.

Looking at the bill, I find very little requiring comment as it is in the usual form setting out the name, objects, membership, organization, by-laws, powers, head office, et cetera, and is, I believe, self-explanatory. The schedule listing the membership, which is limited to organizations or bodies and excludes individuals is, I am sure you will agree, most impressive. No fewer than 40 national societies are named.

When we come to the background of the incorporation it is necessary perhaps to say a little more. You might well ask: Why incorporate? And again: Why in Canada?

To answer the first question—why incorporate?—I must go back in time, but not too far back. It was only in the early 1900s that endocrinology became a subdivision of a wider discipline—biology. Some 20 years later, in the middle 1920s, its recognition as a separate discipline was reflected in the creation of increasing numbers of national endocrine societies.

Shortly after World War II, distinguished scientists and academicians who considered themselves primarily endocrinologists began to consider the organization of some form of international federation of national endocrine societies. A preliminary committee, which was formed to investigate the feasibility of organizing international congresses of endocrinology, was convened in London, England, in February 1957, and in Paris in June 1957 an International Executive Committee was formed with a view to organizing the First Congress. Professor Christian Hamburger of Copenhagen, Denmark, was elected Chairman of the First Congress and Professor F. T. G. Prunty, of St. Thomas Hospital Medical School, London, presently Chairman of the association and one of the petitioners, was elected Secretary.

The First International Congress of Endocrinology was held in Copenhagen in July 1960 under the Chairmanship of Professor Hamburger. During this, the formation of an International Society of Endocrinology was again discussed. An interim Executive Committee was created which, when it met in London in June 1961, agreed to hold the Second International Congress in London in August in 1964. The meeting to consider the proposed International Society of Endocrinology, in fact, took place on August 16, 1964, at the Royal College of Physicians, London. Each nation with an endocrine society had been asked to send delegates, and during this and subsequent meetings held during the Second International Congress they concerned themselves with drawing up a final draft of the statutes and their acceptance, discussion of nominees from member national societies, election of society officers as laid down in the statutes, and formation of an executive subcommittee.

One of the main early objectives of the International Society of Endocrinology will be the co-ordination and fostering of international congresses of endocrinology, which will curtail the recent uncontrolled proliferation of international meetings. In addition, the International Society is beginning to serve as a clearing house for information of use to endocrinologists, including notification of meetings of special interest, training programs, personnel available for posts in the specialty, recent advances in research, et cetera. One of the more distant aims is the development of an International Journal of Endocrinology. Evidence exists that some of these objectives are already being met.

To sum up, one might say that in the short span of some six decades endocrinology has grown from an uneasy birth as the child of biology to a manhood as a discipline of prime importance in the lives of all in the human and animal world.

With the development of local societies all over the world it is logical that a central or international association in formal incorporated form is required to communicate, rationalize and co-ordinate the wealth of invaluable information which is daily growing.

As to the question, why should the Canadian Parliament be asked to create the corporate entity, there is a very simple answer. There are already, as I said, 40 national societies involved; as far apart as Argentina and Finland or, say, Turkey and Japan, and Canada is considered by these countries to be the most acceptable in which to locate the secretariat and to provide the depository for its funds. This, is, I believe, very complimentary to our country and we should welcome this opportunity to be the centre of yet another international organism.

Now, having referred to the bill and the background against which the demand for the incorporation took form, I offer a word or two about endocrinology itself.

Endocrinology is that branch of the biological sciences which is concerned with the ductless glands, which produce hormones, which are essential to life. Its uniqueness is

that it draws from many previously established disciplines within biology and thus has served from its very beginnings as a "meeting ground" for anatomists, physiologists, pharmacologists, biochemists, geneticists, etc.

The word is derived from the Greek *endon* meaning "within" and *crino* meaning "to sift."

Hon. Mr. Choquette: Is the endocrine gland a ductless gland?

Hon. Mr. Molson: There is more than one endocrine gland, senator, but they are the ductless glands.

The endocrine glands synthesize hormones which travel through the blood stream and acts as catalysts in other often remote parts of the body. All of us know of the existence of hormones but probably few outside the world of science realize what an important part they play in our lives. For example, if our favourite grandson loses his place in the choir because his voice cracks it is because a hormone has been at work.

Hon. Mr. Connolly (Ottawa West): There would be no more "hormony" after that.

Hon. Senators: Oh, oh.

Hon. Mr. Molson: If we look in amazement as the runt of the litter suddenly starts growing at an astonishing rate, we know that a hormone started it. When we see a gangling daughter transformed in a few years into a beautiful mature woman, we can thank hormones. And in the animal kingdom everything from the quality of the meat we eat to the quantity of wool from sheep is affected by the activities of hormones.

The subject is vast. As our medical colleagues can see, my knowledge and understanding of it is microscopic, but I think it safe to say that endocrinology is a discipline which offers tremendous challenges and opportunities to clinicians and researchers. Anything which helps their work helps the whole human race.

Honourable senators, I commend this bill to you, and if it is given second reading I propose to move that it be referred to the Standing Committee on Miscellaneous Private Bills.

Hon. Joseph A. Sullivan: Honourable senators, after that dissertation and superb medical lecture by the distinguished senator from Montreal—I believe he must have a Ph.D. now in endocrinology—I rise only to support him fully on this bill. This is a great advance.

As a member now of one of the international societies of the world, I know what endocrinology is attempting to do by the formation of this society. But, above all—and honourable senators should be very happy that Senator Molson has brought it to our attention—it is good that the repository for this whole association is going to be in Canada.

I support this bill wholeheartedly.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Molson, bill referred to the Standing Committee on Miscellaneous Private Bills.

FARM CREDIT ACT

BILL TO AMEND—SECOND READING

Hon. Harry Hays moved the second reading of Bill C-171, to amend the Farm Credit Act.

He said: Honourable senators, this is my first opportunity to say a few words in this house. I must assure you that I have always had great respect for the Senate of Canada and its members, but I have had a great deal more respect since March 7 last!

This afternoon I am going to explain Bill C-171, which is a bill to amend the Farm Credit Act, and I would just like to go into the history of farm credit in Canada very briefly.

The first farm credit legislation started away back in 1929, when the Government of the day saw fit to introduce a bill known as the Farm Loan Board Act which loaned up to $10,000 to help farmers finance mortgages on their farms. During the thirties this was amended to reduce the amount of credit to some $6,000; and it carried on until some time in 1952, when it was increased to $12,000. It was again amended in 1956 to provide $15,000, and then in 1959 it was completely overhauled. The name was changed to the Farm Credit Act, and its uses were broadened and the amount of credit available then was $20,000 for unsupervised loans and $27,500 for supervised loans.

In 1964 it was again amended and the totals doubled—$40,000 for unsupervised loans and $60,000 for supervised loans—and its uses again widened. From time to time it has become necessary to expand the use of the Farm Credit Corporation because Canada is so different from many other countries. We live in a cold, harsh climate. For seven

months of the year our country is paralyzed. We have stiff competition from countries that have an opportunity to grow two or more crops while we grow one; many countries can grow seven. Despite all of this, I think it is recognized by thinking Canadians and people the world over, that the farmers of Canada have done a fantastic job for the consuming public in Canada. Our food costs are in the neighbourhood of 21 cents of the working man's dollar, and it is about the third lowest of any country in the world, even under these conditions.

We have 2,272 million acres in Canada and of this amount 172 million and a fraction are used in Canada, which is about 7.6 per cent of our land. We have 103.4 million acres of improved land. According to the last Dominion Bureau of Statistics figures, in 1964 our usable land was estimated to be worth $9,472.8 million. Equipment on Canadian farms amounted to the value of $2,554 million, and livestock and poultry to a value of $2,166 million.

The purpose of the amendment contained in Bill C-171 is to increase the capital of the Farm Credit Corporation from $24 million to $40 million. The effect of this increase is to raise the limit of the amount the corporation may borrow from the Consolidated Revenue Fund from $600 million to $1 billion.

When the Farm Credit Act was first introduced in 1959, it provided capital of $8 million and authority for the Minister of Finance to lend the corporation up to $200 million. This amount has been increased on three occasions since that time, bringing the total capital at present to $24 million and the minister's authority to lend to the corporation up to $600 million.

The first full year of active lending operations by the corporation was the year 1960-61, during which it approved 5,597 loans for a total of about $60,700,000. In the year ending March 31, 1966 the corporation approved 11,238 loans for about $209 million, and it is forecast that loan approvals during the current year will be in the order of $225 million. In the six years of operation it has approved a total of 49,000 loans for about $692 million.

With the rapid expansion of lending by the corporation, principal repayments from borrowers are far from sufficient to provide all the funds required for new loans. Under the present level of lending, the corporation recovers about 27 per cent of its annual capital needs from borrowers. The remaining 73 per cent must be obtained from the Minister of Finance by way of borrowings and subscription to capital. It is estimated that the $400 million which will be provided by this amendment will be sufficient to meet the needs of farmers for a period of about two and a half years.

It may be interesting to know the purposes for which these funds are being used. The largest item, representing about 40 per cent of the loans approved by the corporation, is for the purchase of land to enable farmers to enlarge their existing units to sound economic size. The second item, 27.8 per cent, is for refinancing the balance due on existing mortgages or agreements for sale which farmers have arranged prior to making application to the corporation. About 12.7 per cent is used to assist beginning farmers to purchase complete farm units.

The tremendous upsurge in the number and amount of loans being approved by the corporation has used up the funds available to it much more quickly than was anticipated, and this additional capital is now urgently required to meet the current needs of farmers.

This act is very important for the proper financing of our farmers. It seems to me that in the future, in order to make this self-sustaining we would require—and this is the figure Mr. Owens gave me—something in the neighbourhood of $2 billion. Then it would be self-sustaining, provided land values remain at the same level they are at today.

Canadian farmers are having a great many problems because of geography, and they always will have. Larger, completely mechanized and highly specialized farms will be required to operate under almost complete lack of labour in the future. In order to do this these units are going to have to be larger, and are going to call for much more financing. We have new machinery syndicate legislation which is now beginning to be used, and this money will also provide funds for this purpose.

Honourable senators, I recommend this bill to you for your consideration. I think this legislation is necessary if we are to continue with viable agriculture and give the consuming public the sort of food they want at a cost they can afford.

Hon. Mr. Davies: Could I ask the honourable senator a question? You have told us about lending great sums of money. Has the repayment of these loans been satisfactory to the credit board?

Hon. Mr. Hays: Last year, if my memory serves me correctly, the loss amounted to $6,297, and, the previous year it was something under $12,000.

Hon. Walter M. Aseltine: Honourable senators, I wish to say a few words with respect to this important legislation, but before doing so I want to congratulate most sincerely the sponsor of the bill on his maiden speech in this chamber.

Hon. Senators: Hear, hear.

Hon. Mr. Aseltine: In my opinion, he has spoken very well indeed. He speaks so that everyone can hear what he has to say, and his remarks have been what most of us have been expecting from him in connection with this important measure.

I am sorry that the report of the Farm Credit Corporation for the last fiscal year has not yet been tabled. The latest report I have been able to obtain is that for the fiscal year 1964-65. Senator Hays has given us some information in connection with what has happened in the last fiscal year, but I should like him, or possibly some other honourable senator, to inform the Senate of the lending done by this corporation, separated as to provinces, during the last year.

Hon. Mr. Hugessen: You will be able to get that in committee, will you not?

Hon. Mr. Aseltine: If it is not possible to have it at this time I shall have to wait until the bill is before the committee. This is a very important measure. Large sums of money are being lent, and I think the chairman of the corporation, or the vice-chairman, should appear before the committee to answer such questions.

It was stated by the honourable sponsor of the bill that the federal Government has been in the farm loan business for a long time. The Canadian Farm Loan Act was passed in 1927, and it set up the Farm Loan Board, which did not commence lending until 1929.

It has been said that the loans were on first mortgages on the farms belonging to the farmers. I should like to say at this point, however, that I was never satisfied with the Farm Loan Board. Whenever I had to make an application on behalf of a client I was told that they were not allowed to lend money to a farmer on the security of his farm, except to clear up his obligations and put him on his feet by having everything consolidated. An applicant could not go to the Farm Loan Board and ask for a mortgage if he was going to use the money for the purpose of carrying on his farming operations. He had to furnish a statement of all his creditors, and if the loan was not large enough to pay off all his creditors he had to go to each creditor and get him to reduce his claim until such time as the mortgage could be placed.

Hon. Mr. Burchill: What about new equipment? Could a farmer obtain a loan from the corporation for the purchase of new equipment?

Hon. Mr. Aseltine: I have never been able to get a loan for any client for anything except what I have stated. If a farmer could consolidate all his debts and pay them off with a loan from the corporation, and thus be put on his feet so that he could carry on economically, then the loan was granted.

It was on that account that I was very pleased indeed when that act was repealed in 1959, and the Farm Credit Act passed. The Farm Credit Act, which is Chapter 43 of the Statutes of 1959, was part of the Government's program of obtaining a higher standard of living for farmers. That act set up the Farm Credit Corporation, and the assets and liabilities of the Canadian Farm Loan Board were transferred to the new corporation, which was given the power to lend money to persons whose chief occupation was farming and who could use the money thus borrowed to set up economic farm units. Among other things, a farmer could use the money for the acquisition of land, the erection and modernization of farm buildings, clearing land, draining land, irrigating land, fencing land, and making permanent improvements. He could also use it for the purchase of basic herds of cattle, farm equipment, fertilizer, seed, and for many other purposes considered necessary to the establishment of an economic farm unit.

The provisions of this act went further than those of the old act, and they were seized upon immediately by the farmers in western Canada, and later by the farmers of eastern Canada and the Maritimes. It is my understanding that they have been able to obtain money for these purposes, and to enlarge their holdings and carry on more successful farming businesses.

I am not going to go into the original amount of capital of $8 million, or the amendments that were made in succeeding years enlarging that amount to $12 million, $16 million, $24 million, until we come to the bill presently before us which will enlarge the capital to

$40 million. There have been four previous amendments to this act—in 1961, 1962-63. I was told by the honourable Leader of the Opposition (Hon. Mr. Brooks) that I introduced the bill to amend the act in 1962-63—probably that is the reason he asked me to say these few words today.

Hon. Mr. Brooks: It is one of the reasons.

Hon. Mr. Aseltine: The act was amended in 1964 and again in 1965. This bill, if it is passed, will constitute the fifth amendment. With a capital of $40 million the corporation will be able to borrow 25 times that amount from the Minister of Finance. As has been stated, that should give the Farm Credit Corporation enough money to carry on for two and a half years.

Honourable senators will also remember that in 1964 the Farm Machinery Syndicates Credit Act was passed, under which the Farm Credit Corporation was allowed to lend money to three or more farmers who set up a qualified syndicate for the purpose of purchasing farm machinery for co-operative use, and it was allowed to lend up to 80 per cent of the cost of this machinery.

A reasonably powerful tractor today costs from $11,000 to $13,000, and a self-propelled combination threshing machine costs in the neighbourhood of the same amount, and diskers and seeders and all other farm machinery have increased in price to such an extent that individual farmers in every case are not able to buy their own machinery. If they do buy it, then it is idle much of the time because they have not sufficient acreage to keep it fully employed. The Farm Machinery Syndicates Credit Act, which was proclaimed on December 11, 1964, takes care of such a situation.

In the report of the Farm Credit Corporation that I have in my hand there is no mention of how much the Farm Machinery Syndicates Credit Act has been used. It is my hope that such information will be received either here today, or in committee. I have in mind such questions as: How is this act working out? How many syndicates were formed? Where are they located? It is information of that kind that I should like to have.

Other questions I should like to have answered are: What percentage of the loans made up to the present time are in good standing? What is the operating loss, if any? Are the mortgages that have been given by the farmers badly in arrears? Is there any chance in the future of heavy losses being suffered by the corporation?

In my part of Saskatchewan farm credit is considered to have been highly successful. The business of the corporation is well managed by dedicated employees, who are courteous and well informed. They render valuable service and give advice to farmers upon request. They have offices located at strategic points throughout the whole province. There is a fine office in the town of Rosetown, in which I reside; in fact, it is in the same block where I have my own office, and we are in close touch with their counsellors there. They give valuable advice to us as well as to the farmers. They give pre-loan advice as well as post-loan advice. In my opinion, their post-loan advice, in many cases, is more valuable than the pre-loan advice.

Honourable senators will gather that I am in favour of Bill C-171. I was always dissatisfied with the old Farm Loan Board and was certainly pleased with the Farm Credit Act which was passed in 1949. I should also say that this is one piece of legislation for which we must give the former government credit. I almost forgot to say that.

I have a few general remarks to make before closing. Land prices have increased as the result of the loans being made. Machine prices have increased, probably on account of the fact that farmers can obtain money more easily than in the past. Costs generally have increased, and the farmers are going to need more income if they are to repay these amounts they have borrowed.

I am not in favour of increasing the amounts of loans, because I think that will push the price of land and machinery higher still.

The farmer is in a cost-price squeeze. I read in a recent article in the Saskatoon *Star-Phoenix* that the National Farmers Union has presented a brief to the federal Government asking for $2.50 a bushel as a minimum price for the first two thousand bushels of wheat, and so on.

Although costs have been rising, the price of wheat, on which our district in Saskatchewan depends more than anything else, has decreased in the past year or so. However, I read a report in the press which stated that the price of cattle has gone up considerably in the past few days. The sponsor of the bill did not mention anything about that, but I understand that he held a most successful sale and is quite pleased with the result.

I would not want to see interest rates increased. I understand the rate is 5 per cent on the original $20,000 or less, and 5 per cent on the original $27,500 or less. On the increase above those amounts it is the going rate, and I am informed that it was 6.38 per cent in 1964-65. I do not know whether that was the rate in the fiscal year 1965-66.

Again, I congratulate the sponsor of the bill. I hope he will refer the bill to the Standing Committee on Banking and Commerce so that we can obtain further information.

I understand that the honourable senator from Saskatchewan, Senator Argue, who was recently appointed to the Senate, intends to say a few words and perhaps he will be able to answer some of the questions I have asked the sponsor of this measure.

Hon. Hazen Argue: Honourable senators, I wish to say how honoured I am to have this opportunity to address this chamber. I also wish to thank honourable senators at this time for the many kindnesses they have shown to me personally since I have been appointed to this chamber.

I am delighted to see the Leader of the Government (Hon. Mr. Connolly) with us, restored to health. It is a delight and a privilege for me to have the honour of working with him in this chamber.

I have had some experience in the past in another place. I was not known in those years for being reticent. I hope that I may be able to make a contribution to this chamber and so to make a contribution to the Parliament of Canada.

If I may, I which to express my appreciation on this occasion to the Prime Minister for having appointed me to the Senate. I hope my performance will be such as to warrant that appointment, and that I may conduct myself in the best interests of our parliamentary democratic institutions at all times.

I was delighted to hear the honourable Senator Hays introduce this legislation. However, I think he is a little too modest, and that he might have taken some well-deserved credit for the distinguished part that he played for a number of years as the minister responsible for the operation of the Farm Credit Act, having presided over the operation of that act during its period of greatest expansion.

Hon. Mr. Connolly (Ottawa West): Hear, hear.

Hon. Mr. Argue: Having said that, I wish to acknowledge, with the honourable Senator Aseltine, that it was the former administration which introduced this act under its present title, and that was a step forward. But surely that is what makes our country a great country and our democratic institutions great institutions, that no matter what political party assumes office from time to time, each in its own way and in its own right makes a contribution to progress and the well being of our nation.

Certainly the measure before the house at this time is an important step forward in the development of an act that has done, and undoubtedly will continue to do, great service to the agricultural industry of this country.

Apparently our nation today is in a mood to lend large sums of money for productive purposes. The quantity of money loaned from time to time on mortgages and farm property, as well as that loaned for other property, varies, and perhaps goes in cycles. However, most of us can remember that there were years when the very thought of mortgage indebtedness horrified the agricultural producer, and so there was an understandable reluctance for many years to promote farm mortgaging or farm credit. We have passed those days of reluctance and have learned that farm credit in its place plays a very useful part.

Certainly, it is necessary in the agricultural industry to have adequate amounts of credit at reasonable prices, if for no other purpose than to facilitate the transfer of land from one generation to the next. The farmers who have carried on farming operations for many years and have come to retirement age have a right to expect that they can dispose of their property to a son or to a neighbour at a reasonable price, obtain a reasonable return, and make it possible for a new generation of farmers to come along and play their part.

Honourable senators, I believe that we in this chamber are all in support of the family farm as the basic farm unit of our country. We do not want corporation farms; we do not want farmland in the control of a small minority of the people engaged in the agricultural industry.

We are convinced from past experience, from the way our country operates, that the most desirable type of farm is a family farm in which the farmer and his family provide the management and most of the labour, and with the use of modern machinery, this gives

the most efficient agricultural industry of any nation in the world.

That is why we have been able to compete, sometimes with difficulty but nonetheless compete, in the agricultural markets in the world.

But as Senator Aseltine has said, with costs of farming going up today at very rapid rates, there is developing a need for higher prices for agricultural products. The price of wheat, for example, has changed very little. It has gone up to some extent, but generally it has changed very little at a time when machinery and other costs of farming have gone up by a very substantial amount.

Farming under the circumstances of today is a highly skilled operation. It is one that requires the best the farmer can put forward by way of management, because he is in a price-cost squeeze. The prices for his products have stayed relatively stable while the prices of the things he has bought have gone up by very substantial amounts.

We have seen in the last few years across this nation very substantial increases in the price of land. I am happy to see land being sold at reasonable prices so that the generation selling their farms may attain an adequate return, but to me at any rate there have been increases in the price of land in recent years that have been quite alarming. I am not certain that farmers are able today to afford high-priced machinery, to pay substantial taxes, and also to service the cost of land at present prices.

I congratulate Senator Hays in his work in extending the scope of the Farm Credit Act. I was pleased indeed that the present Government and previous administrations have been prepared to maintain the 5 per cent interest rate on the first $20,000 of loan.

I think this is an indication that the Government is sympathetic to the needs of the smaller farmer and to the need to help young farmers to start in the business of farming. But the Farm Credit Corporation itself is concerned, I believe, about land prices and the way they are going up. Like Senator Aseltine, I have not the latest report, because it is not yet published, but in the 1964-65 report, the latest available, I read at page 9 these words:

> Land prices, which have continued to increase during the year in many areas, have accentuated the problems of those wishing to start farming in those areas. A major factor influencing these prices appears to be the demand for land to expand the size of farms. The steady upward trend in land prices also may have attracted some investment in land by non-farmers. Under present circumstances, it is sometimes difficult for a lender such as the Corporation, in making appraisals for loans which are repayable over terms up to 30 years, to reconcile current land prices in some areas with the net income potential and loan repayment capacity of many farms in those areas.

We spend as a nation and as a Government large sums of money to promote the efficient production of agricultural products. If we are going to have land selling at very high prices, then it does seem to me that in a way the high price for land has defeated the benefit that comes from these other services. To pay an interest rate on a high price for land, or a high mortgage, is certainly a cost that takes away income from other needs of the farmer.

I think land needed to go up in price, but I also think the increase in the last few years has been alarming. I know on the prairies in certain areas citizens of the United States have bought land. This is their right under our laws, of course, but they have not come and settled as farming citizens, as we would like them to do. They merely move their machinery up from their own country when seeding commences, stay a couple of weeks, put in their crops and go back. They may make two or three trips up during the operating season, but they contribute very little to the community life in these areas.

Not a large percentage of the farms are controlled in this way, but I do think this has been a factor in pushing up the price of land. Non-farmers, have purchased land and, as the corporation has said, this too has tended to increase prices.

I wonder, however, if we are not getting a general body of agricultural credit available in such a way as perhaps to contribute to an undesirable increase in land prices. I do not think the Farm Credit Corporation by itself is really responsible for very much of this condition. However an individual farmer may be able to get a loan from the Farm Credit Corporation, he may be able to get loans from banks under the Farm Improvement Loans Act, and farm machine companies these days are providing their own line of credit.

A farmer can buy a truck or an automobile from a dealer, and he can finance it through the deal.

I know of individual cases where young farmers have obtained money from the Farm Credit Corporation then have gone heavily into debt to the banks, and added to that have gone heavily into debt by way of credit from farm implement companies, and credit from automobile and truck manufacturers. They have loaded themselves with an impossible debt.

Now, the Farm Credit Corporation itself carries on a service of advising people on credit, on their credit needs. This, I think, is good, but I do not think this same kind of service comes from anybody else. I think some consideration should be given by the Farm Credit Corporation and by members of this chamber to the end that advice may be available to farmers as to how they should use credit generally, so that they would not, through lack of knowledge, use all of the credit from all of the various avenues available today probably to the detriment of themselves personally and perhaps to the detriment of the agricultural industry.

In the province I come from there is land, good land, in the Regina plains area that has been sold recently for $150 an acre. The long-term average yield in that area is 20 bushels an acre or less. In my calculation, it is absolutely impossible for a farmer to pay $150 an acre and obtain for that investment an income of 6 or 7 per cent, or whatever might be considered a normal return, pay all his expenses and have anything left for his family. You might ask, why do farmers do this? Well, they are optimists. They believe they would like to have an extra piece of land. They have been looking at a piece of land for 10 or 20 years, and they would like to have it; they are willing to take a gamble. So perhaps some thought should be given to telling farmers who want to do this kind of thing that the economists and the agricultural experts have worked it out and it is not a very sound move.

This is not a problem confined only to Canada. It is a problem that exists in the United States. Having talked to their agricultural people from the very same standpoint. I know they are concerned.

I am pleased that this bill is being referred to a committee. I hope that when the experts from the Farm Credit Corporation come before that committee they can reassure us on some of the points I have raised, and perhaps steps can be taken to see that the general body of credit available in this country is used in the best possible way by farmers, in their own interests, so that there is a minimum amount of speculative use.

Many important amendments have been made to this act over the years, one of them by the honourable Senator Hays, a former Minister of Agriculture, when he brought in an amendment to provide for farm machinery syndicates.

Senator Aseltine was kind enough to ask me one or two questions. I just happen to have the press release from the Farm Credit Corporation in my hand, and it points out that:

> From the start of operations in January, 1965 to March 31, 1966, 137 loans were made to 120 syndicates, comprising 511 members, for a total approval of $988,893.

I think this is an excellent amendment to the act, whereby a number of farmers can get together and buy a piece of machinery which they can use collectively, because it is more economical than each purchasing the same machine. I think this has been a good improvement. I think this idea could be extended somewhat further. It would seem to me that this kind of provision should be made to apply to something more than machinery only. For example, if a number of grain farmers at Rosetown or Assiniboia would like to do something in addition to curling in the wintertime—for example, start a hog operation—then they should be able under an appropriate amendment to obtain funds to establish such an operation. I understand it can be done, but it has to be done as an ordinary farm loan, and this is complicated. The farmer may already have a loan, and this makes it still more difficult. However, this kind of further amendment could be provided that would make this act more useful, and I am hoping that these kinds of amendment may come forward from time to time.

In introducing this measure this afternoon the honourable Senator Hays gave us an excellent explanation of its good results over the years. Senator Aseltine raised some important problems and pointed out that anoth-

er administration also had made its contribution. I hope that in the days ahead, in the near future, we will see some further amendments and further action that will improve the important functions of this, a very important act.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Hays, bill referred to the Standing Committee on Banking and Commerce.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, May 11, 1966

The Senate met at 3 p.m., Hon. Maurice Bourget, P.C., Acting Speaker, in the Chair.

Prayers.

DOCUMENT TABLED

Hon. John J. Connolly tabled:

Copy of a letter dated March 31, 1966, from the Minister of Trade and Commerce to the Chief Executive of Foreign Company Subsidiaries in Canada with respect to the responsibilities of such subsidiaries.

(English and French texts).

BUSINESS OF THE SENATE

Hon. A. J. Brooks: Honourable senators, before the house continues further with its business, would the honourable Leader of the Government (Hon. Mr. Connolly, Ottawa West), make a statement of what business we may expect in the immediate future. We seem to have been getting along very well with our work, and we have accomplished much in the last ten days, but we should like to know what other work is going to be placed before us.

Hon. John J. Connolly: Honourable senators, as the Order Paper indicates, we shall be receiving this afternoon reports from three committees. In addition, we shall have a number of third readings, continue the debate on the Bretton Woods Agreement, and as well continue the debate on the Speech from the Throne, which has been placed as item No. 1 on the agenda for this afternoon. We shall also deal with certain divorce resolutions.

So far as I am able to determine, tomorrow we shall have reports from the Finance Committee on the two bills which were referred to that committee, namely, the Science Council bill and the National Research Council bill. We may continue the debate on the Speech from the Throne tomorrow if anyone wishes to speak to it. There will be a number of bills for third reading, and we will give first reading to whatever new legislation has come to us from the other place by that time. I would hope that tomorrow evening the matters I am about to speak to will be given Royal Assent.

May I add that tomorrow I shall not be here, but Senator Hugessen has kindly agreed to lead in my place. I know that he will not only do well, but better than I do.

Hon. Mr. Brooks: May I interrupt the honourable leader? Could he anticipate what bills may be coming from the other place today or tomorrow?

Hon. Mr. Connolly (Ottawa West): I do not know that I can at the moment. Perhaps, if I finish what I had thought of saying, there might be an indication in that of what we might expect.

The fact is that the Order Paper for today and for tomorrow outlining the formal proceedings in the chamber is rather thin, and the public judges us very much on what appears on the Order Paper and in *Hansard* when, in fact, there have been very important committee meetings taking place. The committees sat all this morning, and tomorrow is again a very important committee day for the Finance Committee.

Hon. Mr. McCutcheon: And starting at 9.30 a.m. too.

Hon. Mr. Connolly (Ottawa West): We always start early, and we are always up early too.

I think honourable senators will be interested to know that since we returned on May 3 we have completed the consideration of ten Government bills and have given second reading to another one, namely, the Combines Investigation Act. We have also completed consideration of four private bills and have given second reading to six others. In addition we will have discharged orders in respect of two private members public bills, one on divorce and another on redistribution.

We have also dealt with two motions, one on the joint committee on employer-employee relations in the Public Service, and the other debating the report of the Standing Committee on Finance with respect to last year's Estimates.

The Throne Speech debate has been continued, and we have had a debate, rather short, but, so far as Senator Welch's contribution is concerned, very good, on the Commonwealth Parliamentary Association meeting in New Zealand. Also, we have adopted 130 divorce resolutions, and our committees, in addition to considering legislation, are

continuing work on the current year's Estimates and on the inquiry which the External Relations Committee is conducting in respect of Commonwealth relations.

In a general way, that is what we have accomplished since May 3. I think it is a fairly formidable record of achievement, one which I believe all honourable senators can look upon with some degree of satisfaction.

When we reassemble we will have the automotive agreement resolution to debate, notice of which I shall be giving later today.

There are three important bills before the Standing Committee on Banking and Commerce. The first is the bill to amend the Bankruptcy Act. The committee considered that bill this morning, with the Minister of Justice in attendance, and will resume when the Senate returns. In the meantime, important amendments have been proposed which will receive the consideration of the officials and, indeed, of the Government.

The Combines Investigation Act, with which we dealt a few days ago, is also to be further studied and will be dealt with upon our return. Consideration of this matter would have been completed by now but unfortunately, the director is absent from the country, and because of the nature of the debate that took place here, I felt it only fair to all honourable senators to have consideration of that bill in committee deferred until his return.

Coming specifically to Senator Brooks' question, I am informed there is a possibility that by the time we return there will be ready for consideration a bill setting up a fund for rural conomic development. This bill has been printed and I think circulated in the other place. In any event, before the Senate reassembles it will be available, and I hope that any honourable senator interested in speaking upon that bill will hold himself or herself in readiness.

Then there are bills altering the status of the Yukon and Northwest Territories. If in fact the Senate does not have to be recalled before May 24, we will certainly from that date until the end of the month be looking forward to consideration of an important interim supply bill. As supply has been voted only until May 31, we are likely to receive another interim supply bill before the end of the month.

Apart from this rather cold recitation of our achievements, and this rather obvious patting of ourselves upon our mutual backs, I must refer to the fact that we have heard particularly good speeches from some of the new senators. I single out in particular the two maiden speeches made yesterday. Of course they were not made by inexperienced parliamentarians, but so far as concerns the Senate they were maiden speeches. Every honourable senator will agree that they were a source of gratification. Of course we expect Senator Aseltine to speak as well as he did because he is an old hand, especially in the field of agriculture; but now we have three other experts who are experienced debaters in this field. I am including in that number Senator McDonald, who has participated in debates over a long time.

Hon. Mr. Hayden: He is seasoned.

Hon. Mr. Connolly (Ottawa West): Yes, he is seasoned. In addition, we have heard some rather bad puns.

I would be remiss in my duty if I did not express my gratitude to all honourable senators for the help and co-operation they have given, and the willingness they have shown to sit long hours in both the house and committees in order to accomplish this work.

If I single out the chairmen of the committees who have organized their sittings to meet the convenience of the Senate and its members, I am sure I shall be expressing our approval of their work. As the committees can sit only when they have a quorum, I wish to thank honourable senators who are members of those committees for their faithful attendance.

I repeat that I hope the new senators will continue to attend as many committee meetings as they can, whether or not they are members of the committee. There is no better training ground for the work of Parliament than the committees of the Senate.

FISHERIES DEVELOPMENT BILL

AUTHORITY TO PRINT COMMITTEE PROCEEDINGS

Hon. Salter A. Hayden, Chairman of the Standing Committee on Banking and Commerce, presented the following report of the committee on Bill C-145, to provide for the development of the commercial fisheries of Canada:

> Your committee recommends that authority be granted for the printing of 800 copies in English and 300 copies in French of its proceedings on the said bill.

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

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

Report adopted.

REPORT OF COMMITTEE

Hon. Mr. Hayden, Chairman of the Standing Committee on Banking and Commerce, reported that the committee had considered Bill C-145, to provide for the development of the commercial fisheries of Canada, and had reported that the bill be reported without amendment.

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

Hon. Donald Smith moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

FARM CREDIT ACT

BILL TO AMEND—REPORT OF COMMITTEE

Hon. Salter A. Hayden, Chairman of the Standing Committee on Banking and Commerce, reported that the committee had considered Bill C-171, to amend the Farm Credit Act, and had directed that the bill be reported without amendment.

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

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

Motion agreed to.

AERONAUTICS ACT

BILL TO AMEND—AUTHORITY TO PRINT COMMITTEE PROCEEDINGS

Hon. Hartland de M. Molson, Acting Chairman of the Standing Committee on Transport and Communications, presented the following report of the committee on Bill C-153, to amend the Aeronautics Act:

> Your committee recommends that authority be granted for the printing of 800 copies in English and 300 copies in French of its proceedings on the said bill.

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

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

Report adopted.

REPORT OF COMMITTEE

Hon. Mr. Molson, Acting Chairman of the Standing Committee on Transport and Communications, reported that the committee had considered Bill C-153, to amend the Aeronautics Act, and had directed that the bill be reported without amendment.

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

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

Motion agreed to.

PETITIONS FOR PRIVATE BILLS

EXTENSION OF TIME FOR FILING—REPORT OF COMMITTEE ADOPTED

Hon. Thomas Vien, Chairman of the Standing Committee on Standing Orders, presented the committee's second report:

> Your committee recommends that the time limited for filing petitions for private bills which expired on Tuesday, March 1st, 1966, be further extended to Friday, May 13th, 1966.

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

Hon. Mr. Vien: Honourable senators, with leave of the Senate, I move that this report be concurred in now.

Report adopted.

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY—DEBATE CONTINUED

The Senate resumed from Tuesday, May 3 consideration of His Excellency the Governor General's speech at the opening of the session, and the motion of Hon. Mr. McDonald, seconded by Hon. Mr. Gouin, for an address in reply thereto.

[*Translation*]

Hon. Cyrille Vaillancourt: Honourable senators, when I rise to speak in this house, I am moved, and deeply so, because I wonder whether I am always equal to the task.

As I usually do at the beginning of such a speech, I should like first to offer my best wishes to the Queen of Canada, that great lady who sets an example for all ladies and Canadian wives. I wish her long life and I say: God save the Queen.

The Speaker of the Senate being absent, I wish him a prompt return. I hope he will get satisfactory results and be back in good health. I have also noticed that he learned to speak French much more rapidly than I learned to speak English.

As for our leader, when I learned about his illness at the beginning of the session, knowing him as we all do, and having been favoured by his support and his valuable advice, I was distressed. I am very pleased to express the hope that he will continue to enjoy radiant health as seems to be the case today. He is supposed to leave this evening or tomorrow—

Hon. Mr. Connolly (Ottawa West): Tomorrow.

Hon. Mr. Vaillancourt: Tomorrow, then, to represent us in England, which means he must feel rather well.

Therefore, I wish him a complete recovery.

I am always happy to hear the Leader of the Opposition express his criticisms which are never destructive but positive and always made with calm and courtesy. A courteous man is a great man.

Hon. Mr. Connolly (Ottawa West): Hear, hear.

Hon. Mr. Vaillancourt: As far as the new senators appointed at the beginning of the session are concerned, I hope they will contribute to our work and help us for the greater good of the country. They must have noticed since they came to this house that productive and constructive work is done here and that what I would call small politics does not prevail.

As for the mover of the Address in reply to the Speech from the Throne, he spoke like an old hand.

Hon. Mr. Connolly (Ottawa West): Hear, hear.

Hon. Mr. Vaillancourt: An old hand, a man of great experience and I am happy to say that he is a very valuable addition to the senate.

As for the seconder, he is known as an old campaigner, a teacher, a man who has an extraordinary reputation, just like his father who left a fine name in the province of Quebec; the son takes after the father and that is very fortunate.

Before dealing with the two main points of my speech, I would like to repeat what the Prime Minister of Canada, Mr. Pearson, said to the young yesterday. All problems cannot be solved right away. One has to think before passing to action. But I dare say that too many people think only after.

In the world today, after some twenty years of alleged peace, people are troubled more than ever before. Nobody is happy. Nobody is satisfied, because it would seem that only those who destroy, those who criticize, are right and that governments are always wrong. I wonder how a government could stand it, especially in our democratic world, if it did not have in its mind, to try to do its best for the good of the people.

I sometimes wonder—as a good farmer was saying some months ago—if democracy has not become a *demoncracy*. Nobody is satisfied. The way things are being discussed is frightening. Demands are being made all the time; demands are made against someone but very seldom are things being done *with someone*. Anarchy is rampant in the world and I am concerned for the future.

Then, laws are not being heeded; they are violated; strikes are called regardless of court injunctions or anything else. Unfortunately, at home, teachers are setting an example in that regard.

Let us have discussions in good faith, as discussions are when co-operation is involved. Everyone does not have the same opinion, no one has the monopoly of wisdom. But, dialogue entails an effort at mutual understanding, and when the majority has taken a decision, everybody follows suit not for the good of one man or one organization but for the common good. All my life, I have preached co-operation and it seems to me that it would be the salvation of the world if we realized what is co-operation: to co-operate is to act with someone and not against someone. That is what makes the whole difference between sound philosophy and anarchy.

Some contend that the Speech from the Throne contains nothing new. However, there were many projects in the throne speech last year but elections prevented the enactment of several bills. Since this government is sincere, it insisted on bringing back many bills which will be passed this year.

I should like to say to my honourable friend from Newfoundland, Senator Hollett, not to consider the Quebec Saint-Jean Baptiste Society as a religious group. Sometimes, among ourselves, we call members of that group protestants because some of them spend their time protesting So we say they have become protestants.

I would also tell our colleague from Manitoba, Senator Pearson, not to make a tragedy out of the discussions concerning the purchase of foreign aircraft; the wheat sale has nothing to do with that. The quality of aircraft cannot be dependent on the wheat trade. A few weeks ago, England went through a near-crisis because of a decision to buy American aircraft, and the British government is now negotiating the purchase of French Falcons.

All claims are not bad. Great capitalist organizations make more business than ever, with ever-increasing profits. Workers, in turn, seeing these things, also want to share in the profits. Sometimes, each side is overdoing it. That is why an honest dialogue should take place. When the organization involved is a public one, I say that, at the risk of being bitterly criticized by certain bodies, mandatory arbitration should apply, if an agreement cannot be reached. The nation must be placed above individual claims.

Previous speakers praised their area and their province. They told us of the interesting events taking place in their district. I have learned many things from the side-lines of history and all those things make up the history of the country. I am glad of it. But today, I shall not talk about my province, but deal instead with two points. You will say that I am very daring.

A few months ago, I was reading a report from the head of the Federal Bureau of Investigation, Edgar Hoover, which said:

> The main problem in America is not Communism but the breakdown of morality among our young people. If we do not manage to stop this degradation, America is lost.

In his article, Mr. Hoover states that, according to an official census, there were over 80,000 illegitimate children and over 100,000 abortions in secondary co-educational American schools in 1961.

Two international conventions were held last summer: one in Stockholm, which dealt mainly with crimes committed by young people; the second in Montreal, on crime in general. I followed both conventions carefully, and I am still reading the Stockholm report which says that a scientific way to rehabilitate young criminals has not yet been found, nor a way to reach the desired objective by proper scientific means.

The Montreal convention dealt not only with the rehabilitation of young criminals, but of all criminals. A joint committee of the Senate and the House of Commons was established several weeks ago to study this problem. To my knowledge, none of the reports presented at these conventions studied the reason for this increase in crime. It seems to me that it would have been more sensible to educate before re-educating. If we stop to think, we find that mostly the young are enticed into delinquency because they are shown how to live in the midst of physical and material pleasures without having to work. Look at the TV set which you all have: the films that show how to live on fraud, how to live at the expense of others without working; how to live an extravagant and disorderly life, without any morals, how to rape, how to set up housekeeping three or five together, how to disrupt a family; finally how to do everything without ever doing anything good.

On the radio, as on television and in the newspapers, the limelight is given to sensational, extravagant events, which are of no value. A gangster will make the headlines in all the newspapers while the discoverer of an outstanding vaccine will only get a few lines. It seems people forget that pictures strike the fancy of the young; pictures of those scandals are splashed on the front page. The young are dazzled by those nefarious pictures.

I have personally witnessed a striking example of what the pictures shown on television can do. For many years, I was a school trustee in my town. I have always liked to take care of the young. Quite frequently, during recess, I would go and see the pupils, talk with them, find out if they liked their studies, if they had suggestions to make, and so on. I came one day upon a group of five or six pupils having a rather animated discussion. Coming close to them, I asked them

what they were discussing. It was very simple. The day before, a detective film had been shown on television and, at the end of the film, after many mishaps, the thief who knew many tricks of the trade, had finally been caught. One of the pupils said: "If the thief had not made such a blunder, he would not have been caught." After having educated our children in that way, having distorted their mentality, how will we be able to re-educate them to-morrow with scientific methods? In my opinion, it would be much more logical not to corrupt them than to try to rehabilitate them. Blatant publicity emphasizes wrongdoings. A gangster will take the limelight in the press, on radio and on television. A few weeks ago, the C.B.C. spent thousands of dollars to interview a girl of rather dubious morals. But when our Queen went to the West Indies to visit Commonwealth member countries, the C.B.C. did not spend a cent to cover the Queen's visit.

To fight juvenile delinquency, spare time activities are organized in many areas. That is fine. The main objective is to entertain our youth, but I doubt whether the results are those looked for. Youth need to do more than play because deep down they are not bad; what they lack is healthy leadership, an ideal. When one is young, one is full of generosity; let us give our youth what they need, let us have faith in them and let us be convinced that they can do other things than mischief. They can love beauty, goodness.

In my opinion, the best argument against the death penalty is that we are responsible for the education of criminals. We put up with an unhealthy education which is spreading—not only in our own country—but throughout the world and which breeds delinquents. And in spite of that people say that the death penalty must be maintained. We are the first ones to blame.

But what is the use of saying all those things? Will some authority see to it to prevent this unwholesome education from being given on television, on the radio and in the papers? Indeed not, nobody will dare, alleging the famous argument of freedom as a pretext. It seems that freedom of the wrongdoers should be protected but nobody is concerned with the freedom of those who would do good. One of these days what happened two thousand years ago before Christ came on this earth will happen again. At that time the Romans dominated all the known countries which were reduced to slavery and paid tribute to the Roman people. The Romans said: What is the use of working, the people under our domination are bringing us everything we need without our having to do any effort, let us be merry. They lived extravagantly for pleasure and enjoyment but the pleasures of the flesh do not last long, they make man sad. The family did not exist any more, free love was accepted. One day, seeing what was going on, the leaders of the Romans became frightened and said to themselves that if they did not change their way of living, in a few years' time there would not be any young people to take over from the generation of the day and they would disappear. They felt then that the granting of family allowances might be the way to reorganize the family. That shows that family allowances are nothing new; that system was invented two thousand years ago. Roman families which had one child were very few; they received such an allowance. Families with two children were fewer still and their allowance was not doubled but increased fivefold. However, it was too late already and the peoples called the Barbarians, the Visigoths and the Ostrogoths, took over the Roman empire which disappeared forever.

Today underdeveloped peoples, especially Asians, such as the Chinese, are not afraid of making sacrifices and some day soon I cannot say when, they will take over and lord it over us.

About hunger in the world, we have been reading for some time various reports, according to which in a few years food production will not be sufficient to feed all the people on earth. Recently a French agronomist and economist gave a lecture at the Université Laval in Quebec city and at the University de Montréal. He said that in year 2000 people would be starving to death and that the remedy was family planning, with families of one or two children. I have just referred to what happened to the Romans two thousand years ago. The same thing could happen here if birth control were to be adopted. Instead of birth control, if a positive rather than a negative policy were adopted, the results would be quite different. It would be more sensible to increase production rather than to restrain consumption.

In 1900, that is about 66 years ago, 75 per cent of the population in Canada was living out in the country, and 60 to 70 per cent cultivated the soil and made the land productive. Today, the reverse is true. Hardly

30 per cent of the population lives out in the country and of these 30 per cent, 10 to 15 per cent only cultivate the soil and are concerned with making the land productive. Yet, much more wheat, butter and cheese is being produced than formerly; the same thing is true of livestock for butchering; egg production has increased, and so on. What is the reason for this? Our population is better educated and has adopted more efficient and faster production methods. For instance, in the old days on the Western Prairies, plowing was done with a double plow harnessed to two or three horses while today, plowing is being done with tractors eight and ten furrows at a time. More work is being done in one day than could be done in ten or fifteen days some years ago.

In the eastern provinces, soil is being fertilized much more efficiently and this has brought a four- and five-fold increase in crops So, today, Canada sells wheat to all countries of the world and large quantities of meat to the United States, and so on. Why not educate underdeveloped nations? Take Israel, a country organized barely twenty years ago. A friend of mine, recently returned from that country, was telling me that he had never seen such a marvelous thing. Entering Israel from Jordan, he realized that Jordan was a desert where nothing grew. It is an arid land, burnt by the sun. Once in Israel, he found out that what used to be a desert had been transformed into a productive land, covered with splendid forests and lush vegetation. Everybody is working and trying to produce and that country which was worthless for cultivation, now sells fruit to all countries of the world. Another example is Russia. The Ukraine was formerly the breadbasket of Russia and could, at the time of the Czars, not only feed all the Russians but export wheat throughout the world. Nowadays, Russia has to import wheat to feed its people.

In December 1949 Chiang Kai-shek, with 500,000 survivors of his defeated army, and a little more than a million refugees, set foot on the island of Taiwan. Today, with a population of 12,500,000, those nationalist Chinese have the second highest standard of living in the Far East, second only to that of the Japanese. At one time this island could only survive by depending heavily on imports; today it exports, and its commercial exports in 1964 exceeded $52,700,000. Taiwan became what it is thanks to the assistance of the United States; that assistance is ever decreasing and I wonder whether it is still needed. Starvation gave way to abundance. How can one explain such a success? By the fact that the Taiwan government made good use of the financial assistance it received from the United States and also by the fact that Taiwan Chinese people are hard workers. According to an American official, the cause of that success is that, instead of first asking for steelworks and an airport for jets, like many under developed countries, Taiwan asked the United States to implement a program aimed at the very roots of the farm question. This goes to say that where there is a will there is a way, but the will has to be there first.

A few weeks ago, I read a very interesting article in *Science et Vie* of December 1965, entitled "How to feed six billion people". Six billion people will be the earth's population around the year 2000. Now, with 3 billion at the present time, it is estimated that 10 to 15 per cent of the human race do not get the necessary amount of calories for the work expected from them. Furthermore, 35 to 40 per cent are perhaps underfed. There were times of starvation, for instance between 1920 and 1925 in Russia. In recent years, China, India, Egypt and Cuba had to import millions of bushels of wheat from Canada, the United States and France. Now, we see countries with an abundant production, with a rapidly increasing demography, which cannot manage to feed their people. It is not an opposition between a country with rich lands and one with a poor soil, but rather an opposition between unevenly developed populations and with farming is developed to different levels. It seems to me that the future of humanity lies in the development of agriculture. The countries that need food do not always have infertile land. The Nile delta, the Ganges delta, the Mekong, the Red river and the Yangtze river irrigate lands almost as fertile as those of the Ukraine. Fertilizers, phosphates, potassium and nitrogen would make this soil more fertile.

Is another example necessary? The Danish farmer is said to be the only European farmer with an average salary higher than that of city dwellers. Denmark exports products even to France and to the Common Market countries in spite of customs duties. The Danish farmer is the most highly educated farmer in Europe, followed by the English farmer and the Dutch farmer. The Dutch farmer has one of the highest standards of living in the world, yet Denmark and Holland both have very poor soil, but it has been transformed by scientific agricultural methods. Moreover,

agricultural experts tell us that if all the land in the world were cultivated like that of Belgium, it could feed not six but twelve billion men in the year 2000.

Many countries have made spectacular progress in the conquest of space; even China has joined the nuclear armaments race, but neither China nor Russia can adequately feed their population, although close to 50 per cent of their people are farmers. Chemical fertilizers alone, of course, cannot make the land productive. It is true they are a great help; but the land must also be studied to determine which part of it is suited to a particular crop, whether a certain region is better suited to cattle or to the dairy industry, whether nitrogenous fertilizers will make a particular soil more productive, and so on. The main thing is to put back into the earth what crops take out of it. I think every effort should be made in that direction, so as to help these underdeveloped countries to produce their own food and, at the same time, teach them how to cultivate the land.

In principle, each country should feed off the products of its own soil. Will we ever achieve a world body with the object of feeding humanity? It is a pipe dream, an impossible flight of fancy but, nevertheless, I hold to this wish, to this dream.

Were it to come true, such a dream might also have other results. Better educated, enjoying a higher living standard, people would be less inclined to mutual destruction, to mutual hatred, for it often happens that people living in hardship, are envious of others with a higher standard of living and envy is always a bad counsellor. Carrying out this positive policy, we could succeed in feeding every nation on earth and thus spread upon the earth a spirit of co-operation, of *bonne entente* and of charity. Then, the world of tomorrow would be an improvement on the world of today because there would no longer be mutual suspicion, it would not occur to anyone to seek at the neighbour's what is available at home; each would have the fulfilment of his own livelihood; each would be happy to live in peace.

I am dreaming of this with my eyes open, as something feasible if, in all parts of the world, instead of the negative education that is being dispensed today, a positive education was given, based on love, charity and mutual help.

[*Text*]

(For report of speech delivered this day by Honourable Senator Sarto Fournier, see pp. 541-7.)

On motion of Hon. Mr. Beaubien (Provencher) debate adjourned.

PRIVATE BILL

ANNIVERSARY LIFE INSURANCE COMPANY—THIRD READING

Hon. David Walker moved the third reading of Bill S-28, to incorporate Anniversary (York) Life Insurance Company.

Motion agreed to and bill read third time and passed.

AGRICULTURAL AND RURAL DEVELOPMENT ACT

THIRD READING

Hon. A. Hamilton McDonald moved the third reading of Bill C-152, to amend the Agricultural Rehabilitation and Development Act.

Motion agreed to and bill read third time and passed.

CANADA-UNITED KINGDOM INCOME TAX AGREEMENT BILL, 1966

THIRD READING

Hon. John J. Connolly, for Hon. Mr. Hayden, moved the third reading of Bill C-154, to implement an Agreement between Canada and the United Kingdom for the avoidance of double taxation with respect to taxes on certain classes of income and to implement a Supplementary Income Tax Agreement between Canada and Sweden.

Motion agreed to and bill read the third time and passed.

BRETTON WOODS AGREEMENTS ACT

BILL TO AMEND—SECOND READING

The Senate resumed from Tuesday, May 10, the adjourned debate on the motion of Hon. Mr. Leonard for the second reading of Bill C-144, to amend the Bretton Woods Agreements Act.

Hon. A. J. Brooks: Honourable senators, before beginning my remarks on the bill, I feel I should mention something that is of interest to us all.

The honourable Leader of the Government (Hon. Mr. Connolly, Ottawa West), is leaving tomorrow to attend a Commonwealth conference overseas. We all wish him bon voyage, and trust that he will have a profitable and pleasant trip. I do not think it will be out of place if I warn him to take better care of himself than he did the last time he was out of the country.

Hon. Mr. Connolly (Ottawa West): Thank you.

Hon. Mr. Brooks: Honourable senators, although the subject of this bill is interesting I have found it a very difficult one on which to prepare a speech. I had hoped that someone who was better versed in international finance and international trade would have accepted this responsibility.

The bill has been before the other place, and I followed it through the resolution, first reading, second reading and committee stages. There seemed to be very little difference of opinion among the members of the other place as to its merits.

I do wish to congratulate the honourable sponsor of the bill (Hon. Mr. Leonard) on the manner in which he introduced it in this chamber. We are never surprised when he makes an enlightening presentation. The only disappointment I had was in not hearing more about the bill. I liked the honourable sponsor's remarks so much that I could have listened to him at much greater length.

Hon. Mr. Leonard: It was pretty late in the day.

Hon. Mr. Brooks: Senator Leonard divided his presentation of this bill into three parts. He dealt first with the second clause which has to do with the report of the Minister of Finance, and said that the purpose of that clause was to provide for the submission of an annual report on a calendar-year basis rather than on the basis of the fiscal year, and he gave very good reasons for this. There seemed to be little difference of opinion as to clause 1, and I have no particular objection to it.

This bill is brief and for that reason does not look impressive, but if one analyzes the contents it assumes great proportions.

Hon. Mr. Connolly (Ottawa West): Financially.

Hon. Mr. Brooks: Financially, and generally as far as international affairs are concerned. It affects the lives of many millions of people and the governments of many countries.

The sponsor of the bill spoke of the Bretton Woods Agreement Act being the result of the devastation of countries in two world wars, the terrible depression of the thirties, and the disruption of trade caused thereby. It was determined by a group of nations in 1944 that something must be done to build up the economy of the nations which had been affected. World financial security needed attention. The factors which the honourable sponsor mentioned formed the background of the necessity of this legislation and the Bretton Woods Agreement.

The sponsor divided his remarks regarding the International Monetary Fund and the International Bank for Reconstruction and Development into two categories. He mentioned the fact that the International Monetary Fund had to do particularly with solving the problem of international finance, international trade, balance of payments, maintaining the stability of exchange, and other matters. I do not intend to deal with those.

He also pointed out the purpose of establishing the International Bank, which was drawn up at the United Nations Monetary and Financial Conference, was the same as that of the International Monetary Fund which was established in 1944 at Bretton Woods.

The sponsor pointed out further that the purposes of the International Bank are, first, to assist in the reconstruction and development of member countries by facilitating the investment of capital for productive purposes, thereby promoting higher living standards and the balanced growth of international trade. Secondly, the encouragement of private foreign investment. Thirdly, to make loans to further the above-mentioned purposes when private capital is not available on reasonable terms. This embraces many undertakings, and many nations have been and are being assisted by the International Bank.

The functions of the two organizations are quite different, but they are both essential for the prosperity of the western world.

Since the signing of the Bretton Woods Agreements in 1944 these matters have been discussed in many lands and in many tongues. When I was in attendance at the United Nations a few years ago I heard discussions on the Bretton Woods Agreements. One hears the agreements discussed at international parliamentary associations, at

the Commonwealth associations, and at other important meetings in various countries.

Since 1944, Canada has played an important part in the Bretton Woods Agreements. We have played a proud and, I think, a generous part so far as many of the smaller nations and some larger nations are concerned.

It must be remembered that when we assist other nations we also assist ourselves. Canada is a great trading nation. We look forward to increasing our trade with other parts of the world and we realize that this can only be done if other nations are placed in a position to buy and purchase our goods.

In 1958 Canada took advantage of the opportunity to borrow $275 million from the fund. Great Britain borrowed some $2 billion and other countries also borrowed considerable amounts at that time.

In 1959 the original quota under the act had to be increased, which was quite natural, because the situation in the world had greatly changed and more balance was needed in financial matters. The 1944 quotas were not nearly sufficient for what was needed in 1959. In 1959 the quota was not adequate, and is not adequate for what we need today.

The honourable Senator Leonard told us yesterday about the exchange prices which arose in 1962. At that time the situation was so serious that it was decided to organize a group of ten countries as a sort of consultative group to see what might be done in a satisfactory way to assist monetary exchange and meet the difficulties we were experiencing at that time. Canada was a member of the group of ten. I understand the finance minister of each country was made a governor, and the deputies were officials of this group. In 1963 the finance ministers instructed their ten deputies to make an investigation and review of the functions of the International Monetary Fund and the need for liquidity in 1964.

It was agreed that quotas must be increased. Meetings were held and important recommendations made. I understand there was little disagreement among the nations as to what should and must be done. The main problem at the time was not the increase of subscriptions and quotas, because all were agreeable and willing that this should be done. However, out of the deliberations there evolved what has apparently become a serious problem, and they concluded that some improvement was needed in the reserve system. When I said I would have liked to hear a few more remarks from the honourable sponsor, I meant that I would have liked him to deal with some of the difficulties which the reserve system is encountering.

So that honourable members might understand better what we mean by this, I would like to quote from report No. 5 of the proceedings of the Finance, Trade and Economic Affairs Committee of the House of Commons. They were discussing Bill C-144, and I must say that the meetings of that committee were taken up practically in full by a discussion of this problem of reserve.

Mr. Hockin, who is vice-president and a very distinguished and well-informed member of the group of ten—I suppose one of the best informed men in this connection to be found anywhere—first mentioned in his evidence the countries which belonged to the group of ten. I would like to read the names of those countries: Belgium, Canada, France, The Federal Republic of Germany, Italy, Japan, The Netherlands, Sweden, The United Kingdom and the United States augmented by Switzerland which is not a member of the Fund. Switzerland, though it is not a member of the fund, has given considerable help in connection with the activities of the fund.

I read from the report:

> These Governors instructed their Deputies to examine and report in the Spring of 1966 on "What basis of agreement can be reached on improvements needed in the international monetary system; including arrangements for the future creation of reserve assets, as and when needed".

Those were the instructions that were given to this committee. It mentions the "future creation of reserve assets," and I am sure we will hear more of this later. Continuing:

> The problem now before the Group of Ten Deputies arises from recognition of two facts: first, the growth in the stock of monetary gold has not been and is not expected to be adequate to meet the needs of the international monetary system for reserves—

One reason might be that which was given by Senator Sarto Fournier this afternoon, when he said that we were not paying enough for gold and that the gold mines are going out of operation.

Hon. Mr. Connolly (Ottawa West): I think Mr. Hockin said that too in the same place.

Hon. Mr. Brooks: Yes.

The report continues:

> —secondly, although the official needs for reserves beyond those served by gold have been met in the main by increases in official holdings of reserve currencies, especially U.S. dollars, it now seems unlikely that, for a variety of reasons, appreciable further increases in reserves will occur in this way.
>
> Accordingly, an attempt is being made to provide, as need arises, a supplementary reserve asset, that is to say, an asset that supplements both the U.S. dollar and gold in official reserves and in transactions among monetary authorities.

So, as I said a moment ago, I think that the question of reserves is very important. It has been suggested that the new reserve, the new quota of gold and currency, would be of the subscribing countries instead of the United States.

The United States has advised that it is no longer able to finance this reserve as it has done in the past, and I understand that the reserve at present is made up of about one-third gold and two-thirds currency, most of which is American currency.

I read further from the report:

> You know that up to now the reserves, currency reserves, official reserves of countries in the world, at least in the western world, have been made up mainly out of gold and dollars. Now, these two traditional sources of reserves may in the future dry up. This is particularly true of the dollar element in the international reserves as and when the American balance of payments really swings back into equilibrium, because then the provision of reserves for the rest of the world through the United States balance of payments will come entirely to an end.

In that case, gold reserves are not enough. At present it makes up about one-third, and we may suddenly be in the position of insufficiency of reserves. It is not necessary to point out that that would be very detrimental to the economy of the whole world.

Our problem, then, is the urgency to find the right kind of reserves for the I.M.F. I know that this is being worked on at the present time. At present in the United States the balance of payments are considerably out of equilibrium, and possibly we cannot depend much longer on these balance of payments.

Honourable senators, I feel it would be presumptuous on my part even to try to comment further, particularly on this matter of reserves. Moreover, it is really not part of the bill except in an indirect way.

The bill contains two clauses. As to clause 1, there is no controversy over the need for the quotas and contributions, nor is there any objection to clause 2, a very minor clause.

I would suggest, however, that it might be interesting to honourable senators to have some idea as to this provision. In that respect I believe you will find page 227 of the Report of the Finance, Trade and Economic Affairs Committee very interesting reading.

Hon. Mr. Connolly (Ottawa West): It is a house committee.

Hon. Mr. Brooks: It is a house committee, yes, and it did an excellent job. Some very outstanding men appeared before it.

The first country as to quota—and this is after the 25 per cent increase over 1965—is the United States, whose quota is $5,106 million. In second place is the United Kingdom, with a quota of $2,440 million; and the third is the Federal Republic of Germany, with $1,200 million. It is remarkable that a country such as Germany, which 25 years ago was practically down and out, should now be the third leading country of the world in trade and finance.

France is the fourth country, with $985 million; India is fifth, with $750 million. This is rather a pleasant surprise. Canada is in sixth place, with $740 million. It is to her great credit that in a list of over 100 nations of the world she stands just sixth from the top, and of this I think we should be very proud.

Japan is No. 7. We might make the same comment on Japan as we did on Germany: here was a devastated country, practically down and out just 25 years ago. Yet today she is the seventh nation in the world as far as trade is concerned, and her quota is $725 million.

China is in eight position—I think that means Formosa.

Hon. Mr. Connolly (Ottawa West): Yes.

Hon. Mr. Brooks: The ninth is Belgium, a very small but still a very progressive country with a quota of $422 million.

Hon. Mr. Paterson: I think Italy comes in there.

Hon. Mr. Brooks: Yes, Italy has $625 million, and comes tenth. It is the last of the ten as far as the record is concerned.

Honourable senators, as I said, I am not going to take any more of your time. I believe there is absolute agreement as to the necessity of this bill, and the quotas and subscriptions it provides. As the honourable sponsor suggested yesterday, it is the intention to have this bill referred to a committee. It is well that it should go to committee, and I would like to see some of these men who gave evidence before the Finance, Trade and Economic Affairs Committee of the Commons appear before our committee. Probably Mr. Hockin, Mr. Hudon and Mr. Lawson would be available. There was also a Mr. Emminger, from Germany who appeared before that committee. Mr. King from the United States gave evidence, and he might appear before us. All these men gave evidence before the Commons committee, particularly on reserves.

Honourable senators, I thank you for your attention. As I say, this subject is a little out of my line, but I have found it very interesting indeed.

Hon. T. D'Arcy Leonard: Honourable senators—

The Hon. the Acting Speaker: I must inform honourable senators that if the honourable Senator Leonard speaks now it will have the effect of closing the debate.

Hon. Mr. Leonard: Honourable senators, I will first take a moment to thank Senator Brooks for his contribution and presentation which was, as always, interesting and useful.

I quite agree with him that the creation of a new reserve unit or reserve asset is an extremely important question and one that is demanding the attention of the major countries concerned with international exchange. However, this has been a matter of discussion and study for a great many years.

As far back as 1944, when they were forming the fund in the first instance, Keynes had a recommendation for a reserve unit which he termed a "bancor." In the intervening years many other proposals have been made. Currently the unit they have been discussing mostly has been a unit called the "cru"; and, as one can see from the letters, it does refer to a reserve unit. There are various schools of thought.

There is general agreement on the desirability of adding another reserve asset to gold and United States dollars, which are the two main currencies used at the present time as reserve units, and all schools of thought are in agreement with respect to the desirability of a new unit. Canada supports that proposition, but the variation of opinion is as to what backing and what kind of unit we should have. There are some, of course, who still feel that to have the confidence of the nations of the world it would still have to be backed strongly by gold. There are others who believe a more flexible type of unit can be evolved.

These discussions are still going on and are making progress. No doubt, in due course there will be some agreement reached as between the various schools of thought as to what is the best form of new reserve unit. In the meantime the strengthening of the fund by these additions to the quotas temporarily helps to meet the demands that may be made in the next few years before a new reserve unit is established.

Having said that, I should explain that I left out any mention of it in my remarks on second reading partly because my knowledge is limited on the subject, and it is a technical subject on which we should really hear from experts, and partly because it is not strictly relevant to the bill, as the bill deals only with the increase in quotas. Perhaps, in due course, we will have some legislation on a new reserve unit.

As the honourable Senator Brooks said, it is the intention to refer this bill to the Standing Committee on Banking and Commerce. I believe that committee is scheduled to meet at 9.30 tomorrow morning, and we will have there the appropriate officials who will add to any information that has come out in the Senate chamber and answer any further questions.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Leonard, bill referred to the Standing Committee on Banking and Commerce.

PRIVATE BILLS

CANADIAN PACIFIC RAILWAY COMPANY (SASKATCHEWAN)—SECOND READING

Hon. A. Hamilton McDonald moved the second reading of Bill S-32, respecting Canadian Pacific Railway Company.

He said: Honourable senators, the purpose of this bill is to grant authority to the Canadian Pacific Railway Company to build a branch line of railway a distance of approximately 11.0 miles from a point near Fox

Valley, Saskatchewan, in a southeasterly direction to a property in section 25, township 16, range 25 west of the third meridian in the province of Saskatchewan.

Fox Valley is located on Canadian Pacific's Burstall subdivision about 70 miles west of Swift Current, Saskatchewan. The branch line will be built in a generally southeasterly direction to a property owned by the Saskatchewan Minerals Corporation in the vicinity of Ingebright Lake where a plant is in the course of erection to produce sodium sulphate.

I am sure all honourable senators are aware that a railway company must come to Parliament for authority to construct a branch line which is more than six miles in length.

Saskatchewan Minerals Corporation own a deposit of sodium sulphate, estimated at 9 million tons, at Ingebright Lake. It is understood that the plant, which is to be constructed during the mid-summer of 1966, will commence operation in the late fall of this year. During the first two years, annual production is expected to amount to a minimum of 55,000 tons, and during the next five years a minimum of 75,000 tons. After that time, production will depend upon demand, and there is every indication that the demand will continue to grow.

I do not know whether all honourable senators are aware of the fact that the sodium sulphate division of Saskatchewan Minerals now operates a sodium sulphate plant at Chaplin, Saskatchewan, and last year showed an operating profit of over $1 million.

The Government of Saskatchewan has decided not only to construct a new crown corporation sulphate plant, but has extended the privilege to two private companies to develop two other sodium sulphate plants in the province. One property is at Alsask and the second, known as the Tombill property is located at Snakehole Lake just north of the town of Tompkins. There will be three new plants going into production some time this summer.

Sodium sulphate is used primarily in kraft paper manufacture, although it is extensively used in the manufacture of glass and glass wool, pharmaceuticals and soaps, synthetic detergents, stock feeds, textiles and ceramics. The bulk of the production from the Ingebright Lake plant will require long-distance transportation to the pulp mills of British Columbia and eastern Canada. Of course, the most economical method of moving a commodity such as sodium sulphate is by rail. This is the reason why the Government of the Province of Saskatchewan has asked the Canadian Pacific Railway Company to construct this line into Ingebright Lake.

The plant will be located about one-quarter of a mile from Ingebright Lake. The proposed branch line will connect with the present Canadian Pacific trackage at Fox Valley, where an agent is located and where there are facilities available for handling traffic originating or terminating at the new plant. The present freight service to Fox Valley consists of a mixed train on Tuesdays and Thursdays of each week. Traffic from the plant will be handled from Fox Valley to Leader, and then east to Swift Current, or west to Bassano for main line movement to either eastern or western Canada.

The entire route of the proposed line is through prairie land which is privately owned. The first nine miles, approximately, after leaving Fox Valley is through land used for grain crops, while the remainder is through grazing land. There are no streams or rivers to be crossed, although there is a line of sloughs. It is not expected that the construction of the line will create any serious difficulty. The route has been selected as the one most feasible from the standpoint of best serving the needs of the industry, as well as economical railway construction and operation.

Honourable senators, this is an important economic project for both Saskatchewan and Canada as a whole, and the construction of this line is in the best interests of the province and the country.

If the house sees fit to give this bill second reading I intend to move that it be referred to the Standing Committee on Transport and Communications.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. McDonald, bill referred to the Standing Committee on Transport and Communications.

CANADIAN PACIFIC RAILWAY COMPANY (ALBERTA)—SECOND READING

Hon. J. Harper Prowse moved the second reading of Bill S-34, respecting Canadian Pacific Railway Company.

He said: Honourable senators, as this is the first time I have had an opportunity of

speaking in this chamber, may I express my appreciation to you all for the kindnesses that have been shown me in different ways since my appointment. It is too early, perhaps, tc make promises, but I should like to assure the members of the press, who were so distressed at the action of the Government in making this appointment, that if in ten years' time they can say the same things they thought they were saying at the time of my appointment then I shall consider whether I should continue to occupy my seat.

The purpose of this bill is much the same as that introduced by Senator McDonald, except that this branch line is in the Province of Alberta. The bill asks for authority to construct a branch line from a point near Didsbury, which is approximately 50 miles north of Calgary in the Province of Alberta, to a point 16½ miles west where Canadian Superior Oil Limited has established what is known as a scrubbing plant, through which natural gas is cycled before it is put into the pipe line. This scrubbing operation takes out what are called impurities, but which contain very valuable chemicals.

At the present time Canadian Superior Oil Limited is processing some 240 million cubic feet of gas a day, from which they extract propane, I-butane, and N-butane. I think the propane is used entirely for heating, while the I-butane and N-butane are constituents of the liquefied petroleum gas, or L.P.G., which is used to run various gas plants for individuals. The butanes are used to some extent for this, but they are much more valuable as a basic chemical in the petro-chemical industry.

At the present time these two commodities are run by pipe line from the extraction plant to the siding at Didsbury, where they are loaded into tank cars.

The gas comes from the Harmattan-Elkton and Harmattan-East fields, one of which produces a very sour gas, containing a high percentage of hydrogen sulphide. There is under construction a plant, expected to be in operation by July 1st of this year, which will process that gas, and produce from it elemental sulphur in quantities amounting to 817 long tons per day, or 283,000 long tons per year, for a period of 25 years—and 283,000 long tons is approximately 311,000 ordinary tons.

To give honourable senators some idea of the size of this production, I will say that it is greater than the total amount of sulphur used in Canada in 1962. It is only since 1961 that we have started to produce sulphur from the scrubbing of gas, and it is becoming an increasingly important commodity.

This sulphur will be taken by tankcars to the main line, from where it will go to various parts of Canada. Most of it will go to Vancouver where it will be used in the paper industry, which uses about half of the sulphur being used in Canada. The remainder will be used chiefly by the fertilizer industry, which is another big user of sulphur. It can, of course, be used in the manufacture of sulphuric acid and other chemicals. The value of this sulphur is approximately $10 a ton, according to the latest figures that are available to me. I have been checking on this commodity in the library in order to be able to answer any questions.

From what I have said, I think it is clear that sulphur is an important commodity, and this production will put Canada into a position of being a net exporter of sulphur rather than being a net importer, thus putting it in a better position in respect of world markets.

Another reason for the scrubbing process is that the gas cannot be put into the pipe line before the hydrogen sulphide is removed. Hydrogen sulphide will completely eat away the pipe itself in a very short time, and by removing these commodities the gas is made usable. Another advantage is found in the fact that the commodities which are removed from the gas will, in the life of the plant, produce some $75 million, as well as work for the people who operate it. From an economic point of view this is a desirable thing.

The route of the proposed line to Didsbury has been selected by the engineers because it seems the most feasible. Gradients along the route in both directions can be held to 1.5 per cent. On all the other alternative routes the engineers would have to have gradients up to 2 per cent, which I gather makes it very difficult for them. The route goes through country which is important and valuable farming land. It is all privately owned, and the company will have to make its own arrangements with the owners for its right-of-way.

In view of the great value of these commodities to Alberta and Canada, I feel that this line is required in the interests of the country as a whole.

If the house gives this bill second reading I intend to move that it be referred to the Standing Committee on Transport and Communications before which interested parties may make representations.

Hon. Donald Cameron: Honourable senators, I wish to compliment Senator Prowse on his presentation of this bill, and to say that I am in favour of it.

In recent weeks and months I have had visitations from the officers of the municipality of Mountain View in which this proposed line is to be built. They express a great deal of concern about the location of the line, but they are not opposed to the building of the plant. It is probably the first time in my experience that I have seen western farmers concerned about the use of land.

Senator Prowse pointed out that this proposed line would go through some of the finest farming land in Alberta. It is all privately owned, and the railway has obtained options on a number of farms. Other farmers are refusing to give options on their land, but of course their land can be expropriated.

The farmers of that area and the officers of the municipality are suggesting an alternative route, which they say is not much longer and would not go through such good farm land. They are most anxious to have the opportunity to make representations to our Committee on Transport and Communications. I only hope they will be given time to come here and make their representations.

Senator Prowse did not say that this Canadian Superior Oil plant was located 16.5 miles west of Didsbury and is literally on the edge of one of the greatest known sulphur deposits in the world. The long range planning of the company at some later date is to extend the line another 40 miles west to the Panther River area, where these huge sulphur deposits are situated.

Again, the farmers in the municipality have an alternative route to suggest. Whether their desire to conserve and preserve excellent farming land and not to have their farms cut up by a railway line, whether they can avoid the building of seven railway crossings which would affect their school lands, and whether they can avoid a situation in which the railway company will have the right to sell a lot of small parcels of land for smallholdings, I am not sure. I do not know if they can make their case stick. However, I think it is most important that they have the opportunity to present their case.

This is one of those instances where everybody agrees on the objectives. There is no doubt that it is a fine economic development, and one which I am sure will go through. I would like to see it go through with the least inconvenience possible to the people concerned who are farming in that area.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Prowse, bill referred to the Standing Committee on Transport and Communications.

DIVORCE

RESOLUTIONS ADOPTED

The Senate proceeded to consideration of Resolutions numbered 488 to 568 inclusive, which were presented on Monday, May 9.

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, moved the adoption of the following resolutions:

Resolution 488, for the relief of Marie Henriette Diane Lemay Payot.

Resolution 489, for the relief of Pierre Adolphe Lefebvre.

Resolution 490, for the relief of Karin Victoria Alward Jackson.

Resolution 491, for the relief of Rene Dandurand.

Resolution 492, for the relief of Bruce Allan Heggtveit.

Resolution 493, for the relief of Marie Azilda Pauline Lamy Boisvert.

Resolution 494, for the relief of Joseph Jean Lucien Sigouin.

Resolution 495, for the relief of Erwin Harris Goldberg.

Resolution 496, for the relief of Feodora Vardic Compain.

Resolution 497, for the relief of Alison Stella Creese Howling.

Resolution 498, for the relief of Joseph Andre Guy Claude Melancon.

Resolution 499, for the relief of Molli Beatrice Shapiro Kert.

Resolution 500, for the relief of Joan Ann Tierney Bisson.

Resolution 501, for the relief of Patricia Leger Fontaine.

Resolution 502, for the relief of Marie Paule Yvette Blouin Harvey.

Resolution 503, for the relief of Marie Cecile Florence Lacoste Wright.

Resolution 504, for the relief of Bertha Abish Michael Rosenfeld.

Resolution 505, for the relief of Lorenzo Fletcher.

Resolution 506, for the relief of Willie Bouchard.

Resolution 507, for the relief of Nona Miller Nadler.

Resolution 508, for the relief of Marjorie Alice Heath Boland.

Resolution 509, for the relief of Jean Mary White Gallant.

Resolution 510, for the relief of Grace McKenzie Morrison Brady.

Resolution 511, for the relief of Naoma Harriet Therese Ward Falardeau.

Resolution 512, for the relief of Therese Larose Groleau.

Resolution 513, for the relief of Andree (Comere) Camire Gratton.

Resolution 514, for the relief of Doreen Helen Hampshire Jones.

Resolution 515, for the relief of Marie Donate Rolande Denise Pellerin Marin.

Resolution 516, for the relief of Sandra Lynn Mary Aspell Ellison.

Resolution 517, for the relief of Sebastian Oriold.

Resolution 518, for the relief of Giovanna Bracchetti Retrosi.

Resolution 519, for the relief of Henry James Bilney.

Resolution 520, for the relief of Elynidd Foulkes Evans Wilton.

Resolution 521, for the relief of Nancy Victoria Rankin Stanger.

Resolution 522, for the relief of Lucie Fontaine Couturier.

Resolution 523, for the relief of Sheila Olive Beaton Wright.

Resolution 524, for the relief of Janet Carol Mitchell Leslie.

Resolution 525, for the relief of Mary Mable Spooner Bernard.

Resolution 526, for the relief of Joseph Diorio.

Resolution 527, for the relief of Wladyslaw (Walter) Gardzinski.

Resolution 528, for the relief of Hilda Roberta Thompson Wilson.

Resolution 529, for the relief of Shirlee Palefsky Gillman.

Resolution 530, for the relief of (Gyorgy) George Sarfi.

Resolution 531, for the relief of Mary Norma Bateman Weston Millington.

Resolution 532, for the relief of Joseph Onil Irenee Saint-Pierre.

Resolution 533, for the relief of Klara Weinstein Polikar.

Resolution 534, for the relief of Edith Kathleen Beard Morris.

Resolution 535, for the relief of Helen Mary Green Mercer.

Resolution 536, for the relief of Rosalie Goldstein Segal.

Resolution 537, for the relief of Charlotte Kehle Alfonso.

Resolution 538, for the relief of Kathleen Bourbonnais Gariepy.

Resolution 539, for the relief of Andre Ste. Marie.

Resolution 540, for the relief of Hermine Hedwig Watzinger Ranner Stocek.

Resolution 541, for the relief of Louise Marie Phelps Perkins.

Resolution 542, for the relief of Myra McCune Burns.

Resolution 543, for the relief of Marylyn Rosenfeld Solovitch, otherwise known as Marylyn Rosenfeld Soloway.

Resolution 544, for the relief of Marie Claire Gisele Lavallee Waterlot.

Resolution 545, for the relief of Cestmir Holoubek.

Resolution 546, for the relief of Anita Morelli Renaud.

Resolution 547, for the relief of Leo Skrzypinski.

Resolution 548, for the relief of Virna Rose Howe Pym-Hember.

Resolution 549, for the relief of Archibald Stuart de Wilden.

Resolution 550, for the relief of Marie Joseph Jean-Pierre Peron.

Resolution 551, for the relief of Anneliese Erika Irene Sack Bossi.

Resolution 552, for the relief of George Cleland Kilpatrick.

Resolution 553, for the relief of Marie Penelope Cumas Cowie.

Resolution 554, for the relief of Yvon Louis Georges Desloges.

Resolution 555, for the relief of Doris Margaret Everilda Thornton Ross.

Resolution 556, for the relief of John James Collins.

Resolution 557, for the relief of (Laszlo) Leslie Pentek.

Resolution 558, for the relief of Istvan Gyore.

Resolution 559, for the relief of Sara Rosenberg Michaelson.

Resolution 560, for the relief of August Karl Mettgen.

Resolution 561, for the relief of Claude Beland.

Resolution 562, for the relief of Emery Haineault.

Resolution 563, for the relief of Margaret Valerie Elizabeth Johnston Viau.

Resolution 564, for the relief of David Julius Koeppe.

Resolution 565, for the relief of Gillian Mary Lewell Smith.

Resolution 566, for the relief of Carolyn Forsythe Baird Ponder.

Resolution 567, for the relief of Francine Annette Chiasson Villeneuve.

Resolution 568, for the relief of Marie (Mary) Jane Chandler Schneider.

Hon. Mr. Roebuck: Honourable senators, in passing, may I comment upon the fact that the honourable Leader of the Government informed us yesterday that we had actually passed 130 resolutions since the house reassembled. We are now to consider 80 more. Yesterday the committee met and passed 91 further reports. This means that we shall have dealt with 300 cases since the Senate reassembled. I think that is pretty good going, and shows that we are right up to date. Everything that has been sent to us from the judges is now before the Senate.

I thought that information was worth bringing to your attention.

Hon. Mr. Connolly (Ottawa West): Hear, hear.

Resolutions adopted, on division.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, May 12, 1966

The Senate met at 3 p.m., Hon. Maurice Bourget, P.C., Acting Speaker, in the Chair.

Prayers.

ROYAL ASSENT

NOTICE

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

GOVERNMENT HOUSE

Ottawa
12th May, 1966

Sir,

I have the honour to inform you that the Hon. Robert Taschereau, P.C., Chief Justice of Canada, acting as Deputy to His Excellency the Governor General will proceed to the Senate Chamber today, the 12th May, at 5.45 p.m. for the purpose of giving Royal Assent to certain bills.

I have the honour to be,
Sir,
Your obedient servant,

A. G. Cherrier,
Assistant Secretary to
the Governor General

The Honourable
The Speaker of the Senate

CONSUMER CREDIT

JOINT COMMITTEE—CHANGE IN COMMONS MEMBERSHIP

The Hon. the Acting Speaker informed the Senate that a message had been received from the House of Commons to acquaint the Senate that the names of Messrs. Leblanc (Laurier) and Hees have been substituted for those of Messrs. Lachance and Vincent on the list of members appointed to serve on the Joint Committee on Consumer Credit.

DOCUMENTS TABLED

Hon. A. K. Hugessen tabled:

Copies of correspondence between the Prime Minister of Canada and the Premier of British Columbia and certain Members of Parliament concerning federal shipbuilding subsidies. (English text).

Report to Parliament of the Auditors on the Accounts of the Canadian National Railway System for year ended December 31, 1965, pursuant to section 40 of the Canadian National Railways Act, chapter 29, Statutes of Canada, 1955. (English and French texts).

BRETTON WOODS AGREEMENTS ACT

BILL TO AMEND—AUTHORITY TO PRINT COMMITTEE PROCEEDINGS

Hon. David A. Croll, Acting Chairman of the Standing Committee on Banking and Commerce, presented the following report of the committee on Bill C-144, to amend the Bretton Woods Agreements Act:

Your committee recommends that authority be granted for the printing of 800 copies in English and 300 copies in French of its proceedings on the said bill.

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

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

Report adopted.

REPORT OF COMMITTEE

Hon. Mr. Croll, Acting Chairman of the Standing Committee on Banking and Commerce, reported that the committee had considered Bill C-144, to amend the Bretton Woods Agreements Act, and had directed that the bill be reported without amendment.

THIRD READING

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

Hon. T. D'Arcy Leonard: Honourable senators, with leave of the Senate, I move that this bill be read the third time now.

Motion agreed to and bill read third time and passed.

NATIONAL RESEARCH COUNCIL BILL

AUTHORITY TO PRINT COMMITTEE PROCEEDINGS

Hon. T. D'Arcy Leonard, Chairman of the Standing Committee on Finance, presented

the following report of the committee on Bill C-150, to amend the Research Council Act:

> Your committee recommends that authority be granted for the printing of 800 copies in English and 300 copies in French of its proceedings on the said bill.

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

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

Report adopted.

SCIENCE COUNCIL OF CANADA BILL

AUTHORITY TO PRINT COMMITTEE PROCEEDINGS

Hon. T. D'Arcy Leonard, Chairman of the Standing Committee on Finance, presented the following report of the committee on Bill C-149, to provide for the establishment of a Science Council of Canada:

> Your committee recommends that authority be granted for the printing of 800 copies in English and 300 copies in French of its proceedings on the said bill.

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

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

Report adopted.

REPORT OF COMMITTEE

Hon. Mr. Leonard, Chairman of the Standing Committee on Finance, reported that the committee had considered Bill C-149, to provide for the establishment of a Science Council of Canada, and had directed that the bill be reported without amendment.

THIRD READING

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

Hon. Mr. Hugessen: Honourable senators, with leave of the Senate, I move that this bill be read the third time now.

Motion agreed to and bill read the third time and passed.

ADJOURNMENT

Hon. A. K. Hugessen: Honourable senators, I move, with leave of the Senate, that when the Senate adjourns today it do stand adjourned until Tuesday, May 24, at 8 p.m.

All honourable senators appreciate the progress the Senate has made in its despatch of legislation on the Order Paper. Also, the honourable Leader of the Government (Hon. Mr. Connolly, Ottawa West) will be absent for a few days in England and will be back on May 24. Therefore, the Senate has decided to recess until that date subject to recall by His Honour the Speaker in the event of an emergency arising.

Motion agreed to.

FISHERIES DEVELOPMENT BILL

THIRD READING

Hon. Donald Smith moved the third reading of Bill C-145, to provide for the development of the commercial fisheries of Canada.

Motion agreed to and bill read the third time and passed.

FARM CREDIT ACT

BILL TO AMEND—THIRD READING

Hon. A. K. Hugessen moved the third reading of Bill C-171, to amend the Farm Credit Act.

Motion agreed to and bill read the third time and passed.

AERONAUTICS ACT

BILL TO AMEND—THIRD READING

Hon. Jean-Paul Deschatelets moved the third reading of Bill C-153, to amend the Aeronautics Act.

Motion agreed to and bill read the third time and passed.

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY—DEBATE CONTINUED

Consideration of His Excellency the Governor General's speech at the opening of the session, and the motion of Hon. Mr. McDonald, seconded by Hon. Mr. Gouin, for an address in reply thereto.

(The following speech was delivered in the Senate yesterday—see p. 530)

[*Translation*]

Hon. Sarto Fournier: Honourable senators, I would like the first words which I have the

honour to utter in this house this afternoon to be addressed to our new Speaker. The government made a very happy choice in appointing to preside over our deliberations a senator who is perfectly able to maintain the prestige of the position he occupies as well as the authority of the high functions he is called upon to assume.

We also have the pleasure of having among us ten new senators. I wish to tell them personally, and I think that others feel the same way, how happy we are to see them here because we are convinced that the Senate will be all the better for their presence. There is no doubt that their relatives, their friends and all their acquaintances must rejoice over their appointment. On the other hand, there will also be some people who, for unknown reasons, will make sarcastic remarks about them and the institution in which they are called upon to carry out their activities. Sometimes, we hear people inveigh against the existence of the Senate, but those who say such things remind us of a lot of young men who, still wet behind the ears, suddenly feel that their father has become a nuisance in the house and that he is not needed. Such things happen. Of course, they will become used to such irresponsible treatment as we had to do.

They are here to legislate as we are. There is nothing more difficult than the passing of a law. Any law circumscribes the freedom of the citizen. It piles up new duties on the shoulders of each citizen. Therefore, it is of capital importance that any law be something that has been worked on, thought out, studied from all sides and in all its implications. Moreover, a law cannot be passed hastily. One of the greatest accomplishments of the British genius is to have understood that it is impossible to legislate overnight. Any law is the consequence of a fact. It creates an obligation and that is why in a country like ours each bill introduced in the Commons undergoes three readings, three studies and then it is sent to a committee. It is also introduced in the other place which in our country is called the Senate; in England, it is called the House of Lords. The Senate was not a British invention. The second chamber has always existed among the peoples who have won fame in ancient times and who have greatly contributed to the civilization to which we are lucky enough to belong.

The Senate is useful in that it is a place of sober second thought; it is a place where possibly a required amendment, a needed correction may be made. Therefore, so far as the new senators are concerned, such will be their new duties. They are invested with high functions. They are invested with other great responsibilities and we all wish them success and happiness in their career.

We were all greatly worried for a while at the beginning of the session, when the Leader of the Government had to spend some time in hospital on account of a serious illness. We missed him. We felt sorry about his illness. We are happy to see him back among us and that he is recovering his strength day by day. He is perhaps now in better shape than he was last year to fulfil the duties incumbent upon his office in this house, for the benefit of the Senate as well as of the nation at large.

I want to join the chorus of praise addressed to the mover and to the seconder of the address in reply to the Speech from the Throne, Senator McDonald, who is new among us, and Senator Gouin, a veteran of this house; both made speeches worthy of our congratulations and our thanks.

Honourable senators, listening to the Speech from the Throne delivered by His Excellency the Governor General of Canada, at the opening of this session, I was impressed by the paragraph dealing with our international economic relations:

> International objectives must be pursued by economic and social as well as political means.

And he added:

> My government will recommend to Parliament further measures to improve and develop international economic conditions and to sthengthen the Canadian economy.

Emphasis was thus placed on the economic situation, a major problem, frequently ignored and disregarded in the past by intellectuals who claimed that people interested in the economy, in trade, in business, to be too matter-of-fact, and devoid of ideals. But nowadays, with advancing civilization, we can see that progress in all its forms is making giant strides, thanks first and foremost to economic development. Moreover, if we have been able, to a certain extent, to solve our difficulties in the social field, it is

because we live in a country with a sound economy which is the basis of everything.

This is why I decided to use the paragraph I quoted from the Speech from the Throne as the subject matter of the speech I will have the privilege to deliver this afternoon; I will try to make it as short as possible. I will deal with our country's natural resources, especially the production and sale of gold, and the production and sale of uranium in Canada.

In 1934, I think, we were careless or naive enough to sign an agreement in Washington under which the price of gold was set and frozen at $35 an ounce. Moreover, the agreement, which is still in force after 32 years, makes no provision for denouncing or amending it. Here we are, hamstrung by an agreement that set the price of gold at $35 in 1934. While the war lasted, while controls remained, there was no discussion. But as soon as the war ended, as soon as trade and commerce returned to normal a cry of alarm was sounded. People concerned with the production of gold rushed to Ottawa to tell the government: Help us, we are sinking. Those people who were obliged to sell gold at $35 an ounce, were unable to produce gold due to fantastically rising costs. The government understood and passed the Emergency Gold Mining Assistance Act to save the gold mines from disaster. That took place in 1948; little change has taken place since.

This legislation in force since 1948 to help the gold mines has cost us in subsidies $200 million. In 1948, there were 117 gold mines in operation in the country; today, in 1966, 48 remain, and out of the 48, 44 live from hand-outs. Moreover, when we signed the agreement in 1934, we were signing the death warrant of the gold-mining industry in Canada and Canadians blindly and naively were taking perpetual vows of poverty and obedience.

It seems to me, honourable senators, that the time has come to amend such obsolete legislation, to change such distressing legislation that is paralyzing the economy of the country, to change this legislation under American control and under which we are selling to the Americans, for $35 an ounce, gold that we produce at a cost often as high as $40 and $45.

Which private industry, which private enterprise, which country would sell its goods below cost? That is nonsense, an economic heresy. Some adjustment is necessary. The present trend can no longer continue, because we are not deriving any profit from our gold, which is a very great asset to our country. If we should sell more of our gold at $35 an ounce, we would grow poorer. In addition, confusion and anarchy are rampant. Our gold mines are drifting towards bankruptcy. We are again haunted by possible ghost towns and villages.

Honourable senators, I suggest that this state of things must change; it is nonsensical that the Americans should control the price of our gold. There is the International Monetary Fund, of course, but it is also under the control of Washington. It is unseemly that the Americans should control the price of gold and buy from us, at $35 an ounce, a metal which may have cost us twice as much to produce. Readjustments must be made. Alternative means exist. One might object that an increase in the price of gold would cause inflation. I doubt that; such a thing has never been proved; it has been repeated over and over again but it has never been proved; it is a false theory in my opinion.

Prior to the stabilization of the price of gold, there was no inflation; it came after stabilization. There may be no cause and effect relation here, but it is nevertheless an alarming coincidence.

The price of gold does not create inflation. Inflation occurs when there is such an increase in prices of the necessities of life that the consumer does not have the means to pay the selling price and to buy what he needs. The causes of inflation are mysterious; some of them are hazy. But I do not believe that the raising of the price of gold to an adequate level which would bring in a fair and reasonable profit would cause inflation. It might do so if the price of gold were raised too high, to its 1934 rate, but not if the increase in production cost is added and if the 1934 profit is maintained—and a profit of $100 in 1934 was equivalent to at least $300 today because money has less value. If, proportionately speaking, we were to raise the price of gold overnight from what it was in 1934 to what it should be in 1966, the change might be too violent.

There are other formulas, other solutions. Perhaps we could proceed slowly, raising the price over a five-year period until it reaches a reasonable level. But this process may also have its disadvantages, because gold producers, knowing that next year they will be able to sell at a higher price than this year, would

keep their gold and the inevitable shortage would surely produce too great an increase, which would create disturbances.

Another formula which would be the simplest, the most natural, one which should never have been abandoned, the formula applying to all other products, the only one that makes sense, would be that of supply and demand. The law of supply and demand applies everywhere else, in all other fields of endeavour, to all other products and commodities.

I still wonder why we ventured in, or committed ourselves to, an undertaking or an obligation from which we cannot get out today, unless strong measures are taken. I think that we should advise Washington this year that we intend, next year, to denounce the agreement signed in 1934, because it is working against us. I do not think we should put ourselves in a straitjacket, honourable senators.

When the Americans change their trade policies, as is their right, they do not ask for our opinion; when they decide to lay down guidelines to their best neighbour, to their best customer, knowing in advance that such guidelines may be prejudicial to us, knowing in advance that such guidelines may cause disruptions in our country, that does not matter to them. I believe we have a natural right to advise the Americans, this year, that it is our intention to denounce the 1934 agreement, as it is one of the causes of poverty in Canada.

The External Relations Committee of the Senate sat the other day. It is presided over by the honourable senator from Winnipeg South, Senator Thorvaldson, who does things with great dignity; it is marvellous to see him in action. We heard then an economist who explained to us what impact Great Britain's joining the Common Market would have on the Canadian economy. It is not a very encouraging prospect for us. I do not think that Great Britain will consult us and ask for our views before reaching a final decision whether or not she should join the Common Market.

Senator Vaillancourt, who spoke before me, said that the others minded their own business; the Americans minded their own business, so did the British, and they are well advised to do so. I think that next year, when Canada celebrates its centennial from a constitutional standpoint, would afford us an excellent opportunity to show our sovereignty, our freedom, our power and our desire to administer the business of the Canadian nation for another hundred years, not according to the whims of our neighbours, or to please people who live elsewhere. I think it would be the right time to do something to take away from the Americans control of our economy. It seems to me that the time has come, we have paid tribute long enough. That legislation has cost us $200 million.

Therefore, I intend to get in touch with Senator Thorvaldson, chairman of the External Relations Committee. We will call experts from the gold mines, the Bank of Canada, the chartered banks, experts and economists who will explain to us what is the situation exactly. If there is no way out, which would be unfortunate, it would be the first time, to my mind, that a country has become so deeply involved, has shown itself so naïve and so lacking in wisdom that for over thirty years it has been hamstrung by an agreement which we signed probably in the best of faith. I have no intention of blaming anyone. It is a matter of straightening the existing situation. It is a matter of informing the Canadian people about the problem without causing any panic; all that is required is to arouse public opinion so that the government will finally decide to do something.

There is another problem, that of uranium. I do not want to take up too much of your time, honourable senators. However, to my mind, there again we are confronted with another disastrous situation.

Uranium is no longer, in 1966, the problem it was in 1948, or what it was from 1942 to 1945 when it was used exclusively to manufacture nuclear weapons. The word uranium then meant the atom bomb. As soon as the word uranium was spoken, one saw the mushroom-like cloud that set ablaze two cities in Japan at the end of the war.

Today, the uranium problem is entirely different. Thanks to the excellent work and experiments of scientists throughout the world, uranium is no longer an instrument of death, but rather a source of life, of peace and of well-being. Scientific break-throughs in physics, in chemistry, in biology, in medicine, in agriculture, in industries of all kinds, have made of ours truly the century of the atom. Uranium can now serve humanity and all peoples have an equal need of it.

Canada's uranium potential is as large as her gold resources. In 1957, or during 1957-58,

uranium production in Canada was worth $331 million, and Canadian uranium ore reserves were estimated at 340 million tons. There were 25 mines in operation in 1958, while in 1964, there were three. We are left with two in 1966. It is true that this is due to causes beyond our control; market conditions have fluctuated during transition between war and peace.

Today, uranium is no longer thought of as fissile matter to be used in the manufacture of atomic weapons in order to wage war; thanks to world scientists, uranium is now mainly considered as a source of energy. We need it as such to help progress in the world. The world has progressed without cease since its creation, but not always at the same speed. Today, the rate of progress is much swifter. What is progress? Essentially, it is the improvement of a given situation. Consequently progress is a movement, and movement is energy in action. And the uranium deposits in Canada constitute an almost inexhaustible potential source of energy.

Honourable senators, when one considers that a pound of uranium 235, natural uranium, can give off as much heat as three million pounds of coal, it is unbelievable. This represents a considerable source of potential energy.

Senator Vaillancourt mentioned Israel as a case in point; the success achieved by that country in agriculture and economic development. It emerged from the desert as if by a miracle. Today the country needs water, the land is thirsty.

The other day I read in the press that Israel was acquiring costly machinery to distil sea-water, in order to irrigate lands which acquire an unparalleled fertility as soon as they are watered.

In Europe, at least seven or eight other friendly countries are acquiring equipment because of their need for water power, development and progress.

I was reading the other day some statistics concerning the consumption of electrical energy throughout the world. These statistics provided figures in horse-power per capita. The average energy consumption per capita in the entire world amounts to 900 horsepower; in Europe, it is 2,200 h.p., here in North America it is 4,800 h.p. So the Europeans feel they are lagging behind. They have less power than we have, but they want to progress at the same rate as we do. Therefore, they are prepared to buy our uranium.

However, the problem is this. France was the first country to approach us. While we were discussing the terms under which we were willing to sell uranium to France, we were told, perhaps rightly—I have never seen any official proof of this statement—that we intended to sell uranium to France but, as it is a strategic material, we would require that inspectors visit all laboratories in all the industries in France in order to find out to what use our uranium was put. Gentlemen, you, of British and American descent, who understand the British or the Americans, know that Great Britain or the United States would never agree to have foreigners poking their noses into their business, keeping watch over them as the spies do, gathering here and there information and then going almost everywhere in the world to disclose what they had learned; that is a new kind of espionage. That would humiliate a country. The deal fell through. It is still pending, because France, like Great Britain, United States and, I hope, Canada, will never agree to such impossible terms as those contained in this agreement.

If one looks at the North Atlantic Treaty Organization and reads carefully the preamble, namely section 2, one finds out that this is first of all a military organization but it is also an economic, cultural and political mutual assistance body. In addition, in the North Atlantic treaty under section 8, you will see that it is strictly forbidden to any member of the Atlantic Community to sign agreements which are incompatible with the terms and the spirit of the treaty.

Furthermore, in 1957 a resolution sponsored by the United Nations was agreed to by most of the nations present, including Canada, France, England, the United States and others; its object was to create an International Nuclear Energy Commission, with a view to activating the production of nuclear energy throughout the world and organizing the distribution end of it.

So far as I know, this resolution does not provide for any control or inspection by the selling country. Besides, to make such control effective, it would be necessary to have a whole army of inspectors dispatched to the buying countries. Who would be those people? Where would they come from? What would be their qualifications? What would be

their moral worth? Nobody knows. Besides, Canada surely lacks qualified people to perform this work. Consequently—and I believe this suggestion was made to the government in the past—instead of the inspection being done by the selling country, under a bilateral agreement defining the terms of the sale and the use the buying country pledges to make of the uranium, the buying country would carry out its own control and would undertake to report to the selling country, as well as to the International Nuclear Energy Commission, on the use made of the uranium for peaceful purposes. At a time when about ten European countries are getting the necessary facilities to convert the potential energy of uranium to their own ends and are about to come and buy some uranium in Canada, I am fully convinced that none of them will humbly accept this inspection requirement.

Today, we are negotiating with France. Tomorrow, it will be with twenty more countries or none; in the latter case, we will have to keep our uranium thus depriving ourselves of a considerable source of revenue. What we should do, for instance, is tell France: Tell us how you will dispose of our uranium and pledge yourself to use it only for peaceful purposes.

Honourable senators, I am quite sure we could take the word of honour of France and of most of our other partners within NATO. We have no right to demand this humiliating and offensive control which is almost an insult to our friends. Why should we not take France's word of honour? France has always treated Canada as a friend. We have no reason to question its moral integrity or its honest intentions. France and England have been friendly since the turn of the century, when King Edward VII and the French President met and shook hands, in order to celebrate twenty years of political union and unity, this alliance known as l'*Entente cordiale,* proved unfailing and was sealed on French battlegrounds by British, French, Canadian and American blood on two different occasions. When the Americans fought their War of Independence at the end of the eighteenth century, who went to their aid in order to foster the advent of freedom on American soil, to assure Americans they would be a free people and help them to gain their freedom, if not Lafayette and French soldiers and sailors who offered their unconditional help? When the French came to help the Americans, the latter did not impose any inspection or control on them to check their methods. They had no reason to doubt.

Remember that we might be losing the sale of uranium. I do not know what goes on in Moscow or Paris, but General de Gualle is going to Moscow in June and you, who know from practical experience how nations treat each other, are not without knowing how clever, shrewd and sometimes tactful the Moscow government can be in its dealings. The Russian government may say to General de Gaulle when he gets to Moscow: It seems that your friends are refusing to sell you uranium; we are ready in Moscow to sell you some and not under humiliating conditions. For us, in Moscow, there is no problem. If you want uranium, tell us now much you need. All you will have to do is say that you will not use it to make weapons. Tell us how much you need and we will sell it to you at the price arrived at by your Canadian friends and we will deliver it as soon as you tell us to.

If such a thing happened, if Paris and Moscow came to an agreement on uranium, it would entail for us a loss of several hundred million. I feel that the Leader of the Government here should point out to the cabinet the threat to Canada. I think that the Government should review its stand on that matter, should understand that we should accept France's word of honour which is worth many other country's signature.

Today, we see that France is breaking with NATO countries. France is bowing out and I would not be surprised to learn one of these days that the lack of confidence shown by her friends in America, and elsewhere in Europe, had something to do with that unfortunate decision as far as NATO is concerned.

I would like here to congratulate Canada's Minister for External Affairs, Honourable Paul Martin, for the humane and comprehensive stand he took on the alarming situation resulting from France's decision to withdraw from the NATO forces. I feel there is still a possibility of putting things right. I cannot admit the French point of view in this matter because if its stand is the right one, it would also be the right one for all the other countries belonging to the organization.

If French policies were imitated by others, there would surely no longer be any NATO; the situation in Europe would revert to what it was before 1949 and the peace of the world would be jeopardized. Keep in

mind that peace has never been a weakness. Peace is a force and throughout history, weak nations disappeared, crushed by the strong. To my mind, this opting out by France constitutes a dangerous precedent for the peace of the world. But while I reject the French viewpoint, I understand it perfectly. France must have felt deeply the lack of confidence shown by her friends; her word of honour is not sufficient when it comes to purchasing uranium from Canada. If we start mistrusting one another, if we lose confidence in a country like France which has never reneged on her word or her signature—and every country in the world can bear witness to the fact—if we begin to treat our best friends as we must treat our prospective enemies, such contemptible attitude of distrust can lead us to the worst disaster. The great family of Atlantic nations must remain united, otherwise it will be weakened and in jeopardy. I repeat that we are the ones who must change our attitude because France will never consent to be humiliated by accepting a deal under conditions that constitute an insult to her dignity and her honour. I have no hesitation whatever in addressing my warmest congratulations to the French government for its reaction to the terms we have laid down to enable France to buy our uranium.

I mentioned a while ago the External Relations committee of the Senate under the chairmanship of Senator Thorvaldson; I feel the question of uranium should be submitted to this committee at the earliest possible moment so that it may look into uranium production and sales as well as into the terms under which it may be sold. These are sources of wealth—gold and uranium And we have plenty of them. Canada is walking on gold and on uranium, as the Egyptians are treading on their history.

The celebration of the Centennial of Confederation is approaching. I believe we should review all our positions so as to contribute something new. Yet, it seems that when economics are concerned, we are not sufficiently business-like, we lack courage and we tremble before the Americans and we shudder at the thought of what may occur in London.

As Senator Vaillancourt said a moment ago, and I repeat his words in concluding: let us mind our own business. Let us mind it for ourselves, for our own people, for Canada, and the rest will be given unto us.

[*Text*]

The Senate adjourned during pleasure.

ROYAL ASSENT

The Honourable Robert Taschereau, P.C., Chief Justice of Canada, Deputy of His Excellency the Governor General, having come and being seated at the foot of the Throne, and the House of Commons having been summoned and being come with their Speaker, the Honourable the Deputy of His Excellency the Governor General was pleased to give Royal Assent to the following bills:

An Act to amend the Bills of Exchange Act.

An Act to amend the Export and Import Permits Act.

An Act respecting the construction of a line of railway in the Province of Ontario by Canadian National Railway Company from the vicinity of Amesdale on the Redditt Subdivision of the Canadian National Railway in a north northwesterly direction for a distance of approximately 68 miles to a point in the vicinity of Bruce Lake, in the District of Kenora.

An Act to amend the Agricultural Rehabilitation and Development Act.

An Act to implement an Agreement between Canada and the United Kingdom for the avoidance of double taxation with respect to taxes on certain classes of income and to implement a Supplementary Income Tax Agreement between Canada and Sweden.

An Act to provide for the development of the commercial fisheries of Canada.

An Act to amend the Farm Credit Act.

An Act to amend the Aeronautics Act.

An Act respecting United Grain Growers Limited.

An Act to provide for the establishment of a Science Council of Canada.

An Act to amend the Bretton Woods Agreements Act.

The House of Commons withdrew.

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

The sitting of the Senate was resumed.

The Senate adjourned until Tuesday, May 24, at 8 p.m.

THE SENATE

Tuesday, May 24, 1966

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

Prayers.

LIBRARY OF PARLIAMENT

JOINT COMMITTEE—CHANGE IN COMMONS MEMBERSHIP

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons to acquaint the Senate that the name of Mr. Richard has been substituted for that of Mr. Nixon on the list of members appointed to serve on the Joint Committee on the Library of Parliament.

RURAL ECONOMIC DEVELOPMENT FUND BILL

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-151, to provide for the establishment of a fund for the economic and social development of special rural development areas.

Bill read first time.

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

Hon. John J. Connolly: Honourable senators, we have received from the other place three bills which will be called in due course by His Honour the Speaker. It is my intention to ask for leave that second reading be given each of these bills this evening. I do this only so that the explanation of the bills may be placed upon *Hansard*, and I do not expect that the debate will continue tonight unless some honourable senator desires to participate.

I feel it would be expeditious to have these bills explained this evening. In asking this I also take into account the fact that the Senate was so expeditious in its work prior to the adjournment that the Order Paper was virtually cleaned up. Therefore, it is with a certain amount of pride that I now ask for leave that second reading of this bill be proceeded with this evening.

Hon. A. J. Brooks: Honourable senators, in rising at this time it is not my intention to object particularly to second reading of this bill being proceeded with this evening. However, we are getting into the habit of moving second reading of bills immediately after first reading, and this in my view is not desirable.

As honourable senators will understand, this bill now before us is very important, being an act for the establishment of a fund for the economic and social development of special rural development areas. It is one of the most important pieces of legislation passed by the House of Commons during this session, and some 30 to 40 speeches were made during the discussion in that house.

The honourable leader suggests that it is a good thing to have the explanation of these bills immediately after first reading. I see certain advantages in that, but I also see certain disadvantages, the main one being that time is not given to those who wish to speak on the bill to make preparation for doing so. I think the intention of the rule is to give honourable senators an extra day after the bill has had first reading in order that those who wish to speak on second reading may have an opportunity to make the necessary preparation.

As I have said, I am not rising to object particularly, but there are three bills coming to us this evening for first reading, all three of which—according to the statement of the honourable Leader, and the Scroll which I have before me—we will be asked to give second reading to this evening. The other two bills are not as important as this one, and I will certainly not raise any objection to their receiving second reading tonight.

Honourable senators, I have no great objection to this bill receiving second reading now, but I think this practice is being overdone. It has always been my understanding that if there is any genuine urgency for second reading to follow immediately, and there is some justification for taking that course, then there can be no great objection. We can hardly claim in the Senate that there is any particular pressure or urgency, but if the honourable Leader feels there is some justification for this procedure I am not going to make any further objection. However, we must not stray too far from the rules of the house.

Hon. Mr. Connolly (Ottawa West): Honourable senators, not in any way to controvert what the Leader of the Opposition has said, I make this motion only because I hope it fits the convenience of the Senate and the expe-

dition of our business. We all know that we have set aside time tomorrow for a special occasion on the address in reply to the Speech from the Throne. So, in any event, it is unlikely that these bills will be proceeded with in debate tomorrow. Perhaps one will be, but I do not know.

I thoroughly agree with what the Leader of the Opposition has said, but rather than defer the second reading of these bills until Thursday, which might very well be a source of inconvenience to honourable senators, I make the proposal that I do.

Hon. Mr. Pouliot: Honourable senators, I have no objection to second reading now so that an explanation may be given of the bill, but I say that with the understanding that the debate will be adjourned at least until tomorrow, so that we shall have an opportunity of discussing the bill.

Hon. Mr. Connolly (Ottawa West): There is no doubt whatever of that.

Hon. Mr. Brooks: I understand that the debate will be adjourned probably until Thursday.

Hon. Mr. Connolly (Ottawa West): That is quite possible.

SECOND READING—DEBATE ADJOURNED

Hon. A. Hamilton McDonald, with leave of the Senate, moved the second reading of the bill.

He said: I am sure all honourable senators will understand the importance of this bill if they refer to Bill C-152, the second reading of which I had the pleasure of moving on May 4 last. At that time I outlined some of the programs that have been put into effect under the ARDA legislation, and some of the improvements that will be made in the future following the amendments contained in Bill C-152. Bill C-151 is a new act, but it can, I think, be considered a stablemate of Bill C-152. I would ask the house to bear with me for a moment or two while I refer to some further facts that pertain to the ARDA program generally.

Under the agreements that have been signed by all provinces except one, and the Government of Canada, there will be approximately $125 million of federal money and approximately the same amount of provincial money spent on ARDA programs over the next five years, or until March 1970. The ARDA program allows the federal Government to participate only up to a maximum of 50 per cent of the cost of the projects. The bill before us tonight allows the federal Government to provide $50 million to be spent on projects across Canada in co-operation with the provinces, and authorizes the Government to pay 50 per cent or, in some cases, up to 100 per cent, of the cost of a project in certain designated areas.

The reason for this is that ARDA can cope with poverty in the great majority of areas of Canada, but in some areas it is not possible under the ARDA legislation to do what is necessary in bringing about an increased standard of living for the people who live in those areas, or to completely develop the resources of those particular areas.

I know that $50 million is not a large sum when it is related to the poverty that exists in pockets throughout the country, and I suggest that such pockets exist in almost every province. I am amazed sometimes when I hear members of the public, and even members of Parliament, talk as though poverty exists only in some of the "have not" provinces. I had the opportunity of speaking in the debate on the motion for an address in reply to the Speech from the Throne, and at that time I commented on some of the problems in respect of poverty that exist in my own province. I should like now to refer to a table that appears in the *House of Commons Debates* of May 10 last, at page 4936. The first column is headed "Percentage of all farm families that have 'low incomes' ", and against the name of my Province of Saskatchewan is the figure of 21 per cent. That means 21 per cent of all farm families in Saskatchewan have low incomes. For the wealthy Province of Ontario the figure is 16 per cent, and for the equally wealthy Province of British Columbia it is 15 per cent. In one province that figure is 36 per cent.

The second column is headed "Percentage of rural non-farm families with annual income below $3,000". According to this table, 48 per cent of the non-farm families in the rural areas of Saskatchewan have an income of $3,000 or less a year. Even in the Province of Ontario 31 per cent of these families have an income of $3,000 a year or less. I need only add that every province of Canada has a high percentage of low-income non-farm families living in the rural areas.

I refer to a second table on page 4937 of Commons Debates, showing the percentage of male rural non-farm wage-earners under $2,000 a year. The table, which is according to provinces, gives Saskatchewan as 33 per cent, Ontario 24 per cent, British Columbia 19

per cent. In the lower categories, Newfoundland is 53 per cent.

The second column of the table under the heading "Percentage of rural population of school age or over, but not attending school, whose highest grade attended is Grade 8 or less": Saskatchewan 61 per cent; Ontario 59 per cent; British Columbia 46 per cent; Newfoundland 72 per cent.

An examination of the statistics provided in the tables shows how difficult it is for these people to obtain employment and a decent standard of living for themselves and families. In some areas of Canada the percentage is higher than in others.

In virtually every province there is a pocket of rural poverty, and the purpose of this bill is to develop the resources of that particular area in order to increase the standard of living of its people.

Hon. Mr. Hollett: May I ask the honourable senator if he is speaking of Bill C-152 or Bill C-151?

Hon. Mr. McDonald: I am speaking of Bill C-151. Bill C-152 deals with the amending of the ARDA legislation. Bill C-151 is the bill that is before us this evening.

Hon. Mr. Leonard: May I ask a question? Would the honourable senator, with the consent of the Senate, put those tables on the Senate *Hansard* so that the information may be complete?

Hon. Mr. McDonald: I would be glad to, if all honourable senators are agreeable.

Hon. Mr. Connolly (Ottawa West): Agreed.

Hon. Mr. McDonald: I have quoted from the tables on pages 4936 and 4937 of the Commons *Debates* for May 10, 1966, in which all the provinces are enumerated.

Hon. Mr. Leonard: I think it would be preferable to have the original document from which the tables were made.

[*The tables follow:*]

Some Indicators of Rural Poverty in Canada by Province

I

Province	Percentage of all farm families that have "low income"[1]	Percentage of rural non-farm families with annual income below $3,000
	%	%
Newfoundland	32	69
Prince Edward Island	36	58
Nova Scotia	32	53
New Brunswick	33	55
Atlantic Region	33	58
Quebec	29	48
Ontario	16	31
Manitoba	25	48
Saskatchewan	21	48
Alberta	19	39
British Columbia	15	29
Western Region	20	38
Canada	22	43
Absolute total for Canada	families 95,410	families 294,349

[1] A "low income" farm family is one whose farm has a total capital value of less than $25,000, gross sales of agricultural products of less than $2,500 a year and off-farm work by the operator of less than 25 days a year.

II

Province	Percentage of male rural non-farm wage-earners earning under $2,000 a year	Percentage of rural population of school age or over, but not attending school, whose highest grade attended is Grade 8 or less
	%	%
Newfoundland	53	72
Prince Edward Island	52	58
Nova Scotia	40	58
New Brunswick	48	72
Atlantic Region	45	63
Quebec	40	77
Ontario	24	59
Manitoba	31	64
Saskatchewan	33	61
Alberta	26	57
British Columbia	19	46
Western Region	24	56
Canada	32	64
Absolute total for Canada	men 203,666	people 2,078,591

Hon. Mr. McDonald: I am sure that all honourable senators will recall that in November 1964 officials of the federal Government, together with officials from the provincial governments across Canada, met in the City of Montreal and discussed the proposed legislation that is now before us and the amendments to Bill C-152 which we dealt with a short time ago.

At that meeting there was general agreement by the representatives of each province and of the federal Government that this was the necessary step to cope with poverty in rural Canada.

I think great credit is due to the minister of the day who invited the provincial governments to participate, and I am sure that this is a much better program because of the participation of the provinces with the Government of Canada prior to the drafting of the legislation now before us.

This proposed legislation is not meant to provide social aid; it is not meant to be a welfare program; it is not meant to give work to the unemployed. The legislation is meant to develop resources in those areas of Canada where there is poverty but where there are sufficient resources which if properly developed will provide a decent standard of living for those people who reside in these particular areas. This is another important weapon in the arsenal of Canada to defeat poverty.

Honourable senators, in the society in which we live, one of the most affluent in the world, we should be able to look inward and solve problems that exist in Canada as well as those problems of poverty which exist in other parts of the world. Canada has an exceptionally fine record for her contribution to societies less fortunate than her own. Nevertheless, we as Canadians have overlooked for too long that poverty which exists in our own country and in our own community. We can find poverty virtually in every rural area and in every urban area of Canada if we want to look for it.

A short time ago I had the opportunity of watching a television program sponsored by the C.B.C., which pointed out some poverty in this capital city. I repeat that this bill will be a weapon in our arsenal which will go a long way to fulfil a program to combat poverty in rural Canada. I hope that this house will have the opportunity in the not too distant future to discuss further legislation to fight poverty regardless of where it exists, in our country or abroad. The Government of the day, and previous governments, have implemented legislation of considerable benefit to rural Canada—such as the P.F.R.A., the P.F.A.A., and ARDA. We have now this new special fund of $50 million.

Some people are concerned that $50 million is not enough to do the job set out in this bill. I could not agree more, but no one has said that there is to be only $50 million for this program. This is just the beginning. Before the battle can be won, it will take many times the $50 million. I am confident that this nation can afford it; and I might even say that the nation cannot afford to fail to implement the program outlined in this legislation. This program will come into being through the co-operation of local people. It will be administered after joint consultation between the provinces and the Government of Canada.

Honourable Senators, I have great pleasure in moving second reading of this bill.

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

NEWFOUNDLAND ADDITIONAL FINANCIAL ASSISTANCE BILL, 1966

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-185, to give effect to Term 29 of the Terms of Union of Newfoundland with Canada.

Bill read first time.

SECOND READING—DEBATE ADJOURNED

Hon. A. B. Baird, with leave of the Senate, moved the second reading of the bill.

He said: Honourable senators, this bill, C-185, is intended to give effect to Term 29 of the Terms of Union of Newfoundland with Canada. In accordance with that term, it is proposed to pay to that province the sum of $8 million per year by way of additional assistance out of the Consolidated Revenue Fund of Canada.

Honourable senators, it was difficult to see with sufficient accuracy the financial consequences of Newfoundland becoming a province of Canada, so it was provided under Term 29 that a royal commission be appointed, within eight years, to review the financial position and to recommend the form and scale of additional financial assistance, if any, that may be required by Newfoundland to enable it to continue public services at the level and standards reached subsequent to the date of union, without resorting to taxation more burdensome, having regard to the capacity to pay, than that obtaining generally in the region comprised in the Maritime provinces of Nova Scotia, New Brunswick and Prince Edward Island.

Honourable senators, this bill is concerned exclusively with the completion of the Terms of Union, 1948, adopted in 1949. All that this bill is seeking is that we complete now the terms of this union with Newfoundland.

Hon. Mr. Vien: Would the honourable senator tell us in what particular this implementation of the Terms of Union should be done?

Hon. Mr. Baird: I did not quite get the question.

Hon. Mr. Vien: In other words, in what particulars could this implementation be made? If we have the instrument of union that provides the terms and conditions, then in what particular is this legislation needed?

Hon. Mr. Connolly (Ottawa West): The answer is, I think, to give permanence to the payments that are to be made under the provisions of Term 29 of the Terms of Union.

Hon. Mr. Brooks: It terminates in 1967, and this is an extension of time.

Hon. Malcolm Hollett: Honourable senators, it is not my intention to speak at any length on this particular bill. As honourable Senator Baird has pointed out, it was introduced in the other place to carry out Term 29 of the Terms of Union.

When Newfoundland came into Confederation in 1949, it was difficult to know exactly how much more money it would take to keep up the public services in Newfoundland to a level which would be right and proper for a province of Canada, without imposing on the Newfoundland people taxes which would be higher than those imposed in the Maritime provinces. For that reason it was agreed that under Term 29 a royal commission would be set up within eight years to try to determine what amount should be paid to Newfoundland to maintain the various public services to the point to which they had been brought during those eight years.

A royal commission was appointed, consisting of the Honourable John Babbitt McNair, Chief Justice of New Brunswick, the Honourable Sir Albert Joseph Walsh, Chief Justice of the Supreme Court of Newfoundland, who has since passed away, and Mr. John James Deutsch. They made their decision with regard to this matter. To make this point clear, I should like to quote from the report of that commission. They said:

> Accordingly we recommend additional financial assistance as follows:
>
> (a) for the fiscal year beginning April 1, 1957, $8,000,000 less the transitional grant of $1,400,000 or $6,600,000;
>
> (b) for the fiscal year beginning April 1, 1958, $8,000,000 less the transitional grant of $1,050,000 or $6,950,000;
>
> (c) for the fiscal year beginning April 1, 1959, $8,000,000 less the transitional grant of $700,000 or $7,300,000;
>
> (d) for the fiscal year beginning April 1, 1960, $8,000,000 less the transitional grant of $350,000 or $7,650,000;
>
> (e) thereafter $8,000,000 per annum.

Now, most honourable members will remember that some attempt was made to clarify this and to do something about it in the other place some years ago. It stirred up quite a dust, and there was an election and there was much discussion of this Term 29. In fact, even today there is much discussion of it, and it is mentioned that some people are attempting to get Term 29 out of the Terms of Union. But, honourable senators, there was nothing in that Term except to say that a royal commission would be set up to determine how much money would be required to enable Newfoundland to continue the standard of public services required. And this is the result of the decision of that royal commission.

This bill is entitled Newfoundland Additional Financial Assistance Act, 1966, and is to give effect to Term 29. I shall read the original section which this bill proposes to repeal. It is as follows:

> In addition to all other payments, grants, subsidies and allowances payable to the Province of Newfoundland, the Minister of Finance may, out of the Consolidated Revenue Fund, pay an annual grant of eight million dollars to that Province in the fiscal year commencing on the 1st day of April, 1967 and in each subsequent fiscal year.

Looking at the bill we have before us, the relevant section starts out in the same words "In addition to all other payments, grants," etc. I shall read a little more from that section:

> In addition to all other payments, grants, subsidies and allowances payable to the Province of Newfoundland, the Minister of Finance, on behalf of the Government of Canada, shall—

"Shall", not "may".

> —out of the Consolidated Revenue Fund, pay to the Province of Newfoundland in the fiscal year commencing on the 1st day of April, 1967 and in each and every fiscal year thereafter—

I do not see much difference in that. However the section goes on:

> —unless and until otherwise provided by any agreement in that behalf hereafter entered into between the Government of Canada and the Government of Newfoundland, an annual amount, by way of additional financial assistance as contemplated by Term 29 of the Terms of Union of Newfoundland with Canada, of eight million dollars.

I have taken the trouble to read again the Terms of Union, and I am rather surprised that they have not been given more than $8 million. During the last hundred years the other provinces of Canada have had all sorts of social and other benefits conferred upon them by the federal Government. Roads and bridges have been built and many other benefits granted. The people in Newfoundland did not have these benefits, and indeed there were very many public services which you, shall I say, as Canadians, prior to 1949, had enjoyed. These services had been built up and you had enjoyed them over the years, while we were coming in with none of these services.

The idea of Term 29 was to endeavour to give us a grant of $8 million to help us to build up the public services to a level enjoyed by the people of Canada. Eight million dollars was a small amount of money to do that. At that particular time our main industries in Newfoundland were, and are today, fishing, mining and logging or paper-making. We had very little agriculture; we had to import practically everything we ate, and consequently we were not very well off in those days. In fact, if you look a little further back in history you will see we in Newfoundland were very badly off. We were just a crown colony, and in 1933 things were so bad that the British Government took over Newfoundland for the simple reason that our national debt was so great that somebody had to take us over. At that time our national debt was a little over $100 million and today it is still only about that amount.

Subsequently we went through the Second World War. During that period there was a certain amount of prosperity, and the Commission of Government built up a certain sum of money—we had forty-odd million dollars in the bank at St. John's, Newfoundland. It is not very often that a government builds up a surplus of $40 million, particularly a government of a country the size of Newfoundland. The Commission of Government was so stingy that they almost starved the Newfoundlanders to build up that sum. When we came into Confederation we had $40.3 million in the bank, and Canada took over our national debt and left us with a debt of only $3½ million. It was very generous of them to take over our national debt.

Hon. Mr. Haig: May I ask that order be called in the chamber. We are having difficulty hearing the speaker.

Hon. Mr. Hollett: I repeat, Canada took over our national debt and we were left with $3½ million, and we had $40.3 million in the bank. That was not so bad. But when this royal commission looked at social conditions and public services in Newfoundland they decided we should have $8 million for a period of years—I think it was 12 or 14 years. We got the $8 million, which was gradually reduced.

Then the time came when it was suggested that we were to have the final payment under this Term. Somebody was badly advised on that.

Nevertheless the present Government is endeavouring to fortify Term 29 and to strengthen the royal commission's decision to such an extent that it cannot be taken away. I want to congratulate the present Government for trying to make this arrangement as practicable as possible.

I am, however, a little perturbed over some statements made in the other place by certain individuals relative to our boundaries, and I cannot finish my remarks without bringing the subject up again. I am a Newfoundlander; I was born there and my people for many generations were born there. Certain statements were made in the other place and I want to say a word about what has been said.

Hon. Mr. Vien: I would suggest that you should not say "a word" but that you should explain very plainly and with certainty the question of the boundaries.

Hon. Mr. Aseltine: He has done that once before.

Hon. Mr. Hollett: The point I am getting at is that one individual said that with the decision of the Privy Council in London in 1927, Newfoundland succeeded in stealing part of the territory of Quebec, namely Labrador.

If we stole it, we did not steal it from Quebec, because the terms—

Hon. Mr. Vien: You did not.

Hon. Mr. Hollett: I am very happy to hear my honourable friend say that.

What the Privy Council had to decide in 1927 was the matter of the boundary between the Dominion of Canada and the colony of Newfoundland in the Labrador peninsula. They had to decide where the boundary was between the Dominion of Canada and our little colony. If we stole it we did so from Canada, and if in those days we were able to steal it from Canada, I am very proud to be a Newfoundlander, and you must all be ashamed of yourselves if you are not Newfoundlanders. The gentlemen in the other place stated we were thieves and the Privy Councillors helped us to steal. I wish they had not said that.

Hon. Mr Vien: Will the honourable senator agree that the decision of the Privy Council was more political than judicial?

Hon. Mr. Hollett: For the honourable senator's consideration I would point out that there are in the library 14 thick volumes containing the evidence taken by the Privy Council and the decision they made. I would recommend this as very good reading for anyone born in Quebec. It makes wonderful summer reading. I have taken the trouble to look at a lot of the evidence.

Hon. Mr. Vien: I think it would be a very good recipe for insomnia.

Hon. Mr. Hollett: Yes; I am afraid you would be asleep before you had read very much. But I am glad the honourable senator agrees with me that is was no such thing as stealing at all.

Hon. Mr. Vien: It was a judicial decision, but in our opinion it was made by the Privy Council more on political than on judicial grounds.

Some Hon. Senators: No, no!

Hon. Mr. Hollett: I do not agree with that statement, but I agree that an awful lot of decisions are made on political grounds, particularly with regard to the province from which my honourable friend comes.

Some Hon. Senators: Order, order!

Hon. Mr. Vien: I would like to add that I take no exception to that.

Hon. Mr. Hollett: All I want to point out is that we did not steal anything in those days; we had nothing to say on the matter. The boundary was decided by eminent men on the Privy Council, and where the boundary is today I am not quite sure, but it is somewhere in the wilds of Labrador. As I say, if we stole it, we stole it from Canada, and if Canada wants it back she has it back because she has Newfoundland with that part of Labrador.

Hon. Mr. Connolly (Ottawa West): It is iron clad anyway.

Hon. Mr. Hollett: Iron bound. The trouble is that everything that is iron bound is not particularly nice sometimes.

I have further notes upon which to speak, but I do not think there is any need for me to go into this further at this time.

Hon. Mr. Vien: Will the honourable senator allow me a question? When he speaks of $8 million, which is basically the fulfilment of an obligation in the terms of the act between Canada and Newfoundland at the time Newfoundland came into Canada, does it represent some compensation for losses or some expenses incurred by Newfoundland prior to its coming into Canada, or is it compensation for privileges which Canadians enjoyed under Confederation prior to Newfoundland's coming into Canada?

I would not like honourable senators to construe my words as being in opposition to this bill. I am in favour of it, but I would like to understand what the honourable senator from Newfoundland has to say in that respect. I am all in favour of granting Newfoundland this $8 million, but I would like to understand what it represents.

Hon. Mr. Hollett: All the honourable senator has to do to understand that is to read Term 29 of the Terms of Union.

Hon. Mr. Vien: That is what our Leader has told us.

Hon. Mr. Hollett: In addition to Term 29 there are many other terms under which Newfoundland was granted certain things, including financial assistance. I believe my honourable friend Senator Baird has explained this, but I will read Term 29, which will answer the honourable senator's question. It had nothing to do with something we were losing; it was to make up for something we never had.

In view of the difficulty of predicting with sufficient accuracy the financial

consequences to Newfoundland of becoming a province of Canada, the Government of Canada will appoint a Royal Commission within eight years—

Which they did.

—from the date of Union to review the financial position of the Province of Newfoundland and to recommend the form and scale of additional financial assistance, if any, that may be required by the Government of the Province of Newfoundland to enable it to continue public services—

From the date of Confederation and up to eight years thereafter, we were endeavouring to build up our public services which had never been built up. This term states:

—that may be required by the Government of the Province of Newfoundland to enable it to continue public services at the levels and standards reached subsequent to the date of Union—

In other words, at the levels and standards reached during the eight years after the date of Union.

—without resorting to taxation more burdensome having regard to capacity to pay, than that obtaining generally in the region comprising the Maritime Provinces of Nova Scotia, New Brunswick, and Prince Edward Island.

Term 29 is the one under which the royal commission was set up to decide how much it would take to maintain these public services built up over that eight-year period immediately following the date of Union. They said $8 million annually.

Hon. Mr. Vien: Will the honourable senator allow another question? If that is already provided for, why is new legislation necessary?

Hon. Mr. Hollett: That is something which my honourable friend may be able to answer much better than I, because we have already passed legislation which provided:

In addition to all other payments, grants, subsidies and allowances payable to the Province of Newfoundland, the Minister of Finance may, out of the Consolidated Revenue Fund, pay an annual grant of eight million dollars to that Province in the fiscal year commencing on the 1st day of April, 1967 and in each subsequent fiscal year.

Hon. Mr. Vien: Until when?

Hon. Mr. Hollett: Forever thereafter.

Hon. Mr. Vien: Forever?

Hon. Mr. Hollett: I suppose so. That is what the Premier of Newfoundland thinks. It will go on for eternity—until he passes away.

Hon. Mr. Connolly (Ottawa West): That is the same thing.

Hon. Mr. Hollett: This bill says that the Government of Canada shall pay the $8 million, and is going to continue to do so until such time as the Government of Canada and the Government of Newfoundland agree to forget it. That is what it says there.

Hon. Mr. Roebuck: As the honourable senator reads Term 29, does it say that the recommendation of the royal commission shall be accepted by Parliament?

Hon. Mr. Hollett: No. You took us into Confederation on these terms, including Term 29. So I presume that the Canadian Government, by taking us into Confederation, intended to pay us or to consider paying us whatever that royal commission recommended, but, I agree with you, they were not bound to.

Hon. Mr. Croll: Please correct me if I am wrong, but up to this time it was a statutory grant of $8 million. It is now being made the subject of an Act of Parliament, and it can be changed only by Parliament. That is the difference.

Hon. Mr. Flynn: No, not at all.

Hon. Mr. Hollett: We had statutory grants included in the Terms of Union.

Hon. Mr. Croll: Subsequent to the McNair Commission report it became a statutory grant, and now it is becoming part of the law of Canada.

Hon. Lionel Choquette: Honourable senators, I am very much surprised that these questions were not put to my honourable friend, the sponsor of the bill (Hon. Mr. Baird). However, as I remember from the discussion of some years ago, under Term 29 the Government was called upon to appoint a royal commission to investigate and report.

That royal commission, as we all recall, was headed by Chief Justice McNair, who was an expert in the field, and he was helped by Mr. John Deutsch. The commission recommended, but said it would not necessarily be in perpetuity, that the grant of $8 million be made annually. Some people have interpreted

that as being legislation to the effect that it will be paid in perpetuity, but that is absolutely erroneous.

The payment has been made, but when we reach 1967 a royal commission may be appointed and the grant may be increased, according to the needs of Newfoundland at that time. I fail to see how this legislation is going to make the annual grant of $8 million perpetual.

I should have liked to ask my honourable friend the sponsor of the bill a question, but the honourable senator from Newfoundland (Hon. Mr. Hollett), thinking he had to speak immediately, rose. He might have adjourned the debate. I should have liked to ask this question: What does this legislation mean? Are we now repealing section 3 of the Federal-Provincial Fiscal Revision Act, 1964? The explanatory note to clause 3 says:

> The section and heading thereto being repealed read as follows:

—It is not "reads as follows" but "read as follows."

> Newfoundland Grant.
>
> 3. In addition to all other payments, grants, subsidies and allowances payable to the Province of Newfoundland, the Minister of Finance may, out of the Consolidated Revenue Fund, pay an annual grant of eight million dollars to that Province in the fiscal year commencing on the 1st day of April, 1967 and in each subsequent fiscal year.

That is being repealed. What are we left with? That is what I would like to find out from the honourable sponsor of the bill. Are we left with legislation that will provide for the payment of $8 million every year in perpetuity? This is the question I am asking the honourable sponsor of the bill, and he says, "Yes."

Hon. Mr. Croll: You are left with parliamentary control. That is all you are left with. It is now in the hands of Parliament to change, and a change is not likely to come about.

Hon. Mr. Hollett: Senator Choquette has asked a question, and now, I understand, Senator Croll has asked another. Where do I stand? I did not get the question. I understood the sponsor of the bill to say that this does not mean in perpetuity. I say it is in perpetuity. I say that now we have it for all time—there is no question about it at all—or until the Government of Canada and the Government of Newfoundland agree to forget the $8 million.

Hon. Mr. Roebuck: Honourable senators, I intended to ask a supplementary question, but did not have an opportunity of doing so. I was going to ask the honourable gentleman if it is contended that the Parliament of Canada cannot repeal this measure it is in the process of passing. I understood him to say that Parliament in the future could not repeal this act.

Hon. Mr. Aseltine: That is for the law officers of the Crown.

Hon. Mr. Hollett: I did not say that.

Hon. Mr. Roebuck: I am asking if that is so.

Hon. Mr. Hollett: Let me get around to answering the question in my own way. Term 29 is one of the Terms of Union under which Newfoundland came into Confederation, and which this Parliament cannot repeal and Newfoundland cannot repeal.

Hon. Mr. Roebuck: This bill is not part of that.

Hon. Mr. Hollett: This bill is part of it in that it lays down what Term 29 means.

Hon. Mr. Brooks: Honourable senators, may I ask a question? Is this bill not going to committee? If it is, should not these questions be asked and answered there? I have never heard so much confusion in my life. I thought I understood what the bill meant until these questions were raised.

Hon. Mr. Connolly (Ottawa West): I am sure the honourable sponsor of the bill (Hon. Mr. Baird) will be moving that it be sent to committee. All the same, this has not been an uninteresting kind of debate. I think my honourable friend is doing quite well.

Hon. Mr. Flynn: He is making a good job of it.

Hon. Mr. Farris: While travelling from Vancouver today on the plane I read in the newspapers that Newfoundland is borrowing very large sums of money. I am not sure of this, but my recollection is that Newfoundland has arranged a loan privately, and I should like to know something about that in relation to this whole question.

Hon. Mr. Hollett: Is the honourable senator alluding to a figure of over $20 million?

Hon. Mr. Hugessen: No, $15 million.

Hon. Mr. Hollett: That is easy. For the honourable senator's information I will say that in the fiscal year 1965-66 our estimated revenue, both current and capital, was $161 million. Our estimated expenditure was $171 million, and we had a loan of $20 million. Our net debt outstanding today, in spite of the fact that in 1949 we owed only $3.5 million, is $117 million. That is what it was last year. Goodness knows what it is now. I am speaking of Newfoundland, of course. Our funded and unfunded debt is $142,500,000.

Hon. Mr. Croll: What was the income in 1949? You gave us the debt.

Hon. Mr. Hollett: I gave you the figures for 1965-66. You are asking in respect of 1949?

Hon. Mr. Croll: Yes, at the time you came into Confederation.

Hon. Mr. Hollett: I do not remember that figure at the moment, but I can find it here if the honourable senator wants to know it. I have all that information here.

As a matter of fact, there was a financial genius who came down from Canada at the time when we were talking about coming into Confederation—and some of us were talking about not coming in—who said that if we did come into Confederation our revenue would be about $23 million; that if we had $23 million we could carry on. But last year, as I have told you, our revenue was $161 million. We spend a lot of money in Newfoundland.

Unfortunately—or, shall I say, fortunately —we are a part of Canada. Thank God for that. I am hoping things will get better in Newfoundland. I am a Newfoundlander, but I am a Canadian as well. Sometimes it is hard to make ends meet.

Hon. Mr. Vien: You are becoming more and more liberal.

Hon. Mr. Hollett: Yes; Newfoundland is. I do not see how Newfoundland could become more liberal than it is now. As a matter of fact, we came in under a Liberal Government, and we have not been able to wipe off the disease since.

I should like to say that last year Canada gave us by way of grants and transitional payments, and the $8 million, a total amount of $56.4 million. In addition to that Canada spent $22.5 million on the Trans-Canada Highway. Altogether we received $78.9 million, and our total revenue was only $161 million, both current and capital. From this you will understand that another $8 million does not amount to very much so far as the federal Government is concerned.

I point out once again that Newfoundland always has been a poor country. If there were no fish, people went hungry. If there was bad weather, people did not earn very much. Roads were almost non-existent except for a few dirt roads. There was no Trans-Canada Highway. All of this had to be built up, and this grant of $8 million was something to help our social and public services. I am quite sure we needed it. I am quite sure that if the Liberal government continues in office we are going to need it much longer. Perhaps I should say that, no matter what government is in office. I am not casting aspersions against the Liberal government for it is liberal in many ways. However, we are going to need that $8 million. What I am most anxious to say is that I do not want any other province to say that Newfoundland stole part of any other province. If we did steal from Canada once, we gave it back.

Hon. Mr. Baird: We did not steal it at all.

Hon. Mr. Hollett: Even if we did, we gave it back to Canada when we came into Confederation. I am only too glad that we came into Confederation. One look at the figures is sufficient to indicate how fortunate we were to have taken that step.

Hon. Mr. Connolly (Ottawa West): Hear, hear.

Hon. Mr. Hollett: Our population is only 500,000. It is a huge province, when one takes in Labrador. We are part of Canada, and Canada today is deriving great benefits from our mines and fisheries. For instance, we export every fish we catch and all the paper we manufacture. We export all our minerals. Does that not help to maintain Canada's balance of payments?

In that connection, I think that eventually it will be found that Newfoundland will be an asset rather than a liability. As a Canadian, I do not begrudge giving a few million dollars to Newfoundlanders.

Finally, let us think of Canada as a whole, and not provincialwise. If we think in terms of provinces we are finished. Indeed, I think it would be far better for the people of Canada if there were no provinces and Canada were one huge unit. God knows, Canada is a huge country with a diversity of resources. If instead of thinking of Canada by sections, we would think of Canada as one vast country and in terms of prosperity for all Canadians, I think our nation would soon become one of the greatest nations on the face of the earth.

Honourable senators, I am happy that this bill was brought in, but I am not fussy about its wording. It simply means that the federal Government shall pay Newfoundland $8 million until such time as the Government of Canada and the Government of Newfoundland agree to do otherwise.

In 1949, $8 million purchased far more than it will purchase today, and I am quite sure that 20 years from now Canada will not bother about a small sum like $8 million.

I am glad that our Terms of Union are now complete and that Newfoundland is a part of Canada, for good or ill, whichever way it goes. I am happy to agree with everything that is in this bill.

Hon. Jean-François Pouliot: Honourable senators, in order to understand this question one must read Term 29 of the Terms of Union of Newfoundland with Canada, as set out in the schedule to the British North America Act 1949, as follows:

> In view of the difficulty of predicting with sufficient accuracy the financial consequences to Newfoundland of becoming a province of Canada, the Government of Canada will appoint a Royal Commission within eight years from the date of Union to review the financial position of the Province of Newfoundland and to recommend the form and scale of additional financial assistance, if any, that may be required by the Government of the Province of Newfoundland to enable it to continue public services at the levels and standards reached subsequent to the date of Union, without resorting to taxation more burdensome, having regard to capacity to pay, than that obtaining generally in the region comprising the Maritime Provinces of Nova Scotia, New Brunswick, and Prince Edward Island.

This was conditional upon the Government of Newfoundland getting in touch with Ottawa in order to have a subsidy amounting to $8 million, if necessary, to provide the Province of Newfoundland with the same standard of living, the same advantages, enjoyed by the other three Maritime provinces. It was conditional at first in virtue of the Terms of Union. Now it is definite. It means that there will be no request necessary from the Government of Newfoundland. There is no question involving the standard of living in the other Maritime provinces; the Government of Canada will pay $8 million annually from April 1967 to the Province of Newfoundland—forever. It is just as clear as that. There will be no application necessary from the Government of Newfoundland, and no comparison between the standard of living or taxation in Newfoundland and any other Maritime province. That is all; it is not complicated.

With regard to Labrador, it is a very important part of Canada. There has been discussion and litigation between two provinces about its possession, but those are difficulties between the provinces. The portion of Canada that is Labrador belongs to Canada. It is within the boundaries of this country and it is an asset to us.

Now, with regard to the statement that was made by my learned colleague and confrere, Senator Vien, that a certain decision was more judicial than political—

Hon. Mr. Flynn: It is the other way.

Hon. Mr. Croll: More political than judicial.

Hon. Mr. Pouliot: Yes, more political than judicial—one must remember the brass band which accompanies the expedition from the Province of Quebec to the Privy Council. However, unfortunately the case was not so well prepared as that. What was wrong was that the maps which were presented to the Privy Council did not indicate clearly whether Labrador was part of Quebec or Newfoundland. There was an element of doubt, and the judges decided that it depended on the flow of the rivers, and the boundary was set between the flow of the rivers flowing to the east on the one side, and flowing to the west on the other. That was the decision made by the Privy Council, and I am not in a position to say whether it was more judicial than political or more political than judicial. The point is that Canada had an interest in the matter. With regard to the provinces, it is unfortunate, but they had not the exhibits which could have supported their case.

There was an agitation against the Privy Council, that it was not being fair to Quebec and was showing favouritism to Newfoundland. Up to the present time Newfoundland has been declared the owner of Labrador by the court that was considered the highest tribunal in this case. I understand that some people felt defeated on account of that, just as some lawyers feel defeated each time they lose a case. But the matter is finished, and Labrador is part of Newfoundland and

Newfoundland is a province of Canada. If they have hardships, they can be helped just as can any other province. It is fair to give them a hand. They should not be abandoned because they happen to be in the extreme east of this country.

Honourable senators, subsidies formed part of the Union agreement. Then it was decided that in the future, after several years, if Newfoundland needed some help, a commission would be appointed, upon a request from the Government of Newfoundland, to study the matter and to make a decision as to whether the Government of Canada should pay a certain amount, not exceeding $8 million, to the Province of Newfoundland.

The purpose of it was to put Newfoundland on the same basis as the other Maritime provinces with regard to taxation, etc. I leave it at that.

It seems to me that if that money is needed by the Province of Newfoundland we must do something in that regard; but until now there has been no evidence that the Government of Newfoundland has made any request to the Government of Canada for an outright annual subsidy of $8 million.

May I ask the sponsor of the bill whether Premier Smallwood, on behalf of the Government or the Treasurer of Newfoundland, has made representations to that effect to the Government of Canada?

Hon. Mr. Hollett: Honourable senators, may I interrupt for a moment, to put my honourable friend Senator Pouliot straight on one particular matter. I understood him to say the idea was to give us $8 million in order to keep our standard of public services in Newfoundland on a level with those of the other Maritime provinces. That was not the idea.

The idea was that, for the first seven or eight years of Confederation, we would endeavour to build up our public services as much as we could, and then a royal commission would be set up to find out how much money would be required to keep these public services at that particular level without undue taxation, more so than the other Maritime provinces.

It was wholly to try to keep our standard of public services at the level which we had achieved in seven or eight years. We had to keep them at that level and they gave us $8 million to keep them there, so that we would not have to impose taxation greater than in the Maritime provinces. It was not to keep them up to the level of the others, because we never got up to that level.

Hon. Mr. Pouliot: I thank my honourable friend for what he has said, but I have quoted the text of Term 29 in my remarks and I do not go beyond it. It is there, so that every senator can understand it.

Honourable senators, in conclusion, it seems to me that instead of receiving subsidies like that, each province should be self-sufficient and should impose enough taxation to provide for its own needs, so that we would not collect taxes and give them away in the form of subsidies to any province. That is my final remark about it.

Hon. Thomas Vien: Honourable senators, my question may have led honourable senators to misconstrue my remarks. What I had in mind was to inquire why legislation was necessary. Both the honourable Leader of the Government and the honourable gentleman from Newfoundland (Hon. Mr. Hollett) have pointed out that provision is already made in the act incorporating Newfoundland into Canada.

Also, as the honourable gentleman from Newfoundland has just pointed out, it was provided that if at any time the need arose to maintain the level of taxation equal to that of the other Maritime provinces, a royal commission should be appointed to find out to what extent additional contributions from the federal treasury were necessary. I agree entirely with that view.

We would like to dispel in my honourable friend's mind any apprehension that we are thinking of his province as thieves, stealing this amount or other amounts from the treasury. We are most happy to have Newfoundland with us in Canada. I agree with him that we should contribute to the best of our ability to build a great country, Canada as a whole.

However, in view of the fact that the territory of Canada extends from St. John's, Newfoundland to Victoria, British Columbia, it is obvious that we have sections inhabited by very different peoples. They are all Canadians, but they have their own traditions and their particular ways of life. If we leave to each district the greatest possible autonomy in matters that they are best able to deal with locally, we shall find that they will contribute to the nation as a whole more happily than if Canada tries to impose decisions which may not always be understood in various sections of our country. Let us leave to the various provinces—to Newfoundland, as

well as to the Maritime provinces, to Quebec, to Ontario, to the Prairie provinces and to western Canada—the fullest possible autonomy, in matters that can be dealt with locally better than centrally.

Honourable senators, we were very happy to induce Newfoundland to come into Canada. We are very happy that Newfoundland is contributing with us in the upbuilding of a great country. This feeling is appropriate and it is expedient to express it at this time when we are on the eve of celebrating the centenary of Confederation in 1967.

There are two difficulties arising in respect of this bill. I agree with the honourable Leader of the Opposition that this bill should be referred to a committee. These questions can more properly be discussed in committee than here. Nevertheless, it was quite proper for honourable senators to put questions to the mover and the seconder of the bill, on matters involved in this legislation.

The honourable gentleman from Newfoundland mentioned that it would be a perpetual agreement unless both Canada and Newfoundland came to an agreement to put an end to it. I cannot very well reconcile myself with this idea. If Newfoundland, in order to maintain a level of taxation similar to that prevailing in the Maritime provinces, needs $8 million or more, there is no objection on our part at all. But we have to be shown—we are from Missouri—we have to be shown that that is necessary. It may be necessary now, as recommended by the royal commission, but will it be necessary in ten years, when the Churchill Falls are developed and when Newfoundland receives additional revenue out of that and other resources?

The question of its being a perpetual arrangement is something that bears investigation, and that investigation I would leave, as suggested by the Leader of the Opposition, to the committee. It may well be that amendments to the bill will be suggested to take care of this situation.

So far as the other aspects of the problem are concerned, I may say to the honourable gentleman that Canada as a whole, and the Province of Quebec in particular, have suffered in the past. For instance, when the boundaries with the United States were determined by the Ashburton treaty, a large part of Canada which we thought should be part of the Province of Quebec was taken away and given to the State of Maine and other places, to the extent that today if you wish to proceed by the short line of the Canadian Pacific Railway from Montreal to Saint John, New Brunswick, and Halifax, you have to traverse a part of the territory of the United States. To our mind at that time it may have been a political decision, but it was not a judicial one and we do not feel that it was fair and just.

Let us consider the Alaska boundaries for a moment. In that case we had arbitration, and we still feel that the British arbitrators on that committee did not act properly; they made a political decision not on all fours with the fundamental principles.

Coming to the question of Newfoundland's boundaries, the same situation arose. Now that Newfoundland is in Canada, I agree with my friend Senator Pouliot that the objections raised at that time no longer exist. I do not go so far as to say that they stole part of Labrador from Canada or from the Province of Quebec; I say that they were more alert in presenting their views; that the Privy Council had had the experience of Newfoundland, a British dominion at that time, which came to distress; that the Constitution of Newfoundland as a dominion had to be suspended. The British Government took a hold of the situation until the agreement to bring Newfoundland into Canada was consummated.

My honourable friend says that the $8 million is necessary to compensate Newfoundland for what the rest of Canada had enjoyed, and which that province had not enjoyed. I would remind him of the history of Newfoundland. Prior to suspension of the Constitution, some very distinguished gentlemen in Newfoundland had to account for certain deeds not found legal. Many of the troubles of Newfoundland, prior to that period, were due to the people who administered the country as they deemed fit. Therefore it is not so much a question of advantages which the rest of Canada had enjoyed and of which Newfoundland had been deprived. I think the honourable gentleman corrected that view in the latter part of his speech.

My view of the whole situation boils down to this: When Newfoundland entered Canada it was provided that the level of taxation there should be maintained to the level prevailing in the other Maritime provinces. Then, if necessary, a commission should be appointed.

That commission was appointed and it suggested that to maintain that level of taxation in Newfoundland it would be necessary to give a further subsidy of $8 million to Newfoundland. I am in favour of that, and I do not want anybody to construe my words otherwise.

We are happy to have Newfoundland with us; we are happy to respect in every particular the obligations assumed by the deed entered into between Newfoundland and Canada. But I would like to point out that, in committee, we would carry out an investigation to determine the limit or the termination of that subsidy. It should not be a perpetual arrangement.

Hon. Mr. Roebuck: May I ask the honourable gentleman, as an eminent constitutional lawyer, if he considers that the Parliament of Canada of today, by passing an act of this kind, can bind the parliaments of the future?

Hon. Mr. Vien: I agree entirely; we could not make a perpetual commitment and Parliament can always put an end to it.

In addition to this particular provision of the constitutional law, there is another point. The spirit of the agreement between Canada and Newfoundland was to maintain a level of taxation equal to the level of taxation in the other Maritime provinces. But if in 10 or 15 years from now, the prosperity that we foresee for Newfoundland and which we wish Newfoundland to enjoy is in existence, it will no longer be in the spirit of the agreement that we should pay that contribution, and I think it will be in order to suspend that provision.

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

NORTHWEST TERRITORIES ACT

BILL TO AMEND—FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-146, to amend the Northwest Territories Act.

Bill read first time.

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

Motion agreed to.

DOCUMENTS TABLED

Hon. John J. Connolly tabled:

Statutory Orders and Regulations published in the *Canada Gazette* Part II, of Wednesday, May 11, 1966, pursuant to section 7 of the Regulations Act, chapter 235, R.S.C., 1952. (English and French texts).

Capital Budget of the Canadian Corporation for the 1967 World Exhibition for the year ending December 31, 1966, together with Order in Council P.C. 1966-758, dated April 26, 1966, approving same. (English text).

Copy of a Statement issued by the Department of Northern Affairs and National Resources concerning a National Wildlife Policy and program. (English and French texts).

Copies of Ordinances, Chapters 1 to 8 inclusive, made by the Commissioner in Council of the Northwest Territories, assented to February 4 and 5, 1966, pursuant to section 15 of the Northwest Territories Act, chapter 331, R.S.C., 1952, as amended 1953-54, together with a copy of Order in Council P.C. 1966-479, dated March 10, 1966, approving same. (English text).

Copy of Table of Public Ordinances of the Northwest Territories—1956-66. (First Session). (English text).

Report of the Department of Trade and Commerce for the year ended December 31, 1965, pursuant to section 7 of the Department of Trade and Commerce Act, chapter 78, R.S.C., 1952. (English and French texts).

Report to the Minister of National Health and Welfare of the Special *ad hoc* Committee studying matters involving the patent licensing of Drug Manufacturers. (English and French texts).

Report of the Commission of Inquiry as to the future of the Air Canada Overhaul Base at Winnipeg International Airport, and related matters, established under Order in Council P.C. 1964-857, dated June 11, 1964 (D. A. Thompson, Esq., Q.C., Commissioner). (English and French texts).

CANADA LABOUR (SAFETY) CODE BILL

FIRST READING

Hon. Mr. Connolly (Ottawa West) presented Bill S-35, respecting the prevention of em-

ployment injury in federal works, undertakings and businesses.

Bill read first time.

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

Motion agreed to.

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY— ORDER STANDS

On the Order:

Resuming the debate on the motion of the Honourable Senator McDonald, seconded by the Honourable Senator Gouin, for an Address to His Excellency the Governor General in reply to His Speech at the Opening of the Session.—(Honourable Senator Beaubien (Provencher)).

Hon. John J. Connolly: Honourable senators, may I have unanimous consent that this item be called first tomorrow, if it does not appear first on the Order Paper?

Hon. Senators: Agreed.

Order stands.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, May 25, 1966

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

Prayers.

DOCUMENTS TABLED

Hon. John J. Connolly tabled:

Copy of An Agreement between the Government of Canada and the Government of the Province of Prince Edward Island for the use or employment of the Royal Canadian Mounted Police, pursuant to section 20(3) of the Royal Canadian Mounted Police Act, chapter 54, Statutes of Canada, 1959. (English text).

Copy of an Agreement between the Government of Canada and the Government of the Province of Nova Scotia for the use or employment of the Royal Canadian Mounted Police, pursuant to section 20(3) of the Royal Canadian Mounted Police Act, chapter 54, Statutes of Canada, 1959. (English text).

Copy of an Agreement between the Government of Canada and the Government of the Province of New Brunswick for the use or employment of the Royal Canadian Mounted Police, pursuant to section 20(3) of the Royal Canadian Mounted Police Act, chapter 54, Statutes of Canada, 1959. (English text).

PRIVATE BILLS

COMMERCIAL SOLIDS PIPE LINE COMPANY—FIRST READING

Hon. A. Hamilton McDonald presented Bill S-36, to incorporate Commercial Solids Pipe Line Company.

Bill read first time.

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

Motion agreed to.

LAURIER LIFE INSURANCE COMPANY—REPORT OF COMMITTEE

Hon. Salter A. Hayden, Chairman of the Standing Committee on Banking and Commerce, reported that the committee had considered Bill S-27, to incorporate Laurier Life Insurance Company, and had directed that the bill be reported without amendment.

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

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

Motion agreed to.

LEAGUE SAVINGS AND MORTGAGE COMPANY—REPORT OF COMMITTEE

Hon. Mr. Hayden, Chairman of the Standing Committee on Banking and Commerce, reported that the committee had considered Bill S-30, to incorporate League Savings and Mortgage Company, and had directed that the bill be reported without amendment.

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

Hon. Mr. Connolly (Halifax North) moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

COMBINES INVESTIGATION ACT AND THE CRIMINAL CODE

BILL TO AMEND AN ACT TO AMEND—AUTHORITY TO PRINT COMMITTEE PROCEEDINGS

Hon. Mr. Hayden, Chairman of the Standing Committee on Banking and Commerce, presented the following report of the committee on Bill C-169, to amend an act to amend the Combines Investigation Act and the Criminal Code:

> Your committee recommends that authority be granted for the printing of 800 copies in English and 300 copies in French of its proceedings on the said bill.

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

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

Report adopted.

REPORT OF COMMITTEE PRESENTED

Hon. Mr. Hayden, Chairman of the Standing Committee on Banking and Commerce, reported that the committee had considered Bill C-169, to amend an act to amend the Combines Investigation Act and the

Criminal Code, and had directed that the bill be reported with the following amendment:

Clause 1: Strike out lines 22 to 28, both inclusive, and substitute the following:

"(b) the thirtieth sitting day of Parliament next after the day on which any resolution of either House of Parliament, based on a notice of motion in that House signed by any ten members thereof and made in accordance with the rules of that House, that this section cease to be in force is concurred in by the other House,".

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

Hon. Mr. Hayden: Honourable senators, I move that this report be placed on the Orders of the Day for consideration at the next sitting.

Motion agreed to.

DIVORCE

REPORTS OF COMMITTEE PRESENTED

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the committee's reports Nos. 580 to 635, inclusive, and moved that the said reports be taken into consideration at the next sitting.

Motion agreed to.

BUSINESS OF THE SENATE

On the Orders of the Day:

Hon. John J. Connolly: Honourable senators, before proceeding with the Orders of the Day, may I ask for unanimous consent to have Order No. 3, for resuming the debate on Bill C-185, which appears on the Order Paper for tomorrow, called as Order No. 1 tomorrow. This would be a convenience to the honourable senator who adjourned the debate.

Some Hon. Senators: Agreed.

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY—DEBATE CONTINUED

The Senate resumed from Thursday, May 12, consideration of His Excellency the Governor General's speech at the opening of the session, and the motion of Hon. Mr. McDonald, seconded by Hon. Mr. Gouin, for an address in reply thereto.

Hon. T. A. Crerar: Honourable senators, my first words this afternoon must be of thanks to Senator Connolly, the leader on this side, for holding over the debate on the Address in reply to the Speech from the Throne in order to give me an opportunity to deliver my swan song to the Senate.

Today I speak under the pressure of some emotion. It is a long time since I first visited the halls of Parliament. Almost 50 years have passed since October 12, 1917, when I was sworn of the Privy Council. I joined the Union Government of Sir Robert Borden, who, in my judgment, was one of our great prime ministers. I served for almost two years under that administration. It is evidence of the mutations that time brings that all who marched with me in that government have passed the border to the Great Beyond.

In 1941 I served through World War II under Mr. Mackenzie King. Of those who worked together during that administration, more than half have passed on. I stand here today as a sort of relic of the past, and I am conscious of the difficulty that faces me at this moment.

Thoughout my association with Parliament, during my 20 years of rather strenuous activity in the House of Commons, and my 21 years in the Senate—where the atmosphere is, I am bound to say, more congenial to me—I have made many friends and many enduring friendships. Now I face the possibility—not only the possibility but the certainty—of a lack of close association with all these friends.

It is evidence of the changes that time brings, that of the Parliament elected in 1917, so far as my knowledge goes, only three members remain—and those three are in the Senate. There is my good friend Senator Vien, who was elected in 1917; there is my good friend to my right, Senator Power, elected at the same time; and myself. Sooner or later we also will be leaving this house. I will leave it within a few days.

I have always admired Senator Power. Of course, there were times when he was wrong, but any differences of opinion never interfered in the slightest degree with our friendship. I can say here with a true heart that Senator Vien and Senator Power are two of my most respected friends.

Honourable senators, it is my purpose today to speak with some frankness, and I hope it will not be taken amiss by anyone in this house or elsewhere.

I have had a rather long experience in public life and there are some things today that certainly are disturbing. The thing that probably gives me most concern is the growing lack of appreciation of Parliament and the failure of Parliament to maintain its standards. In the press, in private conversations, sometimes in public addresses, this fact is frequently referred to.

It is a great misfortune for a democratic country when its people commence to lose faith in their governing institutions. There is no more necessary foundation for the maintenance of a democracy than a respect not only for these institutions but for the people who govern in these institutions. There may be differences—there will be differences, of course—in the manner in which public men discharge their duties; but there should always be a respect for the public men who for the time being are occupying the very responsible position of members of Parliament, either in the Commons or in this house; but that respect must be earned.

Honourable senators, I am not going to attempt today to give you any reasons I may have for this state of affairs that we have somehow fallen into. I hope to live long enough to see the prestige of Parliament fully restored. But I do think this, and I say it with all frankness and with all candor, that we shall never get right in our parliamentary institution here until we have had a change in leadership in both the two major parties. I know there will be those who disagree with me in this view, but we have had two elections within the last few years, both of them indecisive in their results. If there were to be another election today, I think we would most likely find the same result again. That is very unhealthy for Parliament.

I say to you that on these two leaders, both of whom have been Prime Minister and both of whom have served their country, I offer no comment on failures; I offer no criticism; I deal only with the fact that notwithstanding these two elections neither was able to secure the degree of confidence from the Canadian electorate to place him in a position of authority to govern this country. I think if a change were made and new men came in to occupy these posts, we might be able once more to re-establish the prestige that Parliament should enjoy throughout this broad land.

I come now to deal with some of the problems of today for which in my view it is most important and most necessary to find a solution. A few weeks ago I rather rashly stated that I would endeavour in this my last address to the house to tell you some of the things I would try to do if I were Prime Minister. Of course I have never been Prime Minister, and I can say quite frankly that never did I have any ambition to be Prime Minister. But I would not have lived and passed through my experience in Parliament to any effect, and I would not be worth anything if I could not at least contribute some suggestions as to what I think might improve our whole parliamentary picture.

The first matter I wish to deal with is this troublesome question of Ottawa vis-à-vis the provinces. Somewhere along the line we have gotten off the track with the result that our affairs provincially and federally are mixed up to a very dangerous degree.

The Fathers of Confederation who drafted our Constitution were very wise men, and they provided in that Constitution that all matters of general concern, such as banking, trade and commerce, customs, post office, and transportation interprovincially and internationally, would be under federal jurisdiction, and they left the remaining matters of local concern to the provinces. That was the broad definite principle upon which the British North America Act was based.

Nowadays we have departed greatly from that. We have amended the Constitution in recent years so that Ottawa now is dealing with many of the matters that originally were reserved for the provinces. In my view it has not worked out well.

If I were asked to offer a solution, I think I would say to the provinces: We shall give you back all the standard taxes, corporation income tax, personal income tax, succession duties, and you let the federal Government have one or two exclusive fields, such as sales tax and gasoline tax; you look after all welfare and matters of local concern and we will look after all the matters of general concern to the country as a whole.

It is clearly absurd that the federal Government should through the provinces or any other agency, contribute money to build a skating rink in Saskatoon or to pave a street in the town of Carman, Manitoba, or in Antigonish, Nova Scotia. Such was never intended, and as long as we have that state of affairs we will have differences in opinion and squabbling over money as to who shall do this and who shall do that and who shall do the other. That is not the way to build unity and harmony in this country.

We are like a family. Take, for instance, a man who has six or seven sons. If he plans his life so that these boys shall all work together, whether in farming or in business or in anything else, they will not be able to carry on in harmony for more than a few years. After that time they will commence to differ as to what and how it should be done. That is precisely what has taken place in Canada today.

This situation arises not through any ill will, jealousy or anything of that kind, but from the shortcomings of human nature. There is nothing more important for a Prime Minister or a government than to understand and to know people. All those who have been greatly successful in government or in business found their success due in large measure to their ability to know and judge people.

I would try to solve this problem of federal-provincial relations in this way. We need some amendments to our Constitution, but we do not need many. With regard to fiscal matters, the argument may be made that if Ottawa were to give up some of its authority it could not organize and plan our fiscal and tax matters in such a fashion as to prevent depressions and to stimulate booms.

I am bound to say I have no great faith in that kind of planning. We are working today, and have been for years, under the theories of John Maynard Keynes. One of his essential postulates was that during good times a government should budget for surpluses and increase taxes, and in bad times it should budget for deficits and reduce taxes. How has that worked out? For the last ten years by and large we have had a prosperous Canada. On one or two occasions we have dipped back a little bit, but on the whole it has been a period of abounding prosperity. Nevertheless, there has not been one year in the last ten in which we have balanced our budget. One of the fruits of such a policy is found in the degree of inflation we have in our economy today.

I say quite soberly to this house that at the moment there is no more insidious danger facing us than inflation. When you consider that in the sixteen years since 1949 we have worked 42 per cent inflation into our economy, then, it seems to me to be a matter of very grave concern. I do not hold with business people, economists or others who argue that it is quite possible and even beneficial to have, say, 2 per cent or 1½ per cent inflation a year. That is a dangerous doctrine.

The inflation in our economy has been a major source of our troubles with labour. It has denied and brought hardship to many of the people of this country who are living on fixed incomes or on savings. The person who bought a thousand dollar bond in 1950, paying 4 per cent interest, will find when that bond matures, say in another five years, it will have depreciated to the extent that 45 per cent or more of its purchasing power will have been eroded. They find that of the interest they get yearly on their bond, nearly half has gone down the drain. That is no way to encourage savings; that is no way to build up self-reliance in our people and to create the savings necessary if we are to protect ourselves from our American friends.

I have great respect for the sincerity of Mr. Walter Gordon, but I do think that no one could be more astray than he is in his theories about our relationships with the United States in monetary matters or in his program of moving further leftwards in social reforms. How far have we moved in the last 20 years to the left? We have moved to the extent that federally we are spending nearly $3 billion a year on the welfare state philosophy. How much further can we go and maintain solvency?

That is a question today that is giving great concern in England, even with a Labour Government. I say it is just folly, supreme folly, to think we can go on expanding our services, spending here, spending there, never balancing our budgets, and at the same time imagine that we can avoid trouble in the future. It just cannot be done. I mention this with some hesitation because I hope I never have and never shall indulge in personalities, but I do think these policies are fundamentally wrong, and I am quite sure that the Canadian people, once they have an understanding of this, will, with good common sense reject them completely.

The next matter I should like to mention is that of labour. Here we enter not only a very delicate field, but a difficult one. I am not anti-labour, I never have been anti-labour, but I do think we have reached the stage in our development where some consideration must be given to this matter. Our labour unions today are among the most powerful organizations in the country. This is true also in the United States. There are unions in the United States that pay their presidents $50,000 a year and allow them a long expense account. I have no criticism to offer on that.

It is perfectly legitimate for a labour organization to pay its officers anything it thinks right and proper. It is perfectly legitimate for a labour union to pay an ex-president who has retired $50,000 a year as a pension. But what all this means to me is that labour today is big business, and big business in the most powerful way.

We have today a situation, for instance, in Montreal. I am not assessing blame on either side, but I do say that the public interest of this country should come first in all these things, and there are some precedents for this.

Back 70 years ago the railway companies of Canada were a law unto themselves, completely. They could fix their own freight rates. They could discriminate in freight rates as between one city and another. They could give rebates on freight rates. They could refuse to put in a siding for some business or industry that wanted to establish itself in a city, if the existing industry in the city concerned had sufficient influence with the railway to dissuade it from doing so. That was an intolerable state of affairs.

I am old enough to remember farmers' cattle being killed by railway trains through no fault of the farmer. And what recourse had he? He had none. He might sue in the local court and obtain a judgment, but he could not go finally through to the Privy Council where the case might ultimately be carried. This was a state of disorganization; it was a condition of affairs that was contrary to the general public interest.

So, in the early years of the Laurier administration a railway commission was set up, staffed with competent men, and an effective law was passed. After that institution came into being the railway companies had to give notice of any increase in freight rates, and the public could go and argue their case. If they refused to put in a siding for someone who wanted to establish a business in some city, that person could have recourse to the railway commission and the commission could order the railway to put in the siding. That did not detract any from the ability of the railway to operate efficiently. As a matter of fact, I am sure that today the railways would not want to go back to the old state of affairs.

Let me give you another instance, that of marketing of grain in western Canada. When grain commenced to be produced in substantial quantities on the prairies, of course business developed to handle it. There were elevator companies which the railways encouraged. They were not licensed, they were not bonded, and very often the farmers were the losers through dishonesty on the part of the grain people with whom they were dealing. Then the Canada Grain Act was passed, requiring that every person engaged in trading in grain be licensed and bonded. Anyone who was irresponsible could not get a bond; that was the protection there. Overnight that changed the whole picture in grain marketing operations.

The same is true of the Combines Investigation Act. If two or three concerns put their heads together to manipulate a price when they are the only suppliers, they violate the Combines Investigation Act and they can be hailed before a court and can be fined or even jailed.

What was the great underlying principle in all this legislation I have just sketched for you? It was the principle that the public interest always comes first. Today that principle should be applied in the matter of settling these strikes. I do not like compulsion any more than anyone else. I would not deny unions the right to bargain—and I am speaking now of a field in which the federal Government has jurisdiction, not of the provincial field because, as you all know, there is a division in responsibility with regard to labour matters between the provinces and the federal Government. Speaking of the federal responsibility, I would say to labour: We are going to establish a court. We will put the most impartial and fair-minded men we can find on that court, and we will tell that court that in the end they have to take into account not only the rights of labour, not only the rights of the employer, but also the rights of the public.

Furthermore, I would say to these labour unions under federal jurisdiction: You can bargain; you can try to reach arrangements with your employer; but you cannot strike. You will go to a court and the court will settle the matter. I would work that in reverse as well. I would say to the business people of this country: You cannot have lockouts. You cannot lock your employees out without an order from the court, where all the interests engaged could be heard and the proper decision reached.

Next I want to say a few words about the cost of government. I do not think this will surprise any of my colleagues in this house, but it is a matter of concern. When I think that annually we spend over $10 billion—as I

said a little earlier, if we include the supplementaries which will undoubtedly come along—it is a matter of very considerable importance. That represents over $500 per head, man, woman and child of the Canadian population, based on an estimated population of 20 million. And on top of that we have all the expenditures of the provinces and the municipalities. We are the most over-governed country in the world. I doubt if there is a country—unless you could find a South American republic or perhaps a new country in Africa—where more money is spent per capita on government than in this country. I think this is a matter of concern.

I am old-fashioned enough to hold the view that no government should take a penny out of the taxpayers' pockets that it does not need. I say that there is no greater obligation resting upon a government than that of conducting its business prudently so that it spares the taxpayers these burdens as far as possible. We have drifted into a state of thinking in these modern days that we must have everything at once, and governments feel they must give the people everything at once. The result has been a mounting debt, a mounting expenditure, a mounting inflation, and a mounting discontent among the people. This is something that should be the concern of us all.

I would reorganize administration in government departments. To be quite frank, I do not think the changes that are under consideration now will be of any value in effecting economies, or will be very much of an improvement upon the present situation.

In my judgment—and here again I am speaking frankly—the Civil Service Commission has too much power. Let me give an example. During the war years a problem arose in the Department of Mines and Resources. A valued servant of the Immigration Branch had retired and we had to find someone to take his place. There was a man in the Parks Branch whom Dr. Camsell thought would fill the bill admirably, and when I received the facts I agreed with him. We proposed to transfer this man from the Parks Branch to the Immigration Branch, all within the Department of Mines and Resources.

What happened? We had to get the approval of the Civil Service Commission, who told us that if we were transferring this person at the same salary it would be quite all right, but if we proposed to pay him any increased salary which, of course, we intended to do—something like $25 or $30 extra a month—we could not do it because the regulations required the advertising of the position so that every one in the Civil Service, from one man to the other, could have a chance to apply.

We were faced with this situation, and the result was that we left the man where he was, although in our judgment he would have been an excellent servant of the Immigration Branch. That sort of thing is perfectly absurd. When one is trying to institute good administrative practices such a matter vitiates the whole thing.

The deputy minister corresponds to the general manager of a business concern. I would like to see a reform instituted whereby deputy ministers are selected from within the department, not from outside. I would like to see the Civil Service organized in such a way that every office boy who comes in at the foot of the ladder knows he has the opportunity, if he works effectively, to be some day deputy minister of the department. I would apply to the Civil Service the same principles that are applied in a successful business operation. I know it is not possible to obtain the same degree of efficiency in Government administration as there is in business administration, but I do think we could approximate much more closely to it.

Let me give a few illustrations. Since Parliament opened on January 18, 1,540 questions have been placed on the House of Commons Order Paper. I look over these questions occasionally. Anyone who knows anything about Government administration can only conclude that an immense amount of work is involved in answering those questions. They are asked on the theory that any member—and there is something to justify it—can ask any question and demand an answer from the Government. Many members do that without having any good reason.

When I was the Minister of Mines and Resources, which portfolio included Indian Affairs, I recall an occasion in the house upon which a gentleman from Alberta—he is no longer a member—asked a very involved question concerning Indian administration. When I saw the question I knew at once that a great deal of labour would be required in obtaining the answer. I discussed it with Dr. Camsell, who was a very good deputy minister, and he agreed with me. It was one of those questions that has five or six divisions. I asked this member if there was any particular information he wanted, and pointed out that much work would be required in

obtaining an answer to the whole question. As a matter of fact, it involved searching records back to the time of Confederation. He told me he wanted it all. He said, "I am entitled to it as a Member of Parliament, and your department should supply it."

I had to agree. I could not tell him he was crazy, or anything of that kind. However, I asked Dr. Camsell to have a record kept of the time spent in getting the answers to this question and what it cost in dollars and cents. Believe it or not, honourable senators, when the order for return in respect of that question was tabled after several months it was discovered that the answer cost over $2,000 to prepare. That is perfectly absurd.

The great difficulty today, if I may say it—and I am speaking, as I indicated at the beginning, rather frankly—is that many members of the House of Commons do not sufficiently discipline themselves. Any member of Parliament is entitled to information but, in my opinion, there is some limit on the questions that should be asked. I mention this merely as one of the reforms I think could be brought about in the House of Commons.

If we give the matter a moment's consideration we will realize that these questions keep a small army of civil servants in all the departments busy preparing the answers. I have studied these questions, and it is my opinion that a great deal of the information required could be obtained by an intelligent study of the Estimates, and they could be asked when each minister has his Estimates before the House of Commons for approval.

There are a few other matters I wish to mention, but I am afraid I am taking up too much time—

Hon. Senators: Go ahead.

Hon. Mr. Power: I am not asleep yet.

Hon. Mr. Crerar: We should do something to encourage savings. There is no more striking evidence of the virtue of a people than the way in which they handle their personal affairs. Every sensible person endeavours to save some money each year. But what encouragement to save do we give people today? There are Canada Savings Bonds. We have put out hundreds of millions of dollars of savings bonds, and there has not been a single one sold since the time they were instituted that has not had its value eroded by inflation. If we are going to encourage savings, then we must stop inflation, even if it creates a good deal of discontent in the country—and it probably would. For the vital stability of the nation this is of first importance.

We could encourage savings in other forms. There are those people, and they are rather voluble at times, who say that Canadians should invest more in their own enterprises. There has been a good deal of oil development in Alberta and Saskatchewan ever since 1948, and that development was brought about by American capital because Canadian capital either was not available or would not take the risk. Today more and more Canadian capital is being invested, but the Canadian finds, if he buys, say, 100 shares of a company like Noranda or a new company that has good prospects, that the first crack taken at the earnings is by the Government which imposes a tax of 50 per cent on the corporation's profits. Then he gets his dividend, and he finds that 80 per cent of the amount he gets on his dividend has to be included in his income tax. That is no way to encourage savings.

I think there could be reforms and improvements as an incentive to Canadians to invest in their own Canadian companies.

Now I want to say a word or two about the Canadian Broadcasting Company. The C.B.C. is under a good deal of criticism these days. However, I think there is something anomalous about a concern like the C.B.C. spending over $100 million a year of the taxpayers' money—and there is no government supervision of that expenditure, none at all.

When the Canadian Broadcasting Corporation was first set up about 30 years ago, the whole concern of the political parties—there were only two of any consequence in the House of Commons—was to keep it out of politics. Therefore, they leaned over backward; they were fearful of themselves; they were afraid that if the Government were in any sense responsible that the evil of politics would enter into administration. I think there is a good deal of nonsense about that.

I would have one of our ministers made responsible for C.B.C. affairs, and I would like it laid down in the law that he was not to interfere except to give approval of spending, particularly capital spending of the corporation. That is essential. When I look around and see some of the huge buildings that corporation has erected, it does not surprise me that it needs vast sums of money.

I would insist that supervision be laid down in the act, and that it should express as definitely as possible the conduct of the

C.B.C. in its operations. I say this because today many of its programs are excellent, and some are as good as anywhere in the world. On the other hand, there is a good deal of trivial tripe broadcast over that network. I watched television last night. Why do they have to deal with every sordid event in our community?

Hon. Mr. Connolly (Ottawa West): They were pretty good in part last night, especially the part that you played.

Hon. Mr. Crerar: Why do they have to exploit, for instance, a murder case? Why delve into the gutter and spread this stuff before the eyes of the public?

If I had anything to do with it, it would not be an order, but I would bring to the attention of every program director and everyone associated with programing on the C.B.C. the words of the Apostle Paul when he wrote his epistle to the Philippians.

I have always been an admirer of the Apostle Paul. He was rather a grouchy individual, yet he was one of the great men of history and had a keen insight into human nature. This led him to the Philippians, who were probably rather a poor lot. These are the words of the Apostle Paul addressed to them:

> Whatsoever things are true, whatsoever things are honest, whatsoever things are just, whatsoever things are pure, whatsoever things are lovely, whatsoever things are of good report; if there be any virtue, and if there be any praise, think on these things.

I imagine those words might be salutary if placed before the program experts of the C.B.C.

Honourable senators, make no mistake about it, all these broadcasts have an inevitable impact upon our consciousness and upon the consciousness of our children; they have a powerful influence on whether we are going to reach for the stars or sink into the depths. I say that it does not go beyond the responsibility of Government to try and see that the right direction is taken.

I will say more. If we have not reached the stage of maturity to prevent someone from trying to exploit this medium for political purposes, then we are still political children. However, I do not believe that. Instead of groping through the dregs, let us reach for the stars and use this great agency as something to elevate the minds of our people, to provide material that is more honest, purer and better, and to consider the things that are lovely and of good report.

Honourable senators, I am near the conclusion of my remarks, and I am quite certain that some of you in your hearts will say amen to that. However, I have one further thing to say, and it arises from my abounding faith in Canada and the Canadian people.

Next year we shall celebrate one hundred years of Confederation. I would invite you to look back with me for a few moments to the state of affairs that existed a hundred years ago. We know from our histories that government in the old Province of Canada, that is when Quebec and Ontario were united, had become almost impossible, and there were reasons for that. So someone thought of the idea of Confederation. I believe the idea was first propounded by George Brown, but undoubtedly Macdonald played the great part, and Confederation came into being. In that respect, I think that Macdonald may justly be called the Father of Confederation.

Confederation laid down the Consitution for our guidance, and for almost a century we have got along very well under that Constitution. If there have been differences between federal and provincial authorities, they were settled in the courts, and without exception the judgment of the court was accepted. We should try to get back to that principle. However, that is not the particular purpose I have in mind when I refer to Confederation.

In 1867, when the Fathers of Confederation gathered at Quebec to consider and pass the resolutions that later became the basis of our Constitution, it took the delegates days to travel from Toronto to Quebec, and the delegates from the Maritime provinces had to come by boat in the summer or by dogteam in the winter. The vast expanse of the western prairies was an enigma at that time. Out of all this, on the basis of the constitution that the Fathers of Confederation framed, we have built a country. And what a country!

There is no country in the world today that compares with Canada and its resources. If you look at the progress we have made in a hundred years, there is no country in history that can surpass it, not even the United States. We have built our governing institutions—and, let me say here, the best governing institutions are those that are closest to the people. We have built universities, a score or more all across Canada. From a time when a

few million dollars was considered a big budget a hundred years ago, we have reached the situation where today this Parliament is considering the spending of ten billion dollars. That fact alone illustrates the progress we have made in material things.

Honourable senators, we have made progress in the arts—not as much as we should have made. We are commencing to develop writers, and good writers they are; we have developed fine artists, and many of them have been very fine artists. We have our educational institutions, our church organizations. And we have done all this in a hundred years.

Now at the end of a hundred years, we seem to be in a state of confusion and uncertainty. We must have the leadership that will lift us out of that situation. It is futile to think that you can make progress without able leadership. There was never a truer thing said than that said by the old Hebrew poet:

> Where there is no vision, the people perish.

So we must find the leaders. And we will find them, because I say to honourable senators that there are no finer people anywhere in the world than 80 per cent of the Canadian people. They deserve the very best that our legislators can give them, the very best.

If we do that, if we are true to ourselves, if we are true to the principle of creating the qualities of character in our people—self reliance, honesty, energy—then, honourable senators, we can look forward with confidence that the second century of Confederation may even surpass the first.

Hon. Senators: Hear, hear.

Hon. John J. Connolly: Honourable senators, my own personal attachment to him, and indeed the enormous national prestige which he enjoys, makes a speech about the Honourable T. A. Crerar at this time a most difficult task indeed.

Parliament will not soon forget the illustious career that he has had. Historians will be compelled to write about it. Those of us who have been here in his time will always remember the privilege we enjoyed of being his colleagues. Senators who are here today will not soon forget his valedictory.

Honourable senators, a valedictory is a term usually reserved for the orator of the graduating class. It is interlaced with a sense of gratitude—gratitude to the institution from which the parting is about to occur. It is filled with hope and with optimism for the opportunities which lie ahead for his colleagues and for their future.

We have indeed today heard a valedictory, but one of a very special order. In its background is Senator Crerar's half century of membership in this great, free democratic institution which we call Parliament. He had an early life of sound preparation for the public service which has been so fully given. Senator Crerar grew up with the pioneers of the west country. He knew their moods and their ways because he was of them, and he has reflected their views here faithfully.

In 1917, in his early manhood, Senator Crerar came here to be a member of a wartime government, as he has told us, and he has walked with the great ever since. In a very real sense he represents a link with the earliest builders of our federation. When he was sworn of the Privy Council, Laurier was then, as Senator Crerar is now, its most senior member.

Borden was then Canada's first minister, and our colleague's leader in Parliament. At that time there were as well, of the Privy Council, men like Sir Charles Hibbert Tupper, and Sir Hugh John Macdonald, sons of men who helped bring the Quebec Agreements to fruition in 1867. In successive cabinets his parliamentary colleagues included names like Foster, Sifton, Mulock, Aylesworth, Lemieux, Dandurand, King, Meighen, Bennett, Ilsley, Ralston, Macdonald, Power, St. Laurent. He was an associate of men like Dafoe. He founded and developed the Progressive Party. He was a member of every government formed by Mackenzie King since 1930 and he was the only minister to hold a portfolio during each of the two great wars in which Canada was engaged.

Since 1945 Senator Crerar has ably served this chamber and its committees as an innovator as well as a critic. In his career here he has exhibited all those qualities of a senior statesman for which the Senate was designed. Because of his career, the Senate, Parliament, and Canada itself have become better places. Because of his wisdom and his kindness, many people here have become better member, better senators, better parliamentarians, better Canadians. He has never failed to be fair, even when in his Scotch background it was dictated that he should be critical and firm. He has been fearless in his criticisms as well as in his commendations. This is the reputation which his private life and his

public career have enshrined. This reputation he will never lose and as he leaves us he carries it with him.

In this his valedictory, too, there is a sense of gratitude. But in my view, and I am sure in yours, this sense of gratitude should activate the institution, Parliament, which he now leaves, though he has expressed his gratitude for the opportunities it afforded him to serve his country the better.

Earlier I said that a valedictory is interlaced with hope and optimism for the future of the valedictorian and his associates. The speeches which Senator Crerar has made in Parliament over the years, and the speech which we have heard today, have this quality too. It is more persuasive optimism because it is born of an unrivalled experience in the affairs of his country. He retains undiminished his faith in Canada and its people who have fashioned its fabric. Again and again we have heard him affirm this belief. It might even be epitomized in a saying of the great Gladstone—and the comparison between the two men is apposite, for both have exhibited in their public careers "a trust in the people tempered by prudence." Again, I repeat, words of mine are inadequate to this occasion, but the words of Daniel Webster used of Charles Carroll of Carrollton, the last survivor of the signers of the American Declaration of Independence, and spoken after Carroll had reached his 90th year, I summon to my aid and attribute them to our colleague:

> Of the illustrious signers of the Declaration of Independence there now remains only Charles Carroll. He seems an aged oak, standing alone on the plain, which time has spared a little longer after all its contemporaries have been levelled with the dust. We delight to gather around its trunk, while it yet stands, and to dwell beneath its shadow. ... if he dwell on the past, how touching its recollections; if he survey the present, how happy, how joyous, how full of the fruition of that hope, which his ardent patriotism indulged; if he glance at the future, how does the prospect of his country's advancement almost bewilder... Let him know that, while we honor the dead, we do not forget the living.

He retires, his faculties unimpaired and his physique little short of marvellous. As he leaves Parliament we especially of the Senate salute him in admiration, in respect, and in deep affection.

Hon. A. J. Brooks: Honourable senators, we have listened to a great speech this afternoon. We have listened just now to a great and a well deserved eulogy. It is not my intention to speak at length. I agreed with most of what my very dear friend Senator Crerar said in his valedictory. I cannot say I agreed with all of it.

I have spoken before on the Speech from the Throne and it is not my intention to do so again today, but the Leader of the Government suggested it would not be out of place for me to say a few words on this particular occasion. For that reason I am rising more on a question of privilege, a very great privilege, to say a few words with regard to a very dear friend.

Time does not suffice for me to do justice to this occasion, and it would be unfair for me to keep you here by repeating all those things that we know, or at least many of us know, regarding Senator Crerar. My main reason for rising is simply to say that I join with the honourable leader, and I am sure you all join with me in saying that we regret very much Senator Crerar's departure from this chamber.

Parliament has been his stage for fifty years, and during that time he has played many parts. It may well be that no man in the history of Canada has played more parts in the public life of his country than has Senator Crerar.

As a young man he came to Parliament, the leader of a new party, a large party, in Western Canada. In Parliament he was the holder of the balance of power in this country. Since that time he has been the head of more departments, I suppose, than any man who ever sat in the Parliament of Canada. He has been most generous in his service, as the honourable leader of this house has told us, and he has been more helpful not only to members of Parliament but to the great public of Canada, which he has loved so much.

As far as we are concerned we would be selfish enough to wish that he would stay with us many more years. He has given service not only in great quantity but also in great quality.

I remember well when I was a member of the House of Commons in 1935 and the King Government was formed, I, like most other

members at that time, sized up or tried to size up the cabinet. It was not long before most of us knew that Senator Crerar, or Minister Crerar as he was at that time, was an outstanding member of that ministry. In it were men such as Dunning, Gardiner, Powers, Ilsley, Ralston, Lapointe—I could name them all. But among those men Senator Crerar was outstanding. He was outstanding not only for his ability. I have heard it said among my colleagues that of the ministers of that cabinet who were most likeable and most human, the two outstanding were Senator Crerar and Humphrey Mitchell from Hamilton. These were the two who were best liked. I repeat that statement today.

I have read the speeches in *Hansard* of both houses. I have read many of your speeches, Senator Crerar. I have enjoyed them all. In 1945 when you came to the Senate you made a speech in this chamber on the motion to approve the United Nations Charter. One paragraph of that speech impressed me very much because it characterized most of your philosophy. You said in part:

> ...the progress of the world has always been based on spiritual and moral factors. If we permit moral and spiritual factors to become weakened, dead or obliterated, we make it more difficult if not impossible to bring about the kind of world that is necessary if we are to have a permanent peace.

That was Senator Crerar's philosophy, and I think he has always lived up to it. It is ideals such as that that have placed Senator Crerar among the most beloved and most liked men in this country.

May I say that we hope he will be replaced—I was about to say by as good a man as he is, but we do not expect that. However, if he is replaced by someone who is half as good we will have an outstanding senator in our midst and one who will be a geat credit to this institution.

Hon. Senators: Hear, hear.

Hon. Mr. Brooks: Senator Connolly (Ottawa West) spoke about Senator Crerar's great mental capacity. The wonder that a man of his age can stand up and for 40 minutes speak without the aid of a single note, as he has done today and as he has done on many occasions in recent years in this chamber. Senator Connolly spoke also of Senator Crerar's amazing physical strength. I am sure that while this is his valedictory so far as the Senate is concerned, with his mental capacity and his great physical strength, he will have many years in which to serve his country outside this house.

In conclusion I wish him many years of good health and happiness; and I extend that wish most sincerely to his very dear wife, Mrs. Crerar.

Hon. Senators: Hear, hear.

Hon. Thomas Vien: Honourable senators, I would like to add three words to the eloquent speeches that have just been heard.

My first word is an expression of gratitude to the honourable Leader of the Government and the honourable Leader of the Opposition for the fine tributes they have paid to our distinguished colleague, honourable Senator Crerar, for his long and outstanding career in both Houses of Parliament. I concur in all their very appropriate remarks; they have better expressed than I could have done my own feelings in that regard.

My second word is one expressed as a member of the most exclusive club in Canada. Many contend that the Senate is the most exclusive club in Canada. Yet there is one still more exclusive: one that has only three surviving members of a membership that cannot be perpetuated: the club of the three surviving members elected to the House of Commons in 1917. Indeed, we are only three surviving members, within or without Parliament, of those elected in 1917, and these three are: The honourable Senator Crerar, P.C., the honourable Senator Power, Q.C., P.C., whom I am so happy to see with us today, and your humble servant.

Agreeing with everything that has been said in honour of Senator Crerar and with gratitude to the honourable Leaders of the Government and of the Opposition for having so eloquently spoken, I wish to appeal, as I think honourable senators will do, to Senator Crerar to delay his retirement until after the celebration of the first centenary of Confederation. In keeping with all the speeches that he has made in the past and that have been so highly praised today, the speech just delivered by honourable Senator Crerar shows that he is still physically and mentally alert and capable of continuing to serve in the capacity that he now so brilliantly holds. I would therefore like to suggest, and this is my third word, that Senator Crerar be prevailed upon to wait until after

the first centenary of Confederation shall have been celebrated before retiring from the Senate.

I congratulate Senator Crerar for his long, noble and useful career. Canada as a whole is deeply indebted to him for all the services he has rendered. I wish to reiterate my gratitude to the leaders on both sides of the house for the tribute they have so eloquently expressed, and which I do not wish to repeat.

I hope my appeal to Senator Crerar to delay his resignation will be granted. I have in mind that he also should celebrate his golden jubilee as a member of Parliament.

Hon. Senators: Hear, hear.

Hon. C. G. Power: Honourable senators, it is indeed a very difficult task for anyone to express adequately the feelings which I am sure animate all members of this institution on learning that Senator Crerar is about to separate himself from us. With respect to the Senate itself, apart from the personalities involved, it has struck me that with the loss of Senator Crerar we are losing one of the bulwarks of defence against those who say that the Senate is composed of senile and aging political refugees.

Senator Crerar, by his contributions to the debates here, by his speeches, by his presence in committees, has shown that we have within the Senate statesmen who are capable of carrying on the affairs of this country as adequately as those of any other section of the country.

Hon. Senators: Hear, hear.

Hon. Mr. Power: Through his fluency and his eloquence he has shown also that he can express views, thoughts and considerations brought about by long experience in business, government and administration.

Like my friend Senator Vien, I entered Parliament in the same year as Senator Crerar. He was my senior by a long way, in that he had already been sworn in as a member of Cabinet before he even became a member of the House of Commons. It took me 20 years to achieve that distinction. But when I heard him today, as I have on numerous occasions, my mind went back to some time in 1918, to the first session of the Parliament after the 1917 election. Senator Crerar was then Minister of Agriculture in the Union Cabinet of Sir Robert Borden.

I can remember him well as he stood up to make his maiden speech. He was awkward, gawky and suffering from maiden speech nerves. But what impressed most of us on the other side—and those of you who are old enough to remember will recall we were still under the impact of probably the bitterest and the dirtiest election which had been held since Confederation, and we were not inclined to be friendly towards those on the other side of the house—was that notwithstanding the evident amateurishness of my honourable friend, he gave every evidence of the utmost sincerity and conviction. That is what has remained with me over all the years that have followed during which I was his contemporary in the Commons, in the cabinet, and here.

Honourable senators, if I may be pardoned for going back a little bit in order to mention incidents in his career, I should like to say that Senator Crerar up to 1917 had been a convinced Liberal. He was a great friend and an admirer of, and he had a great affection for, Sir Wilfrid Laurier. The time came when, for purely patriotic motives and for a cause in which he firmly believed, he separated himself from his leader. That was integrity, honesty and conviction. Two years later, notwithstanding the fact, as he said here today, that he had acquired a great respect and admiration for his leader, Sir Robert Borden, he found that his convictions on the matter of tariffs compelled him to leave his cabinet. Tariffs are not as important today perhaps as they were in those years gone by, but those who were of the same view as Senator Crerar believed that any duties imposed on goods going from one country to another were morally wrong; not economically wrong, but morally wrong.

The war being over, the time came for Union Government supporters to revert to their original or former allegiances, but Senator Crerar found he could not support the tariff views of the party with which he was associated, and he left the Government of Sir Robert Borden. Again conviction, again honesty, again integrity.

Later on he was instrumental in forming the Progressive Party, which will be remembered by those who think a little bit about their parliamentary history. Senator Crerar came to Ottawa with a number of followers in the Progressive Party in excess of those who supported Mr. Meighen in the Conservative party. He could at that time, constitutionally and by every rule, have become the Leader of the Opposition, and the alternative to the Government of the day. But he was

not a man to seek power for power's sake. He wished only to bring to Ottawa, and before the people of this country, the grievances and the complaints of those with whom he was associated. That, again, showed disinterestedness and integrity.

Still later on, as leader of the Progressive Party, he found that within its ranks there was an important group who felt that members of Parliament should be delegates and not representatives in what I call the true and constitutional sense of a member of Parliament's being a representative. Because he could not agree with those who held the view that members of Parliament must vote on measures in the house according to the dictates of the particular classes or sections of the population that supported them, he decided to leave the party. He could not remain leader of a party that left aside the customary and constitutional understanding of what a member of Parliament is, namely, a representative of the whole of the country rather than of any faction or section.

Still later on, after he had returned to the Liberal party, he found that his views about patriotic effort did not correspond with those of his leader and the head of the cabinet, Mr. Mackenzie King. He and his friends brought so much influence to bear that the entire policy of the Government with respect to certain controversial matters was changed. Here again, on account of his disinterested conviction, because he had nothing to gain—and one result, so far as I was concerned, was that I went out into the wilderness for many years—he brought about changes in policy.

This is the man who is about to leave us. If his career in politics had been that of any other man I would have said it was adventurous and exciting, but our friend has had the habit of making these strong decisions without any appearance of doing something out of line. He did what he did as a matter of course and because he believed in it. With him, belief and conviction are sufficient to make him take the course he does.

During all of that time, notwithstanding the controversial things he has done, the most remarkable thing about him is that rarely did we hear of any antagonism against him. Rarely have there been personalities expressed against him, and neither have any of us heard him express personalities against people with whom he did not agree. We have here a man whose career has been somewhat extraordinary in our own lifetime, and yet he does not give the impression of being an exploiter or an adventurer. He remains what he was when he first came into Parliament—an honest, conscientious, decent man.

Hon. Arthur W. Roebuck: Honourable senators, I cannot add anything to the remarkable speeches that have been made by the two leaders of the house, and by the members of that exclusive club we have heard about—the club of 1917. Yet, as one of the older members of this house I think I should say something.

Honourable senators, I have known Senator Crerar for more than half a century. I was attracted to him very strongly many years ago when as leader of the western radical movement he expressed so forcibly and so clearly the philosophy of free or freer trade.

Many years have followed. I went through the election of 1917. I have always considered that election the worst blot upon the democracy of Canada. I was a Laurier candidate in 1917, and was supported by Laurier, but I did not win in that election because of the kind of election it was.

I sat in the house with Senator Crerar during the war sessions, and I have been his colleague here for the last 20 or more years. So, I could not allow an occasion of this kind to go by without saying at least something.

I have regret at Senator Crerar's leaving the Senate, but, honourable senators, I can see one bright spot. While Senator Crerar is undoubtedly leaving this chamber in the very near future we can all be assured that he is not leaving public life. I say that because I have known him so well for so long.

He has advocated those things in principle, not in detail, but in the fundamentals in which I believe. Through all the years he has championed principles for which I also stood. He has denounced and criticized many of the things which I also denounce and criticize. Therefore, I shall regret to see him leave. However, honourable senators, be assured that Senator Crerar is not leaving public life. We have not heard the last of him. I can scarcely imagine Canada without Crerar, and I cannot imagine Crerar without Canada. We shall hear more from him as time passes.

Let us not forget that there has been a power behind Senator Crerar over all these years. I refer to Mrs. Crerar, who has been a staunch supporter of him and his ideas and

principles. I honour him now by saying that she means more to him than anything else in the world except his cherished principles.

I express the hope that, as time goes by and occasion arises, Senator Crerar will visit us here in Ottawa many times, because he will find here many friends on both sides of the house, both in and out of Parliament, who will welcome him. But in no place will he receive a more sincere and friendly welcome than right here in the Senate of Canada.

I wish Senator Crerar well and wish him that joy that comes from the recollection of a life well and vigorously spent. I wish him that happiness that is the lot of those who have spent their lives in public service; I wish him continued health and the vigour and the enthusiasm to continue his service to Canada.

Hon. William H. Taylor: Honourable senators, I move the adjournment of the debate on the address in reply to the Speech from the Throne. To relieve the minds of some senators, may I say that I move the adjournment on behalf of Senator Bourque.

Hon. Mr. Crerar: Honourable senators, before the motion is put, may I have an opportunity just for a moment or two to express my warmest thanks for the kindness of all my fellow senators here this afternoon. Senator Connolly (Ottawa West) and Senator Brooks, in the respective positions they hold, have been more than kind, as have also the famous two who have survived since the 1917 legend, along with myself.

Nothing moved me more than the remarks of my old friend Senator Power. In the past, whenever I have risen to speak, I was usually able to put him to sleep. However, that was not the case today.

I am more than grateful to my old friend Senator Roebuck. It is more than 50 years ago since we first met. And Senator Vien has been most kind.

Honourable senators, my heart is filled with gratitude for the kindness I have always received from my colleagues in this house. I can assure all that I shall not be forgetful of that kindness, and I shall cherish until my final days my rich experience as a member of the Senate.

On motion of Hon. Mr. Taylor for Hon. Mr. Bourque, debate adjourned.

BUSINESS OF THE SENATE

Hon. Mr. Connolly (Ottawa West): Honourable senators, may I suggest that in the circumstances, the remaining items on the Order Paper be dispensed with this afternoon. Perhaps we can work a little harder tomorrow instead.

Hon. Senators: Agreed.

Hon. Mr. Connolly (Ottawa West): Items No. 2 and 3 will therefore stand.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, May 26, 1966

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

Prayers.

DOCUMENT TABLED

Hon. John J. Connolly tabled:

Text of communiqué issued following a meeting of Law Ministers of the Commonwealth at London, April 26-May 3, 1966. (English text).

BANKRUPTCY ACT

BILL TO AMEND—REPORT OF COMMITTEE ADOPTED

Hon. Salter A. Hayden, Chairman of the Standing Committee on Banking and Commerce, reported that the committee had considered Bill S-17, to amend the Bankruptcy Act, and had directed that the bill be reported with certain amendments.

For text of report see Appendix "A", p. 596-8.

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

Hon. Mr. Hayden: With leave of the Senate, I move that this report be taken into consideration now.

Honourable senators, I wish first to give an explanation of why I am asking that this report be taken into consideration now. The committee has spent a considerable amount of time on its examination of this bill. The first hearing was on March 23; since then there have been five others, one extending over a morning and an afternoon. The Minister of Justice and the Deputy Minister, and the Superintendent of Bankruptcy appeared before the committee.

The committee also heard representations from such organizations as the Canadian Institute of Chartered Accountants and the Canadian Bar Association. Indeed, during the clause-by-clause study of the bill Mr. J. L. Biddell, of Clarkson, Gordon and Company of Toronto, one of the outstanding men in the field of bankruptcy, and Mr. Michael Greenblatt, a well-known Montreal lawyer in this field, representing the Canadian Bar Association, remained during our consideration and were most helpful in our discussion of the technical aspects of certain clauses of the bill.

At this time much pressure is developing for the passage of this bill, and its very important amendments, into law. The committee has made a careful study of it and has, I suggest, simplified the way for the consideration of these amendments in the other place.

In addition, the transcripts of the committee hearings are available, and it will be easy for members of the other place to follow our discussions and the reasons for the changes proposed.

Those are the reasons for my request for the consent of the Senate to consideration of this report today. May I explain briefly the amendments.

One of the very important amendments has to do with the provision in the bill giving the Superintendent of Bankruptcy authority on an *ex parte* order obtained from the courts to go into any building or premises and seize books, records, etc., that might afford evidence of an offence under the Bankruptcy Act, and to take such documents away.

The committee felt this was too arbitrary a power to be given, particularly in the light of what has happened in some other cases where such arbitrary powers of seizure exist in the statutes. For instance, a firm of chartered accountants was once visited by the departmental officers. Their aides arrived at the premises in a certain city with trucks and cartons. They seized every book, paper and file, filled up the cartons and took them away. The day-to-day business, the current operation of that particular company, was brought completely to a standstill. Afterwards there was the delay in getting at the documents and reclaiming them, and even of obtaining copies.

We felt it was time that we spelled out what we regarded as reasonable limits to this practically unlimited right to seize documents in premises and to take them away. Therefore, we adopted the principle that, certainly so far as current documents were concerned, those documents should not leave the premises until the owner of the documents or the person from whom they were seized had copies or was furnished with copies, so that he still had the tools of his trade.

In this connection it must be remembered that we are dealing with seizure of documents in the hands of third persons, that we are not talking about the seizure of documents and records of the bankrupt, because the trustee has all that authority, and he is entitled to enjoy such right.

Finally, we provided amendments which we felt would cover that situation, and invited the Minister of Justice and deputy minister, and the Superintendent of Bankruptcy, to attend a meeting of the committee. They made certain representations, pointing out the difficulties that our proposed amendments put in the way of the proper enforcement and investigation of bankruptcy frauds.

We had entirely different views, and I think reasonable and sensible views on the question. The minister asked for time to consider. He subsequently asked for a conference with the chairman of the committee. I spent several hours yesterday with the minister and the deputy minister, as well as with the Superintendent of Bankruptcy. We had not arrived at any finality by the end of the discussion, but in my own mind I had thought of several slight changes to meet their wishes. However, the deputy minister and Superintendent of Bankruptcy asked to appear before the committee this morning, and the amendments appearing on pages 4 and 5 of the report are amendments proposed by the deputy minister and accepted by the committee in relation to the seizure of documents, other than on the aspect of solicitor and client privilege, which I shall talk about later.

As the amendments stand before you now, on the right of the superintendent, when he can get an *ex parte* order from a court he can go into any premises and, not seize but examine records and documents on the premises, and he can make copies and take the copies away. The books and records as such remain in the possession of the person all the time, so that his business operations are not interfered with in any way.

For the purposes of the Superintendent of Bankruptcy, copies are satisfactory. As a matter of fact, that is the way, with certain other changes, that they operate under the Combines Investigation Act. They go in; they are very discriminating in the matter of the records that they decide they need; then they may, and do to a large extent, make copies right on the premises. In the case of the documents they decide to take away for further examination, they provide copies to the person from whose hands they have been taken.

These amendments dealing with seizure of documents occupied a considerable part of our time. We finally arrived at a solution. We must assume it is satisfactory to the minister, because it was drafted and proposed by the deputy minister at our committee meeting today. We discussed it and it was accepted.

Honourable senators, on the aspect of what is called solicitor and client privilege, we felt that it was an old and well-known doctrine that a client is entitled to claim privilege in relation to opinions which he may obtain from his lawyer, and that the client is the only one with whose consent the lawyer can waive that privilege. There are provisions in the Income Tax Act recognizing and providing procedures where a claim is made or asserted on solicitor and client privilege. What we have done here is, by cross reference, provide that those provisions in relation to solicitor and client privilege presently existing in the Income Tax Act, where they have been for some time, shall apply to the Bankruptcy Act.

I cannot say that the deputy minister was too happy with the incorporation of this provision. He preferred or suggested that possibly we should not insist on this until such time as there was a complete revision of the act. Our view was that if we raised this principle—and it is a sound principle—and then abandoned our position, our position would not be very strong later on to re-assert it. So it is incorporated in the amendments before you.

There are some minor amendments, but I should tell you of some of the major ones. For instance, in the area of proposals, you will remember that in these amendments an insolvent person may make a proposal to his creditors. He goes to a trustee and makes a proposal. With the advice and assistance of those experts who were with us during the hearing, we have simplified the procedures and tied those provisions in with the main provision on this point in the Bankruptcy Act.

Let me illustrate. An insolvent person makes a proposal to his creditors, the creditors hold a meeting and they do not accept the proposal. Then, under the amendment, the person making the proposal is presumed to have made an authorized assignment on the day on which the proposal was made. Then there was the problem of tying that kind of authorized assignment into the general scheme of the Bankrupcy Act. We have done that in the amendments we have provided.

We have provided for some expedition by saying that, at that very meeting of creditors

in which they refused to approve the proposal, the creditors may convene themselves into their first meeting of creditors and by an ordinary resolution of creditors appoint a trustee or confirm the appointment of the trustee who has been acting in the proposal.

The significance of an "ordinary resolution" is this. Under the Bankruptcy Act itself, such a proceeding in the regular and ordinary way is done and required to be done by "special resolution." The difference between a special resolution and an ordinary one is that under a special resolution you must have a majority of the creditors and you must have three-quarters of the value of the proven claims; under an ordinary resolution you have a plan laid out in section 81 of the Bankruptcy Act, under which there is one vote per hundred dollars or so many hundred dollars of proven claims.

Therefore, it would be easier and more expeditious, at the stage that you are concerned with, where a proposal has been turned down and there is already a trustee there, that you get the machinery and the business of the liquidation under the Bankruptcy Act moving as quickly as possible. So while you have the creditors in session you may as well make use of the situation instead of sending them away to come back another time.

The procedure we set out to deal with the situation where the creditors do not approve of a proposal will also apply to a situation where the creditors approve but the court does not. We have also applied those same procedures to deal with the case where after a proposal has been going along and the debtor fails to perform, the court may, after examining the circumstances, annul the proposal. Then we have provided a series of procedures by which the legal machinery of the Bankruptcy Act starts to operate.

We have other instances that may be of some importance. Heretofore under the Bankruptcy Act the assets of the bankrupt consist of all he may have at the time the bankruptcy takes place, what he may be entitled to receive during the period of bankruptcy, and what might devolve upon him during that period. The amendments before you also provide that in relation to salary or earnings of a bankrupt during the period of bankruptcy, the trustee may apply to the court for an order directing the payment of some portions of that money to the trustee. We felt that the trustee ought only to exercise that power with the consent of the inspectors and/or the creditors. So we have provided for that. It is possible for such an order under the amendment to extend beyond the date on which the bankrupt received his discharge. We felt there should be full approval by the creditors and the inspectors to such a course of action.

In what are called reviewable transactions—those are transactions because of the blood relationships set out in the first part of the bill—a creditor who is involved in such a transaction has to stand by until the dividends in respect of the claims of other creditors are paid before he is entitled to come in. He can do so only after the others have been paid. An exception was provided in that where a creditor had made a loan of cash within two years prior to the date of bankruptcy, the transaction was not subject to this provision. We felt the court was the proper place to determine in every instance whether a creditor in a reviewable transaction was entitled to the exemption from this prohibition. We have therefore provided that in all these cases it is up to the court to decide whether the transaction is proper.

There was a provision in the amendments, you will recall, that a corporation may not apply for its discharge. We had a full discussion on that in committee, and there seemed to be numbers of cases where this would work a definite hardship and might even interfere with the rehabilitation of companies. What we have therefore provided is that where a company has satisfied the claims of its creditors in full, it may apply for its discharge from bankruptcy.

There was another provision concerning the information that would be made available to the general public by the procedures in the amendments. Through these procedures the only information that would get through to the general public and to the trade would be, for instance, in relation to the opinion of the trustee as to who was responsible for the greatest proportion of the debts or the debtor's liabilities.

In addition we felt that information of a public character in the way provided in the amendments should also extend to include the opinion of the trustee as to the probable cause or causes of the bankruptcy. In addition, we did extend and broaden some of the so-called bankruptcy offences, but you need only to read these to understand them.

There was a little problem in connection with what I call the transition; that is, how you read into the provisions of the general bankruptcy law the amendments which are made, and particularly in relation to reviewable transactions. Bankruptcies are proceeding all the time. This bill becomes law at a certain date. How do you apply the provisions of this bill when they become law in relation to the transactions in the administration of the bankrupt estate that had moved along to a certain stage of disposition? Our concern was particularly in relation to reviewable transactions. When this becomes the law, no matter what stage the administration may be at, does the trustee have to go back and measure everything in the terms of the requirements laid down for reviewable transactions that are created under this amendment?

As a result of discussion and with the approval of the Superintendent of Bankruptcy, and with his assistance in the drafting of the amendment, you will find we have rewritten the concluding section of the bill, section 22, so as to make clear how the transition works as between the differences in the new bill and what is provided under the general law in the old bill, and this was even to the satisfaction of our so-called experts, Mr. Biddell and Mr. Greenblatt, who were there.

Those are, in outline but in very bald outline, the things which were done in revision. I can tell you that a great many hours were spent, and we received the benefit of good advice. I need hardly tell you that we had an excellent and well-informed committee who had a full appreciation of the law that would bear on this, and the net result was, I think, a very good job.

Hon. Senators: Hear, hear.

Hon. John J. Connolly: Honourable senators, we are all indebted to the members of this committee for the careful consideration over a long period of time they have given to this very technical matter—and it is a problem that has been crying out for solution.

I think this is one of the areas in which the Senate works at its best. They have taken a complicated bill and have heard the experts who were available from the Government and from the professions, and I am sure they have done an expert job themselves. I repeat, we are all indebted to them for what they have done.

Hon. David Walker: Honourable senators, before we proceed further may I pay a special tribute to the very able chairman of this committee who has done so much.

Hon. Senators: Hear, hear.

Report adopted.

THIRD READING

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

Hon. Mr. Hayden: Honourable senators, with leave of the Senate, I move that this bill be read the third time now.

Motion agreed to and bill read third time and passed.

PRIVATE BILLS

UNITED BAPTIST WOMAN'S MISSIONARY UNION OF THE MARITIME PROVINCES—REPORT OF COMMITTEE

Hon. Maurice Bourget, Chairman of the Standing Committee on Miscellaneous Private Bills, reported that the committee had considered Bill S-33, respecting United Baptist Woman's Missionary Union of the Maritime Provinces, and had directed that the bill be reported without amendment.

THIRD READING

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

Hon. Mr. Bourget: Honourable senators, with leave of the Senate, I move that this bill be read the third time now.

Motion agreed to and bill read third time and passed.

CANADIAN BOARD OF MISSIONS OF THE CHURCH OF GOD—REPORT OF COMMITTEE ADOPTED

Hon. Mr. Bourget, Chairman of the Standing Committee on Miscellaneous Private Bills, reported that the committee had considered Bill S-18, to incorporate Canadian Board of Missions of the Church of God, and had directed that the bill be reported with the following amendments:

1. Page 1: Strike out line 22 and substitute the following: "name of Canadian Board of Missions of the Church of God (General Offices: Anderson, Indiana),"

2. Strike out the title and substitute the following: "An Act to incorporate

Canadian Board of Missions of the Church of God (General Offices: Anderson, Indiana)".

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

Hon. Mr. Bourget: I move, with leave of the Senate, that this report be taken into consideration now.

Honourable senators, the purpose of the amendment was specifically to delineate that the bill apply only to the establishment of the Canadian Board of Missions of the Church of God. It was felt the addition in brackets of the words "(General Offices: Anderson, Indiana)" would indicate clearly to anyone dealing with the Board of Missions that the denomination referred to has its origin in the midwest United States and that, therefore, no special significance attaches to the words "Church of God".

Report adopted.

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

Hon. Mr. Cameron moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

NATIONAL RESEARCH COUNCIL BILL

REPORT OF COMMITTEE PRESENTED

Hon. T. D'Arcy Leonard, Chairman of the Standing Committee on Finance, reported that the committee had considered Bill C-150, to amend the Research Council Act, and had directed that the bill be reported with certain amendments.

For text of report see Appendix "B", p. 599.

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

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

Motion agreed to.

ADJOURNMENT

Hon. John J. Connolly: Honourable senators, I move, with leave of the Senate, that when the Senate adjourns today it do stand adjourned until Tuesday next, May 31, at 8 p.m.

Motion agreed to.

NEWFOUNDLAND ADDITIONAL FINANCIAL ASSISTANCE BILL, 1966

SECOND READING

The Senate resumed from Tuesday, May 24, the adjourned debate on the motion of Hon. Mr. Baird for the second reading of Bill C-185, to give effect to Term 29 of the Terms of Union of Newfoundland with Canada.

Hon. Eric Cook: Honourable senators, up to this moment this has been a most interesting debate. I am sure we are all indebted to the honourable sponsor (Hon. Mr. Baird) for his concise and clear explanation of the reasons for the bill. We all learned a great deal from, and thoroughly enjoyed, Senator Hollett's contribution. His speech was one that I would expect from a fellow Newfoundlander, and is all the more impressive coming from a man who has given a lifetime of service to his country. Like the sponsor, he served with distinction during the First World War, then as a magistrate and a member of the Provincial Parliament, and now as a member of this house.

Senator Pouliot spoke in his usual kindly and understanding manner. His remarks were most helpful.

Hon. Mr. Pouliot: Thank you very much.

Hon. Mr. Cook: Senator Vien asked one or two questions and made some observations that went to the root of the matter. I note that he does not appear to have the same admiration and respect for the Privy Council that I have, but no doubt if the boot were on the other foot I would feel as he does.

However, I do not share Senator Hollett's concern about some remarks made in the other place by some enthusiastic members from Quebec. On the contrary, I recall the fact that Newfoundland was treated very well indeed by the Canadian Government, which was presided over by a greatly loved and outstanding Canadian, who also comes from Quebec. I refer, of course, to the Right Honourable Louis St. Laurent. In short, honourable senators, there is no doubt that, should the need arise, Newfoundland and Quebec will form a partnership to the mutual benefit of each other.

I do not wish to be critical of my colleagues in the Senate, but it does seem to me that the Senate as a whole is not sufficiently informed on the vital subject of Newfoundland's history, so this afternoon I shall spend

a little time, before saying something about the bill itself, in an endeavour to correct this situation.

Newfoundland was first discovered in 1497 by John Cabot who landed at Cape Bonavista. There has been some suggestion from Nova Scotians that he landed on Cape Breton Island, but this every loyal Newfoundlander rejects absolutely. Cabot was given ten pounds by King Henry VII. Some people have been so unkind as to say he should have been given ten years. Such a remark springs from jealousy of us Newfoundlanders.

In 1583 Sir Humphrey Gilbert took possession of the island for the British Crown, and we thus became Britain's oldest colony. At that time, the only inhabitants of Newfoundland were the Beothuk Indians, and the records do not show that Sir Humphrey consulted them on this matter.

Nothing much happened that would be of interest to a mainlander from 1583 until 1914, the commencement of the First World War. I might mention in passing that by 1914 the Newfoundlanders had completely exterminated the Beothuks. When the First World War began, Newfoundland played her full share.

Both Senator Baird and Senator Hollett, as I have said, served in that war with distinction. Hardly a family in Newfoundland escaped. Being only five or six years old at the time I was not ready to serve, but like most other families mine suffered as well. I had an older brother who was among the first 500 to enlist in 1914, and who went overseas and died of his wounds in 1918. Indeed, almost a whole generation of Newfoundlanders was wiped out. In addition, we spent what money we had. The First World War cost Newfoundland $30 million, which was a vast sum to us at that time.

The next event of importance was the great depression which caused Newfoundland to surrender self-government. For this, Newfoundlanders blamed their political leaders, but the background was economic. Newfoundland was a tiny, undeveloped country. Its main industry was the production of salt codfish, and in the depression the total value of the catch sank as low as $6 million.

Newfoundland had never really experienced prosperous times. When the collapse came the people were frightened and almost totally ignorant of the underlying causes. Accordingly, our public affairs were examined by a royal commission, and the evidence given by Newfoundlanders was to the effect that it was all the fault of the politicians. In looking back at those times in the light of knowledge acquired since, it seems to me that to blame Newfoundland's collapse on the politicians is absolute nonsense. The standard of the public man in Newfoundland was no higher and no lower than that in any other place, and I feel that Newfoundlanders have no reason to be ashamed of that period in their history.

Whatever the reason was, our Constitution was suspended at our own request, and we were governed by seven people appointed by the Dominions Office in London.

Then came World War II, and once again Newfoundland did what she could. The effort was not as great as that in World War I, but of course an appointed government could not in wartime formulate the same policies as an elected government. Still, there is no reason for Newfoundlanders to feel anything but pride at what their country did. Our young men and women served with those of other countries of the Commonwealth. Indeed, when England wanted to give parts of Newfoundland to the United States for use as military bases for 99 years, no one questioned the right or the wisdom of England to do this.

At long last we come to the year 1949, the year of union with Canada—the most outstanding, most eventful and most beneficent year in Newfoundland's history to that time.

When Newfoundland became a part of Canada it was generations behind the rest of the country in its standard of public services. For example, we had almost no municipal government of any kind. The only municipal government we had was in the capital city of St. John's, and that government did not operate the police department, the fire department, any schools, hospitals or welfare departments. All of these facilities were provided by the central government, and there was not one single municipal government outside St. John's.

There was so little information of any kind upon which those who negotiated the Terms of Union could rely that they were at a loss to know what would be necessary. No one could foretell the future. Therefore, Term 29 was inserted in the Terms of Union. In due course, in pursuance of Term 29 a royal commission was appointed, presided over by the Honourable John B. McNair, the distinguished Chief Justice of New Brunswick. As all honourable senators know, we

can always count on people from New Brunswick to do the right thing.

Hon. Mr. Burchill: Hear, hear.

Hon. Mr. Cook: Newfoundland's representative was Sir Albert Walsh, then Chief Justice of Newfoundland, and who was, I am proud to say, for a short period a law partner of mine. The third member of the Commission was Mr. John Deutsch, an outstanding economist and now the Chairman of the Economic Council of Canada. It is from the report of the McNair Commission that the $8 million per year comes.

The Canadian Government carried out the recommendations of the royal commission, and has continued to do so. This bill does not change what is now being done. However, there is one important difference.

Section 3 of the Federal-Provincial Fiscal Revision Act 1964 reads:

> . . . the Minister of Finance may, . . .

Section 2 of this bill reads:

> . . . the Minister of Finance, on behalf of the Government of Canada, shall . . .

As I understand the situation, under the present act, the administration itself could decide whether the $8 million would or would not be paid. Under this act, the $8 million must be paid by the Government so long as the act itself is part of the statute law of Canada. Canada is a sovereign power. The Parliament of Canada is the supreme authority of a sovereign power.

Having said that, I do not propose to enter into any argument on the question of the legal right of Canada to repeal or amend this act once it is passed. The act speaks for itself. But, I repeat, this act carries out and implements a treaty entered into between Canada of the first part and Newfoundland of the second part, and it remains in full force and effect unless and until the Parliament of Canada after full debate decides otherwise.

The Parliament of Canada is the high court of justice of the nation, and in the light of the past treatment of Newfoundland by Canada, I for one am more than satisfied that Canada always has and always will more than honour to the full her commitments to Newfoundland and that therefore the power of subsequent Parliaments to amend, revoke or repeal this act is purely academic. This act will remain in full force and effect so long as the need for it exists.

Newfoundlanders do not particularly like being a "have-not" province, and we are doing all we can to cure this situation. She is developing, and developing very quickly, and when the times comes, as I think it will, when we catch up and perhaps even pass the other "have-not" provinces, no doubt we will sit down and make an agreement to suspend or to end these annual payments.

It is true that Newfoundland is borrowing large sums of money, but when it is realized that in a very short time our population has almost doubled, the need becomes apparent. When you read that her population is 500,000, you must understand that the word "population" means men and women and boys and girls. The men and women may become sick or grow old so that hospitals and welfare agencies are needed. Our boys and girls need schools and universities.

Honourable senators, I do not wish to utter anything of a partisan nature. This would be unwise, unfair and improper, when so much good will for Newfoundland is shown by all parties. However, I would like to say "Thank you" to the Prime Minister for the interest he has shown in this matter, and to Newfoundland's representative in the Cabinet who has made this bill his special concern. I know that our energetic premier, the Honourable Mr. Smallwood, who in the past has had some fears about the payment, will indeed be happy.

Finally, I say to the Parliament of Canada through the Senate, and to all the people of Canada through Parliament, "Thank you" for the practical welcome you have always given to the people of Newfoundland and for all your kindness, generosity and good will through the years we have been part of Canada.

In conclusion, honourable senators, I say this is a splendid bill. It would be even more so if it provided for, say, $10 million or $12 million. However, rather than delay its passage I am prepared to vote for the $8 million.

Hon. Gunnar S. Thorvaldson: Honourable senators, there has already been a good debate on this bill, and I believe that there has been even more unanimity in regard to it than would the speech of my honourable friend Senator Cook indicate. He, of course, supported the bill, and I want to assure him and also my honourable friend Senator Hollett that I do not propose to oppose the bill in any way. I just want to make one or two brief comments in regard to it.

I listened with particular interest to one sentence that Senator Cook uttered in his fine address. He said, "This act will remain in full force and effect as long as the need for it exists."

I wish to submit to this honourable house that my friend is being most ungenerous to Newfoundland, if that is the proper interpretation of this bill. I do not find anything in the bill or in the resolution which was introduced in the other place which would limit the effect of the bill in the manner indicated by my learned friend.

My first comment is that no explanation has been given for a certain part of the wording of section 2 of the bill, from which I shall read three lines:

> —unless and until otherwise provided by any agreement in that behalf hereafter entered into between the Government of Canada and the Government of Newfoundland—

It is by reason of these words that I speak to this bill.

I would like an explanation from someone as to what those words mean. Do they mean that next year or five years from now the Canadian Government is going to say to the Government of Newfoundland that the amount of $8 million should be reduced to $4 million? Does it mean that at some future time the Canadian Government will say to Newfoundland that the $8 million should be reduced to nil?

On the other hand, does it mean that there is to be a perpetual payment of $8 million to the Province of Newfoundland? I do not know. Perhaps what is meant in this context will be explained in committee, if the bill goes to committee.

Hon. Mr. Connolly (Ottawa West): Yes, it will be referred to committee.

Hon. Mr. Thorvaldson: The main reason I comment on these words is that I decided to find out what was said in the resolution stage of this bill in the other place. I shall not quote from a debate in the other place, but I think I am at liberty to quote the resolution. It reads as follows:

> That it is expedient to introduce a measure to give effect to Term 29 of the Terms of Union of Newfoundland with Canada and to pay to the province, out of the Consolidated Revenue Fund, in the fiscal year commencing on the 1st day of April 1967 and in each and every fiscal year thereafter, an annual amount, by way of additional financial assistance as contemplated by Term 29 of eight million dollars.

I ask honourable senators to consider the words, "to pay... in each and every fiscal year thereafter, an annual amount, by way of additional financial assistance as contemplated by Term 29 of $8 million."

Surely that means only one thing, that this is an annual amount in perpetuity. I think my honourable friend Senator Hollett will agree with this. I am not objecting to it at all. I am not opposing the bill, but I ask why did not the bill speak the same language as the resolution. That is my main point.

The honourable Senator Cook related part of the history of Newfoundland. I concur in his statement that there has always been agreement among all Canadians that a good thing was achieved when Newfoundland confederated with the rest of Canada in 1949. I think everyone in Canada, high or low, wanted Newfoundland to get a generous deal from Canada, and I hope that has been the effect of the union. However, the effect or result of this bill does not depend on the fact that we wanted to be generous, and that we wanted Newfoundland to become part of Canada. This bill is the result of a contract, and I think that this point has not been emphasized sufficiently in this house.

I believe that actually the contract Canada made with Newfoundland was to pay this $8 million in perpetuity. Of course, the matter was not quite as simple as that. As Senator Hollett said Tuesday, it was realized in 1949 that it was impossible to determine at that time just what, if anything, should be paid by way of an additional grant to Newfoundland in order to bring its standards up to those of the other Atlantic provinces, without additional taxation or greater taxation impact than these provinces were subjected to.

Consequently, it was agreed in Term 29 that a royal commission would be appointed within eight years. That was done, and as Senator Cook has said, that royal commission consisted of the Honourable J. B. McNair as chairman, the Honourable Albert Joseph Walsh, then Chief Justice of the Supreme Court of Newfoundland, and Mr. John J. Deutsch. The Commission was given specific terms of reference, and these terms were recited by Senator Hollett and appear in *Hansard* of May 24.

There was but one weakness in the whole picture, as I see it. It was that the terms of reference authorized the commission to examine into and report upon this problem we have been talking about. The whole issue was whether the Government of Canada was bound in contract to accept the report of that commission, exactly as given.

In my view there is much to support the position that that was a contractual obligation by the Government of Canada, that the Government of Canada undertook to do exactly what that commission recommended.

Hon. Mr. Connolly (Ottawa West): This bill reinforces that.

Hon. Mr. Thorvaldson: I am just coming to that point. Certainly, you could use the word "reinforce". I am simply restating my position. I am not objecting to the bill, but I am bringing out certain things which I think have not been brought out in this debate and which should be brought out.

Hon. Mr. Connolly (Ottawa West): If the honourable gentleman does not mind the observation, I think that Senator Hollett dealt rather well with this point yesterday. I assure honourable senators that this bill will go to committee—I believe the sponsor of the bill will move that this be done—and there these questions can be more thoroughly discussed.

Hon. Mr. Thorvaldson: I hope my honourable friend does not object to my making a few remarks on this bill. This legislation is important from the point of view of Newfoundland, but it is also important we emphasize that this is a matter of contract. I agree that the recommendations of the McNair report should be carried out. Senator Hollett recited the terms of the recommendations, and the concluding recommendation (e) states that from April 1, 1960 and thereafter, additional financial assistance be paid in the amount of $8 million per annum.

The only point of difference that there may be between these governments is whether the Government of Canada was bound to accept this recommendation as made. In my judgment the Government is bound to pay $8 million in perpetuity.

Hon. Mr. Choquette: Would it not be the first time in the political history of this country that the Government would be bound by the report of a royal commission? Does not the Government at times shelve such reports, and does it not object to some recommendations? I am not questioning the reasoning, but would this not be the first time that this would be done?

Hon. Mr. Thorvaldson: I am giving my opinion with regard to the McNair report. I ask the honourable leader of this house, or others, or the people who drafted this bill, why it is this bill has not carried out the terms of the resolution presented in the House of Commons on May 18. That is in identical terms to the McNair report, but the bill is not.

Hon. Mr. Connolly (Ottawa West): I think a quick answer is simply that in a resolution which is presented in the other place it is impossible to put in all the terms that are in the bill that is to follow. All that is indicated in the resolution is the general terms of the measure that is to follow, particularly the financial provisions. The details follow. If the honourable senator will look at other resolutions he will see that quite short resolutions often deal with some long bills. Perhaps that is the answer on this point.

Hon. Mr. Thorvaldson: I hope the honourable Leader of the Government does not think that I do not understand that a resolution cannot disclose everything that might be contained in a bill.

Hon. Mr. Connolly (Ottawa West): The senator asked a question and I thought he wanted an answer.

Hon. Mr. Thorvaldson: I understand, of course, that a resolution cannot contain all the parts of a bill, but there is no reason why it could not contain the extra three lines which are contained in this bill.

The question that I ask is, why this bill should not be amended to provide for the contractual obligation which I have stated in exactly the way that I, and I believe many others, understand is contemplated by the McNair report as a result of the specific problem set before it by Term 29?

Hon. Mr. Pouliot: Honourable senators, I have a question to ask any member from Newfoundland.

Whereas in virtue of the Terms of Union, financial assistance amounting to $8 million may be required by the Government of Newfoundland, there is no evidence to the effect that there was any request from the department in Newfoundland. I find this a

very delicate matter, because, as we know, Mr. Smallwood is very touchy and if he has not asked for this subsidy the Province of Newfoundland may reject it.

Therefore, I would like to be told what steps were made by the department in Newfoundland to have this kind of legislation and this subsidy amounting to $8 million. If this has been done behind the back of the Government of Newfoundland, the Parliament of Canada will be laughed at because of this legislation.

Hon. Mr. Burchill: Honourable senators, may I ask a question, to clarify my mind.

I understand Senator Cook to say that the Province of Newfoundland has received $8 million a year, is receiving $8 million a year and will receive $8 million a year, or words to that effect. The question I want to ask is, what happened in the intervening years between 1949, when the terms of the agreement were signed between Newfoundland and Canada, and the date of the McNair report? Did Newfoundland receive the money, or is this based retroactively? Did they receive money in those years?

Hon. Mr. Cook: There was a transitional grant which was coming down by order from the Government of Canada.

Hon. Mr. Baird: Honourable senators, I wish to thank all those who have taken part in the debate. I would like to single out Senator Thorvaldson. I have no doubt that when the bill goes to committee, as I propose to move, all the information necessary will be provided by the witnesses who will appear before the committee.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Baird, bill referred to the Standing Committee on Banking and Commerce.

PRIVATE BILLS

LAURIER LIFE INSURANCE COMPANY—THIRD READING

Hon. Jacques Flynn moved the third reading of Bill S-27, to incorporate Laurier Life Insurance Company.

Motion agreed to and bill read third time and passed.

LEAGUE SAVINGS AND MORTGAGE COMPANY—THIRD READING

Hon. Donald Smith, for Hon. Mr. Connolly (Halifax North), moved the third reading of Bill S-30, to incorporate League Savings and Mortgage Company.

Motion agreed to and bill read third time and passed.

QUEBEC NORTH SHORE AND LABRADOR RAILWAY COMPANY—SECOND READING

Hon. Maurice Bourget moved the second reading of Bill S-31, respecting Quebec North Shore and Labrador Railway Company.

[*Translation*]

He said: Honourable senators, as this is the first time I have risen to speak in this Chamber since the beginning of the present session—and I could add that it is my first opportunity to speak since I have been appointed a senator—I take this opportunity to offer you, Mr. Speaker, my best wishes and sincere congratulations on your appointment as Speaker of the Senate. Would you be so kind as to convey these felicitations and good wishes to your charming and distinguished wife. I am sure that you will fulfil your duties impartially and that you will bring to your high office the fine and numerous qualities that have always been characteristic of you, sir.

I also take this opportunity to tell my colleagues who sat in this Chamber when it was my privilege to preside over their discussions—and here I am speaking particularly to the honourable Leader of the Senate, Senator Connolly (Ottawa West), and to my good friend the Leader of the Opposition, Senator Brooks—that I felt deeply the courtesy and the friendship they showed me throughout my tenure as Speaker of the Senate.

I would be remiss were I to neglect to thank the officials of the Senate for their unfailing support during my speakership and also all the Senate staff for their good and loyal services.

To my new colleagues, I extend a most hearty welcome to this Chamber. I am sure they will share with us the benefits of their widespread experience and their numerous talents.

[*Text:*]

The purpose of Bill S-31 is to grant authority to Quebec North Shore and Labrador Railway Company to complete its line of railway within the period ending on the 14th

day of May 1977. The company's present authority so as to complete its line expires on the 14th day of May, 1967.

The company was incorporated in the year 1947 for the purpose of constructing and operating a railway from the St. Lawrence River at a point between the rivers Marguerite and Moisie in the Province of Quebec and thence northerly through Labrador, ultimately to a suitable port on Ungava Bay. The portion of the line which has been constructed to date runs a distance of 355 miles—149 miles in Quebec and 206 miles in Labrador—from Sept Iles, Quebec, through Labrador, to Schefferville, Quebec, and has been constructed at a cost of over $162 million.

The company is a subsidiary of the Iron Ore Company of Canada and, as honourable senators are undoubtedly aware, the railway was constructed to make possible the development of the iron ore deposits located in this vast area of our country's north. There are two main areas where iron ore is now mined. These are in the Schefferville region and the Wabush Lake-Carol Lake region. The latter mining operations are located about 225 miles northwest of Sept Iles, and 40 miles to the west of the company's railway. These operations are served by a branch railway which is owned by others.

It may be of interest to note that, when construction of the present railway line began in 1951, the population of Sept Iles was less than 2,000 persons with a mere handful living in the area to the north. Today, this area has a population in excess of 35,000 persons. Capital investment by the Iron Ore Company of Canada and associated companies in mining, concentrating, pelletizing, railway, shipping and townsite facilities in Quebec and Labrador exceeds one-half billion dollars to date, and further expansion is now under way. The Iron Ore Company of Canada, its subsidiary Quebec North Shore and Labrador Railway Company, and its associated company the Carol Pellet Company, have a work force of approximately 4,000 and in 1965 paid $37 million in wages and salaries. Since operations began in 1954, $350 million has been paid in wages and salaries and, in the same period, municipal, provincial and federal taxes amounted to $105 million.

It is clear that the recent development of this northern area is making and will continue to make an important contribution to the economy of Canada.

Hon. Mr. Benidickson: Is this all American money?

Hon. Mr. Bourget: Well, I do not know exactly.

Hon. Mr. Paterson: This is American money.

Hon. Mr. Bourget: Honourable senators may ask when the company plans to extend its railway farther north than Schefferville. The answer to this question depends upon demand and economics. As in the past, the Canadian iron ore industry will continue to rely on export markets for the bulk of its iron ore sales, despite the increasing consumption of domestic ore by the Canadian steel industry.

Throughout the world there are vast known deposits of iron ore. Some, such as those in South America and Africa, are already in production. Others, such as those in Australia, are under intensive development. There is now keen competition for the sale of iron ore in world markets, and this is likely to increase. Many of the new deposits are higher in grade and more accessible to tide water than those in the Quebec-Labrador region. On the other hand, the Labrador-Quebec region has certain advantages.

The Department of Mines and Technical Surveys, in its Mineral Information Bulletin 80, entitled "Canadian Iron Ore Industry 1964", says that:

> Factors influencing the growth in Canadian iron ore exports include the expanding demand for iron ore in consuming countries; the inability of some traditional sources to meet the increase in demand; an increasing demand for beneficiated high-grade ore; the relative proximity of large Canadian reserves of beneficiating-grade material to the large steelmaking centres of the United States and, to a lesser extent, Western Europe; Canada's favourable political climate, which is conducive to capital investment, and its incentive mine-taxation policies.

The Iron Ore Company of Canada is now opening up a new deposit called the Redmond Mine, which is located about nine miles south of Schefferville. It will be connected to the main line of the Quebec North Shore and Labrador Railway by a four-mile spur. There are also other known deposits of iron ore north of Schefferville. For example, the Iron

Ore Company of Canada has deposits about 50 miles north of Schefferville in Quebec. I am advised that these deposits are in the company's program of future development. Exactly when development will occur will depend on market conditions, but Quebec North Shore and Labrador Railway Company feels that, as and when the decision to proceed with such development will be made, it must be in a position to provide the required railway services without hindrance or delay. This, then, is why the Quebec North Shore and Labrador Railway Company has come to Parliament to ask that the time within which it be allowed to complete its line of railway as authorized by its charter be extended.

I am sure that the purpose of the Quebec North Shore and Labrador Railway Company in presenting this bill will commend itself to the members of this chamber as a necessary step in continuing its important role in the development of our natural resources.

I would propose that, if this bill is given second reading, it be referred to the Standing Committee on Transport and Communications. At that time, representatives of the railway and of its principal shipper will be present and will be able to answer any questions which may occur to the members of the committee.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Bourget, bill referred to the Standing Committee on Transport and Communications.

NORTHWEST TERRITORIES ACT

BILL TO AMEND—SECOND READING—DEBATE ADJOURNED

Leave having been given to proceed to Order No. 10:

Hon. J. Harper Prowse moved the second reading of Bill C-146, to amend the Northwest Territories Act.

He said: Honourable senators, this bill may perhaps best be described as a housekeeping bill as far as the Government of the Northwest Territories is concerned. It is not, nor is it intended to be, a Magna Carta for the Northwest Territories, but it does represent a pragmatic step forward toward the realization of representative, if not completely responsible government for the Territories, in line with the recommendations which have been made and the pressures which have emanated from the present Council of the Territories.

The principal provisions of this particular bill are to extend the number of elected members from four to seven by the creation of three new electoral districts, which will extend the franchise to all adult members of the Northwest Territories and will permit all of them to take part in electing representatives to their Council. Increasing the number of elected representatives from four to seven, and the Council itself from nine to twelve, will for the first time throw into the hands of the elected representatives the balance of power in that body. Previously, as you will undoubtedly recall, the balance of power has lain in the hands of the appointed representatives.

In addition to the increase in the number of representatives, the bill proposes to increase the sessional indemnity for members of the Council, that of the elected members to the sum of $5,000 a year and that of the appointed members to $3,500. At the present time the members are paid on a per diem basis, the elected members at the rate of $100 per day plus $25 expenses to a maximum of $2,000, and the appointed representatives merely on an expense account of $25 per day.

In order to ensure in these northern territories, where travel is so difficult and the cost of getting around so great, that there may be available for government service men of ability and high calibre, men who will be able to deal with the many problems involved, it was felt this remuneration should be provided.

Honourable senators, perhaps I can give you some idea of what we are talking about. Earlier this afternoon we were discussing Newfoundland which, with its appendages, represents four per cent of the land area of Canada. It may shock us to realize that the part of the country we are now dealing with, and to which this bill refers, covers an area of 1,300,000 square miles. From the tip of Ellesmere Island to the islands at the tip of James Bay is a distance of 2,200 miles. From the community of Inuvik at the mouth of the Mackenzie River in the west to the settlements on the east coast of Baffin Island is a distance of 2,100 miles. In that tremendous area, which represents one-third of the whole land area of this nation, the population is slightly over 22,000, giving a density of less

than one-fiftieth of a person per square mile. Those figures, more than anything else, will impress upon us the tremendous problems these people face.

In dealing with the problem of providing some kind of government for an area such as this we have to consider the further fact that more than two-thirds of the population are native Eskimos and Indians, and in the area to which it is now intended to extend the franchise, which represents more than half of the total area concerned, lives one-third of the population, or about 8,000 persons, 90 per cent of whom are Eskimos.

The Indians all live in the western part or down in the islands of James Bay. A very large number of these 7,000-odd Eskimos speak only the Eskimo language. Yet, if we are to keep in step with the trends in other parts of the world, and if we are to have our hands clean when we go into the court of public opinion to tell people how they should deal with the natives in their own countries, it seems only obvious and fundamental that we should at that time be able to say that we have extended the democratic franchise to our own natives. It is for those reasons that this bill is now before us.

The original government of the Northwest Territories was provided by the Temporary Government Act of 1869, when the areas of Rupert's Land and Hudson Bay were first being negotiated for and taken over. The only representatives of government in the area at the time were the members of the police force, and there was provision for the setting up of a commission. In 1875 a commission was set up under the first Northwest Territories Act. At that time it consisted of the commissioner and five appointed persons, three of whom were to be police magistrates or stipendiary magistrates, as they were then called, and as, in fact, they were.

That act also provided that as any territory reached a density of population of one person per square mile, or, in other words, when any area of a thousand square miles or less achieved a population of 1,000, then it would be entitled to elect a member to the Council of the Northwest Territories. It is significant to note that just before 1905 there were 20 members of the assembly of the Northwest Territories who carried on a reasonably responsible form of government.

At that time the provinces of Alberta and Saskatchewan were carved out of the Northwest Territories, and the government for the rest of the area reverted to exactly the same as had existed prior to 1870. In other words, there was a commissioner who was assisted by four appointed members, except that nobody ever got around to appointing any of the members. The commissioner of the Northwest Mounted Police was the sole representative of, and was personally responsible for, law, order and good government in those areas up until the year 1921.

At that time a new commissioner had been appointed, and he decided that it lay within his power to put into effect an edict to keep people out of the territories—at least, he decided he could say who should come in. This was challenged in the courts, which ruled that he did not have this power; and, as a result the government proceeded to fill the appointments provided for, and increased the number to six. So, there was a commissioner and six persons governing the territories from that time until 1951.

Up until 1946—and, indeed, to all intents and purposes throughout this whole period—the members of the commission governing the Northwest Territories were exclusively the heads of the government departments concerned, such as the R.C.M.P., the Department of National Defence which was responsible for communications, the Department of Transport which provided certain aerial and weather reporting services, and the department that was responsible for Indians and natives. In other words, the whole area was run entirely by what might be called a co-ordinating committee of senior civil servants.

In 1946 the Government for the first time appointed a person from outside this select group of senior civil servants, and in 1951 provision was made in the Northwest Territories Act for the election of three members to represent the groups of people living in the communities down the Mackenzie.

Following 1930 there began to be considerable development in mineral exploration, which resulted in the development of Yellowknife and the discovery of pitch blend and the mines that were developed, such as Eldorado on Great Bear Lake. A great deal of increasing activity started in that area. Today the activity in this area is chiefly mining.

Perhaps I can give honourable senators another figure which I thought was a gem. Of the 1,300,000 square miles in this territory, only 13 are being used for agricultural purposes, and they are down at the south end of

the Mackenzie. Except for the Mackenzie valley there is no arable land in the whole area, but there is a great deal of mineral wealth, and exploration has been increasing all the time.

Honourable senators are well aware that the oil companies are showing an increasing interest in the possiblity of gas and petroleum recovery. There have been rather remarkable discoveries, such as that of iron ore up on the northern shore of Baffin Land, which deposits dwarf anything of a similar nature in the country. Fortunately, we have other supplies sufficient for our present needs which are cheaper to get at. But the problem of bringing ore out of that country will have to be faced in the future.

There were four communities around the Mackenzie Delta and the Yellowknife area, for which the legislation of 1954 provided four elected members. In 1960 or 1961 they started to appoint, not heads of government but individuals from outside who might bring some special interest or knowledge or have some connection from the outside world to the north.

In 1964 the number was increased by four elected members, three of whom were appointed from outside. At the present time the appointed members consist, first, of the only member of the Government or Civil Service, namely, the deputy commissioner who sits in the legislature as a member of the council. Then there are four appointed members, and the fifth member is the commissioner. Now, instead of there being just four elected members, there will be seven.

The bill contains a number of clauses, and I do not think this is the proper time to discuss them. If there are any questions, I shall be happy to try to answer them. However, the effect of the bill is really in the increased representation, and it brings into effect an ordnance of the territories which was passed at their last session providing for the extension of the franchise to these people.

I know that a great many people feel that this is a very hesitant step and a long way short of the responsible government that some think the territories ought to have.

It may be recalled that as a result of pressure which began around 1958 for complete responsible government, at least in the western part of the Northwest Territories, the Canadian Government of the day was persuaded to introduce legislation for the purpose of dividing these areas of the Territories into two parts. This would have enabled the western part, which at the moment is perhaps the more able part, to present a case for standing on its own feet, or at least to move more quickly in that direction. This proposal ran into a great deal of opposition from people who were concerned with the area, with the result that it was not proceeded with.

In the following year, 1965, the Government set up the Carrothers Commission, under the chairmanship of Dean Carrothers, of the School of Law of Western University. Although still a young man, he has had a distinguished career in the field of law on the west coast, where he graduated from the University of British Columbia originally, and later at Dalhousie University. He also holds degrees from Harvard University. He would appear to be a man eminently qualified to bring in an objective point of view to a most important study.

To assist him in this work are two commissioners, namely, John H. Parker, the Mayor of Yellowknife and a mining engineer who has had a good deal of experience in that country, and Professor Jean Beetz of the University of Montreal, one of the outstanding authorities on constitutional law. It is expected that they will bring in a report this coming fall.

The terms of reference of the commission are generally to examine the whole problem of how to give responsible government to the Northwest Territories, how to set about it, and anything else that occurs to them in the process. They have been getting as wide an expression of opinion from the residents of the areas themselves as possible.

At the present time, lest anyone be concerned about the ability of these people to use a vote, let us remember that they are all permitted to vote in the federal elections.

Another item of importance is that up to the present time, although they have the Council, the administration has been under the hands of departments that were located here in Ottawa. As someone has said, you not only have as the administration a dog team running down the river, which was bad enough, but the driver was two thousand miles away in Ottawa, and if there was some dissatisfaction it should cause no one any great surprise.

The present commissioner has indicated his intention to retire this year, and it has already been announced that the new commis-

sioner will presumably be appointed after the Carrothers Commission has submitted its report. In any event, he will be expected to take up immediate residence and execute his duties from the Territories.

One of the things necessary to be done, of course, will be to name a capital for the Territories, provided it is recommended that there should be one territory.

All this could have been done before the report came in, but in view of the tremendously strong feeling among people that they have been deprived of their franchise, and their desire to have it, and the expression of the Council of the Northwest Territories for the passing of the legislation, it was felt that this was a step which could be safely taken at this time without anticipating in any way work that is being done by the commission.

There are a number of smaller matters in the bill; for instance, the care and custody of people who formerly were called insane and now are regarded as mentally disturbed. However, the chief function of the bill is to provide immediately the correction of what many people have felt was a serious deficiency which has extended itself into the history of our country with regard to dealing with these people who are expressing so much need, and who because of the expansion of Canada are coming daily into greater contact with the white man, and whom we want to initiate into responsible forms of government as quickly as possible.

Hon. Mr. Aseltine: May I ask the honourable gentleman a question?

Hon. Mr. Prowse: Certainly.

Hon. Mr. Aseltine: I should like to know if possible what the revenue of the Northwest Territories from all sources is at the present time, and how much money in addition to that does it cost the Government of Canada to handle the affairs of the Northwest Territories.

Hon. Mr. Prowse: It is certainly not possible for me, honourable senators, to give an accurate answer to the honourable gentleman's question, but I have a list of the municipal revenues from a number of towns.

Hon. Mr. Aseltine: I am not referring to municipal revenues.

Hon. Mr. Prowse: I can give the figures for the years 1962, 1963 and 1964, on operating account. The total operating revenues for 1963-64 were $7,030,469. In the previous year they were $5,828,740.

On capital account from loans from the federal Government and recoveries of capital expenditures, they received in 1963-64 another $1,023,541. Total operating expenditures amounted to $6,026,017. Total capital expenditures were $749,111.

This did not include certain costs such as salaries, housing and maintenance of the Northern Administration Branch.

In the year 1963-64, the total cost for the Northern Administration Branch was $9,836,706, of which $1,234,800 was recovered from the Northwest Territories Government, leaving a total of $8,601,906 to be recovered from here.

In a general way, if it will help at all, it is my understanding that at the present time the revenues that are collected by the Northwest Territories Government, and which it retains, consist chiefly in the profits from liquor. The rest of the income—for instance, local taxes—is collected from local people. Actually, from local sources they obtain about 14 per cent of the money they require for the total of all the Government services provided. The Department of Welfare comes in and deals directly there. The Indian Affairs Branch and the Department of Northern Affairs and National Resources come in and deal directly with the Indians and the Eskimos. The Department of Transport provides the airlines and air terminals. I believe that department also provides the northern transportation services, and the river services.

Hon. Mr. Aseltine: Those services are all paid for by the dominion Government.

Hon. Mr. Prowse: That is correct.

Hon. Mr. Aseltine: And they amount to about $8 million a year.

Hon. Mr. Prowse: This is according to the figures I have here, if I interpret them correctly.

I suggest honourable senators should satisfy themselves on this point. I do not want to put any department of the Government on the spot. I presume that there will be an opportunity later to get answers from people who are much better able to give them than I am.

One of the interesting factors is that, at the time Alberta and Saskatchewan were carved out of the Northwest Territories, they were getting from local sources exactly 14 per cent of what it cost them to provide the services. I

do not know whether that figure is as significant as it might be, but I give it for general information.

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

RURAL ECONOMIC DEVELOPMENT FUND BILL

SECOND READING—DEBATE CONTINUED

The Senate resumed from Tuesday, May 24, the adjourned debate on the motion of Hon. Mr. McDonald for the second reading of Bill C-151, to provide for the establishment of a fund for the economic and social development of special rural development areas.

Hon. Olive L. Irvine: Honourable senators, as a westerner, I rise to express my support for the principle and purpose of Bill C-151. As we know, this act is to provide for the establishment of a fund for the economic and social development of special rural areas.

I see it as another brick in the foundation laid by the former government and in particular by the honourable member for Qu'Appelle, Mr. Hamilton, in 1961 when he introduced the ARDA legislation, whose many principles are to be found in this bill.

In the other place it was a source of great satisfaction to see the unanimity of agreement on the principle behind the bill. It reflects, as was felt on all sides, an appreciation of rural life and its value to Canadian society.

Of course, not all rural areas in Canada are in need of special development assistance. There are extensive rural areas in which agriculture is prosperous, where rural incomes and living standards are good and where natural resources are well managed. In these areas the people have been able to adjust to the times and take full advantage of the great technological changes of the last three decades. There are areas, however, where economic conditions have been poor.

We are all aware that rural development must start with the people concerned. According to this bill we are told that there shall be chosen an advisory board, consisting of not more than ten senior officials of departments or agencies of the Goverment of Canada, to be appointed by the Governor in Council, to hold office during pleasure. Personally, I am of the opinion that if an amendment could be made in the choosing of the candidates for the board's representatives from municipalities in which projects are located, more good would result. Matters of local interest and local needs would be brought to the attention of the board to a much greater extent than if they were made up by those not familiar with local conditions or with the needs of the people in general.

Three special areas have been chosen to begin this development: (1) the Interlake area of Manitoba; (2) northern New Brunswick; and (3) eastern Quebec. The bill provides for an expenditure of $50 million to begin with, but the money supply can be expanded very rapidly as the principle of the legislation expands.

In the Interlake area of Manitoba the citizens have been subject to low income, have major adjustment and development problems and have recognized development potential. Much provincial planning has already been done and has now reached the stage where rural development plans, including proposals for specific projects, are being prepared, and it is obvious that special provisions will be required to finance the development plans. This bill will provide for the economic and social development of these areas and is being proposed in order to provide special financial assistance beyond that normally available under the cost-sharing provisions of the ARDA program, to implement these plans. The fund of $50 million is over and above the funds already available under the ARDA program. This special fund will be used for the specific purpose of developing certain designated areas.

In the Interlake district, census statistics are cited which show a marked decline in farm population in the area, and only a 3.1 per cent increase in population between the years 1951 and 1961, compared with an 18.7 per cent increase in the province as a whole. Many of the inhabitants of the area are of Metis or Indian origin.

The loss in farm population during the same period was 8,254, compared with a gain in town population of 9,956.

Another survey shows where farmers went who sold their farms between 1941 and 1961. Thirty-six per cent retired; 20 per cent went to better farms, mostly in the Interlake; 17 per cent took jobs as labourers; 12 per cent went into trade and service occupations and 15 per cent went into other occupations.

The same survey showed that 46 per cent of those living on farms stayed in the Interlake region; 33 per cent moved to the City of Winnipeg; 7 per cent moved elsewhere in the province and 14 per cent left the province completely.

We are led to believe that a new agency will be set up under this new legislation which will buy out small uneconomic farm units, join them together into one large unit, and then sell them back to the farmers. This is an experiment that might prove extremely costly. Many of our rural people would object to being uprooted and forced into an urban environment for which they are ill-suited and unadaptable. There are types of people who would rather live on the land than anywhere else despite their economic problems. This is their right; this is their liberty.

As well as proposing an overhaul in education, it may be necessary to map out priorities for economic development, and highway and road development in order to encourage tourism and commerce. Already the Province of Manitoba is trying to develop new resources, and the federal Government plans to attract secondary manufacturing and processing plants if possible. Greater specialization in livestock and feed production should be another means of growth.

Fishing resources in the area cannot support any increase in numbers. In fact it has been suggested that the number of fisherman be reduced by two-thirds. The average income from fishing is less than $1,000 per man. At the present time marketing is said to be inefficient. Recommendations have already been made to make the fisherman's voice heard, to provide better credit facilities, for improved marketing and more fisheries research. When new job opportunities open in northern Manitoba, this will no doubt offer fishermen alternative employment.

Government assistance programs, properly designed and carried out can be of tremendous benefit in rural areas undergoing basic changes and in need of economic development.

Honourable senators, may I express the hope that, when implemented, this piece of legislation will help to eliminate many of the pockets of poverty which so often occur within prosperous areas.

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

COMBINES INVESTIGATION ACT AND THE CRIMINAL CODE

BILL TO AMEND AN ACT TO AMEND—REPORT OF COMMITTEE ADOPTED

The Senate proceeded to consideration of the report of the Standing Committee on Banking and Commerce on Bill C-169, to amend an act to amend the Combines Investigation Act and the Criminal Code, which was presented yesterday.

Hon. John J. Connolly: Honourable senators, on behalf of Senator Hayden, I move that we now consider and, if you see fit, adopt this report.

As honourable senators are aware, the amendment was made in committee and is set out in the *Minutes of the Proceedings* of May 25, at page 533. Honourable senators will remember that this bill proposes to extend the exemption provided from the Combines Investigation Act and the Criminal Code for the fishing industry on the west coast to the later of two dates, the 31st December, 1967 or a period thirty days after a notice signed by ten members of the other place, resulting in the introduction of a motion in that house for the termination of the extension, and such motion being passed by Parliament.

When the minister was present in the committee the position of the Senate, as pointed out on second reading, was recognized, and this amendment simply provides that this notice may be given by ten members of either house.

Hon. Mr. Aseltine: Then, the debate in this house had some effect.

Hon. Mr. Connolly (Ottawa West): The question the honourable senator asked was the key question and was answered, I am sure, to his satisfaction.

This is the explanation of the amendment, and those who were in committee will clearly recollect that it was decided upon simply to indicate that Parliament does not consist of only one house.

Hon. A. J. Brooks: Honourable senators, we see no objection whatever to the suggestion of the Leader of the Government.

This bill is not as inclusive—if that is the right word—as one might wish. In reading the Combines Investigation Act one might think it was all-embracing but, as the leader has said, it simply deals with fishing on the west coast and was before the house last year and debated six times. It has pretty well gone

through the mill and is very well understood. We agree with the suggestion of the honourable leader.

Report adopted.

THIRD READING

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

Hon. Mr. Connolly (Ottawa West): As the bill has to go back to the House of Commons for concurrence, I move, with leave, it be read the third time now.

Motion agreed to, and bill as amended read third time and passed.

DIVORCE

REPORTS OF COMMITTEE ADOPTED

The Senate proceeded to consideration of reports of the Standing Committee on Divorce Nos. 580 to 635, inclusive, which were presented yesterday.

On motion of Hon. F. W. Gershaw, for Hon. Mr. Roebuck, Chairman of the Standing Committee on Divorce, reports adopted.

RESOLUTIONS PRESENTED

Leave having been given to revert to presentation of petitions:

Hon. F. W. Gershaw, for Hon. Mr. Roebuck, Chairman of the Standing Committee on Divorce, presented the following resolutions:

Resolution 569, for the relief of Lorna Ann Rorabeck Cleary.

Resolution 570, for the relief of Jean Mary Rogers Lack.

Resolution 571, for the relief of Jean-Marc Séguin.

Resolution 572, for the relief of William Arthur David Rannie.

Resolution 573, for the relief of Seemah Agasee Abdoo.

Resolution 574, for the relief of Sandra Joan Dorman Randolph.

Resolution 575, for the relief of Draganikos (Draganigos) Mitakis.

Resolution 576, for the relief of Leona Elizabeth Furlong McCormack.

Resolution 577, for the relief of Betty Bates Huntley.

Resolution 578, for the relief of Andre Rene Matte.

Resolution 579, for the relief of Josephine Louise White Kane.

Resolution 580, for the relief of Joseph Jean-Paul Sylva Landry.

Resolution 581, for the relief of Monique Lapalme Garofano.

Resolution 582, for the relief of Joseph Robert Leclair Daoust.

Resolution 583, for the relief of Claire Wellerstein Berman Tratt.

Resolution 584, for the relief of Susan Blanche Goodman Marcovitch.

Resolution 585, for the relief of Ena Mary Carol Grant Pickleman.

Resolution 586, for the relief of Yvette Amireault Lussier.

Resolution 587, for the relief of Laurier Labelle.

Resolution 588, for the relief of Joseph Claude Fisette.

Resolution 589, for the relief of Marie Aline Juliette Huguette Fournier Forest.

Resolution 590, for the relief of Glenys Margaret Scargill Ainley.

Resolution 591, for the relief of Pierre Des Cotes.

Resolution 592, for the relief of Robin Wetmore Paquin.

Resolution 593, for the relief of Rita Boisvenue Provost.

Resolution 594, for the relief of Felicia Vozza Romano, otherwise known as Felicia Vozza Porco.

Resolution 595, for the relief of Denyse (Denise) Bergeron Tremblay.

Resolution 596, for the relief of Lewis Theodore Edward Robinson.

Resolution 597, for the relief of Vilem (William) Vanha.

Resolution 598, for the relief of Bertha Louise Darby Danforth Malmo.

Resolution 599, for the relief of Marie Marguerite Corine Lise Daviault Morin.

Resolution 600, for the relief of Germain Lefebvre.

Resolution 601, for the relief of Therese Macoviciuc Aganier.

Resolution 602, for the relief of Victoria Ann Lewis Lindsay.

Resolution 603, for the relief of Doris Eleanor Bartlett Allan.

Resolution 604, for the relief of Susan Agnes Mary Brooks Cofsky.

Resolution 605, for the relief of Shirley Evelyn Eisenberg Edgar.

Resolution 606, for the relief of Romeo Miron.

Resolution 607, for the relief of Waltraut Ursula Peymann Wrede.

Resolution 608, for the relief of Anie (Annie) Friedman Ship.

Resolution 609, for the relief of Joseph Earl Douglas Stanley Scully.

Resolution 610, for the relief of Jacques Brazeau.

Resolution 611, for the relief of Garfield MacLean.

Resolution 612, for the relief of Lois Mary Myers Seivwright.

Resolution 613, for the relief of Ingrid Heindoerfer Posch.

Resolution 614, for the relief of Olive Marion Lennox Cox Coombes.

Resolution 615, for the relief of Dolores Diane Murray Heino.

Resolution 616, for the relief of Helen Eileen Mee Johanson.

Resolution 617, for the relief of Marlene Lois Blois Chatham.

Resolution 618, for the relief of Carmen Lasky Mehta.

Resolution 619, for the relief of Jeannette Bailey Rainville.

Resolution 620, for the relief of Maria Cappella Piscolla.

Resolution 621, for the relief of Sharon Ruth Bourgoin Nugent.

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

Hon. Mr. Gershaw: Honourable senators, I move that these resolutions be considered on Tuesday next.

Motion agreed to.

The Senate adjourned until Tuesday, May 31, at 8 p.m.

APPENDIX "A"

(*See p. 577*)

BANKRUPTCY ACT

BILL TO AMEND—REPORT OF COMMITTEE

Thursday, May 26, 1966

The Standing Committee on Banking and Commerce to which was referred the Bill S-17, intituled: "An Act to amend the Bankruptcy Act", has in obedience to the order of reference of March 9th, 1966, examined the said Bill and now reports the same with the following amendments:

1. Clause 3, page 4: Strike out lines 26 to 29, both inclusive, and substitute the following:

"connection with a bankruptcy and examine any such books, records, papers or documents."

2. Clause 3, page 5: Strike out subsection (7) and substitute the following:

"(7) Where any book, record, paper or other document is examined or produced in accordance with this section, the person by whom it is examined or to whom it is produced or the Superintendent may make or cause to be made one or more copies thereof, and a document purporting to be certified by the Superintendent or a person thereunto authorized by him to be a copy made pursuant to this section is admissible in evidence and has the same probative force as the original document would have if it were proven in the ordinary way."

3. Clause 3, page 5: Immediately after line 37 add as new subsection (8) the following:

"(8) Notwithstanding anything in this section the provisions of section 126A of the Income Tax Act apply *mutatis mutandis* in relation to any requirement pursuant to this section to give any information or produce any book, record, paper or other document, as though that requirement were a requirement under section 126 of that Act, and for that purpose, any references in section 126A of that Act to the Minister of National Revenue and the Deputy Minister of National Revenue for Taxation shall be read as references to the Minister and the Superintendent, respectively."

4. Clause 6, page 6, line 42: Strike out "shall" and substitute "may or may not".

5. Clause 6, page 7: Strike out subsection (4) and substitute the following:

"(4) The trustee, as a creditor, may not vote on the proposal.' ".

6. Clause 7, page 7: Strike out section 32B and substitute the following:

"32B. (1) Where the creditors refuse to accept a proposal by an insolvent person a copy of which has been filed with the official receiver as required by section 35, the debtor shall be deemed to have made an assignment on the day the proposal was so filed; and the trustee shall either

(a) forthwith call a meeting of the creditors present at that time, which meeting shall be deemed to be a meeting called under section 68; or

(b) if no quorum exists for the purposes of paragraph (a), call a meeting under section 68 as soon as practicable; and at either meeting the creditors may, by ordinary resolution, notwithstanding subsection (1) of section 6, appoint or substitute another licensed trustee for the trustee appointed under the proposal or affirm the appointment of that trustee.

(2) Where the creditors refuse to accept the proposal described in subsection (1), the trustee shall forthwith file a report thereof in the prescribed form with the official receiver and the Superintendent; and the official receiver shall thereupon issue a certificate of assignment in the prescribed form, which has the same effect for the purposes of this Act as an assignment filed pursuant to section 26.' ".

7. Clause 8, page 8: Strike out subsections (10) and (11) and substitute the following:

"(10) Where the court refuses to approve a proposal by an insolvent person a copy of which has been filed under section 35, the debtor shall be deemed to have made an assignment on the day that the proposal was so filed and the trustee shall forthwith call a

meeting of the creditors under section 68, at which meeting the creditors may by ordinary resolution, notwithstanding subsection (1) of section 6, appoint or substitute another licensed trustee for the trustee appointed under the proposal or affirm the appointment of that trustee.

(11) Where the court refuses to approve the proposal described in subsection (10), the trustee shall forthwith file a report thereof in the prescribed form with the official receiver and the Superintendent; and the official receiver shall thereupon issue a certificate of assignment in the prescribed form, which has the same effect for the purpose of this Act as an assignment filed pursuant to section 26.

(12) No costs incurred by a debtor on or incidental to an application to approve a proposal, other than the costs incurred by the trustee, shall be allowed out of the estate of the debtor if the court refuses to approve the proposal.' ".

8. Clause 9, page 8: Strike out lines 25 to 31, both inclusive, and substitute the following:

" '36. (1) Where default is made in the performance of any provision in a proposal, or where it appears to the court that the proposal cannot continue without injustice or undue delay or that the approval of the court was obtained by fraud, the court may, on application thereto, with such notice as the court may direct to the debtor, and, if applicable to the trustee and to the creditors, annul the proposal."

9. Clause 9, page 9: Strike out subsections (4) and (5) and substitute the following:

"(4) Upon the proposal being annulled, the debtor shall be deemed to have thereupon made an assignment and the order annulling the proposal shall so state.

(5) Where an order annulling a proposal has been made, the trustee shall forthwith call a meeting of the creditors under section 68, at which meeting the creditors may by ordinary resolution, notwithstanding subsection (1) of section 6, appoint or substitute another licensed trustee for the trustee appointed under the proposal or affirm the appointment of that trustee.

(6) Where an order annulling the proposal described in subsection (5) has been made, the trustee shall forthwith file a report thereof in the prescribed form with the official receiver and the Superintendent; and the official receiver shall thereupon issue a certificate of assignment in the prescribed form, which has the same effect for the purposes of this Act as an assignment filed pursuant to section 26.".

10. Clause 10, page 9: Strike out line 18 and substitute the following:

" '39A. (1) Notwithstanding section 39, where a bankrupt is in receipt of, or is".

11. Clause 10, page 9, line 22: After "trustee" insert the following:

", if directed by the inspectors or the creditors,".

12. Clause 14, page 13: Strike out lines 6 to 15, both inclusive, and substitute the following:

" '9. (1) A creditor who entered into a reviewable transaction with a debtor at any time prior to the bankruptcy of the debtor is not entitled to claim a dividend in respect of a claim arising out of that transaction until all claims of the other creditors have been satisfied unless the transaction was in the opinion of the trustee or of the court a proper transaction.".

13. Clause 17, page 14: Strike out line 33 and substitute the following:

"(3a) A corporation may not apply for a discharge unless it has satisfied the claims of its creditors in full.".

14. Clause 18, page 15, line 37: Strike out "paragraph (a)" and substitute "paragraphs (a) and (b)".

15. Clause 18, page 15, line 41: Strike out "paragraph (a)" and substitute "paragraphs (a) and (b)".

16. Clause 18, page 16, line 5: Strike out "paragraph (a)" and substitute "paragraphs (a) and (b)".

17. Clause 19, page 16, line 28: After "assignment" insert "or a proposal".

18. Clause 19, page 17, line 12: After "bankrupt" add "or as joint trustee to a proposal'.".

19. Clause 22, page 28: Strike out clause 22 and substitute the following:

" '22. (1) Sections 1, 11, 12, 13, 14, 15 and 18 apply only in the case of an assignment, proposal by an insolvent person or receiving

order filed or made on or after the day this Act comes into force.

(2) Subject to subsection (1) this Act applies in the case of any assignment, proposal or receiving order filed or made before or after this Act comes into force, but not so as to affect any order, rule, proceeding, action, matter or thing had, done, made, completed or entered into under the *Bankruptcy Act* in respect of any such assignment, proposal or order filed or made before this Act comes into force.' ".

All which is respectfully submitted.

Salter A. Hayden
Chairman

APPENDIX "B"

(*See p. 581*)

NATIONAL RESEARCH COUNCIL BILL

REPORT OF COMMITTEE

Thursday, May 26th, 1966

The Standing Committee on Finance to which was referred the Bill C-150, intituled: "An Act to amend the Research Council Act", has in obedience to the order of reference of May 9th, 1966, examined the said Bill and now reports the same with the following amendments:

1. Page 1: Strike out clause 3 and substitute the following:

"3. Paragraphs (d) to (g) of section 2 of the said Act are repealed and the following substituted therefor:

'(d) "Council" means the Council referred to in section 3;

(e) "Minister" means such member of the Queen's Privy Council for Canada as may be designated by the Governor in Council to act as the Minister for the purposes of this Act; and

(f) "President" means the President of the National Research Council of Canada.' ".

2. Page 1: Strike out clause 4 and substitute the following:

"4. Sections 3 and 4 of the said Act are repealed and the following substituted therefor:

'3. There shall be a Council to be called the National Research Council of Canada.

4. There shall be a committee of Ministers to be called the Committee of the Privy Council on Scientific and Industrial Research, consisting of a Chairman to be nominated by the Governor in Council, the Minister, and such number of other members of the Queen's Privy Council for Canada as the Governor in Council may determine, to be nominated by the Governor in Council.' ".

3. Clause 9, page 2: Strike out subclause (2) and substitute the following:

"(2) Paragraphs (f) and (g) of section 13 of the said Act are repealed and the following substituted therefor:

'(f) with the approval of the Minister, to appoint such scientific, technical and other officers as are nominated by the President, to fix the tenure of such appointments, to prescribe the several duties of such officers, and, subject to the approval of the Governor in Council, to fix their remuneration;

(fa) to authorize the President or any other officer of the Council to appoint persons to perform duties of a temporary nature for a period not exceeding six months;

(fb) to establish, operate and maintain a national science library;

(g) subject to the approval of the Minister, to publish and sell or otherwise distribute such scientific and technical information as the Council deems necessary;' ".

4. Clause 10, page 3, line 6: Strike out "Chairman" and substitute "Minister".

5. Clause 11, page 3, lines 14 and 15: Strike out "Chairman" and substitute "Minister".

All which is respectfully submitted.

T. D'Arcy Leonard
Chairman

THE SENATE

Tuesday, May 31, 1966

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

Prayers.

APPROPRIATION BILL NO. 5, 1966

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-189, for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1967.

Bill read first time.

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

Hon. John J. Connolly: With leave of the Senate, I move that this bill be placed on the Orders of the Day for second reading at the next sitting. Honourable senators, I ask that the motion for second reading be the first of the Orders of the Day for tomorrow.

Hon. Senators: Agreed.

Hon. Jean-François Pouliot: Honourable senators, may I say a word on this matter? Many members of this house for a time complained about the fact that bills similar to this one came to the Senate and passed like lightning, leaving us no opportunity to discuss their contents.

Tonight I must express my appreciation to the Leader of the Government for what happened on a previous occasion when we had a bill similar to this one debated in the Senate for two days. That had not happened for a long time before. Now we have a bill before us, and we shall have time to read it, because it will come before us for second reading tomorrow.

I wish to express my appreciation to the leader for the steps he has taken in order that we have an opportunity to fulfil our parliamentary duties as we should in this chamber.

Motion agreed to.

DOCUMENTS TABLED

Hon. John J. Connolly tabled:

Statutory Orders and Regulations published in the *Canada Gazette*, Part II, of Wednesday May 25, 1966, pursuant to section 7 of the Regulations Act, chapter 235, R.S.C., 1952. (English and French texts).

Report of the Master of the Royal Canadia Mint for the year ended December 31, 1965, pursuant to section 21 of the Currency, Mint and Exchange Fund Act, chapter 315, R.S.C., 1952. (English and French texts).

Supplementary Report of the Canadian Wheat Board on the 1964-1965 Pool Accounts for Wheat, Oats and Barley, certified by the Auditors, pursuant to section 7(2) of the Canadian Wheat Board Act, chapter 44, R.S.C., 1952. (English and French texts).

COMMONWEALTH PARLIAMENTARY ASSOCIATION

CONFERENCE AT OTTAWA—INQUIRY AS TO ARRANGEMENTS

Hon. J. Campbell Haig: Honourable senators, before proceeding further with the business of the house, I wish to ask the following question of the Leader of the Government, of which I have given due notice.

> Is the Leader of the Government prepared to announce to this house what were the results of his meeting with officials of the Commonwealth Parliamentary Conference Association, which was held in London last week; and what are the plans for the Commonwealth Parliamentary Conference to be held here from September 26 to October 4 of this year?

Hon. John J. Connolly: Honourable senators, I should like to thank Senator Haig for giving me notice of this question, and also for waiting a week until I could make a reply.

The reason for the delay in replying is that last evening the committee in charge of arrangements had a special occasion in the West Block, at which the principal speaker of the evening was the Secretary-General of the Commonwealth Secretariat, Mr. Arnold Smith.

There were in attendance the high commissioners accredited to Canada from various Commonwealth countries, the ambassadors of two countries rather intimately connected with the work of the Commonwealth Parliamentary Association, certain parliamentarians, and a very fine representation from the press. The purpose of this function was to acquaint the press, primarily, and the high

commissioners, of the proposals for the conference to be held next fall.

I am sure honourable senators would not mind if I single out one member of the local Canadian branch committee for the outstanding job he did last evening I refer to honourable Senator Grosart, who was in charge of this function. I think the meeting was the first of its kind ever held in connection with a Commonwealth Parliamentary conference. I am sure all honourable senators who were present last evening were as pleased and proud as I was with the splendid work Senator Grosart did in connection with it.

Now I come to answer the questions asked. The twelfth general conference of the Commonwealth Parliamentary Association will be held in Canada this fall, from September 8 to October 4. These dates are inclusive: they provide for a period for assembling the delegates in Montreal, for sending them on tour, and for the conference proper.

I should perhaps mention that while in certain Commonwealth countries it is possible to see much of the host country during the Commonwealth Parliamentary Association meeting, here, with an entire half-continent to cover, it will be almost impossible to visit many places. Nevertheless, it is intended to have the delegates go from coast to coast and every province will be visited, but, regrettably, not by every delegate.

The delegates will assemble in Montreal between September 8 and 10, and the tour period will run from September 11 to 25. Between September 11 and 14 there will be a tour in the Atlantic provinces, where it is proposed to divide the delegates into four groups. Twenty delegates will go to Newfoundland, 20 to Prince Edward Island, 85 to New Brunswick, and a fourth group of approximately 125 will visit Nova Scotia.

Following the tour of the Atlantic provinces, the delegates will travel to western Canada. All delegates will visit Alberta and British Columbia, after which they will again be divided, this time into two groups of approximately 125 each. One group will visit Saskatchewan and the other Manitoba. The dates of the visits in these provinces are as follows: Alberta, September 14 to 16; British Columbia, September 16 to 19; Saskatchewan and Manitoba, September 19 and 20.

The delegates will then be reunited for their visit to Quebec City and the provinces of Quebec and Ontario. They will be in Quebec from September 20 to 22, and in Ontario from September 22 to 25. They will then proceed to Ottawa for the conference proper.

At this stage I shall not mention any specific places where calls will be made because, though the program is very well advanced, I think honourable senators in due time will be able to get more detailed particulars than I can now give, even if I were to read the program in full, as I am sure you would not wish me to do.

The meetings of the General Council, which is a very large body comprising 45 to 50 people, will be held in Ottawa on September 26 and 27. These are very important meetings. Thereafter the full conference will assemble in plenary session which will last from September 28 until October 4.

Normally the number of Canadian delegates to a Commonwealth Parliamentary Association conference is seven, but it is customary for the host country to double the size of its delegation. This Canada proposes to do at this time. In addition we will be inviting each of the provincial branches to send two delegates rather than one, which is the usual number to which they are entitled.

My honourable friend has also asked me something about the agenda which it is proposed to adopt for the meetings to be held in Ottawa following the tours of Canada. This agenda was tentatively settled at the meeting of the General Council in London last week, and can be conveniently broken down into four general headings.

The first will embrace the subject "The Commonwealth in the World." It will involve a debate on international affairs, but will also be concerned with purely Commonwealth matters current at the time. For example, the Rhodesian problem and the India-Pakistan dispute were current at the time of the meeting in New Zealand last fall. I should add that this debate on international affairs is the one in which the American representatives and other national groups who come as observers are invited to take part.

The second topic on the agenda will be the general question of Commonwealth self-help. This will embrace the general subject matter of aid and trade. From my own experience and I am sure that of many honourable senators, this can be expected to be a wide-ranging debate. For example, it will involve relationships between the Commonwealth Parliamentary Association, on the one side, and the work done at the meetings of the Prime Ministers of the various Common-

wealth countries, on the other, and will include the relationships between the Prime Ministers' Conferences and the Commonwealth Secretariat. I believe the purpose of this type of debate is to intensify the interest of backbench parliamentarians of the various parliaments in the broad issues which face the governments within the Commonwealth.

I may add that there has always been a complaint made that insufficient time is allowed for discussions at meetings of the Commonwealth Parliamentary Association. Accordingly, a new device is going to be introduced this time, in that a committee system will be used. At the public meetings of the committees the delegations will be asked to nominate delegates to one or other of the committees, but any delegate can attend and speak in any committee. This system will allow two separate matters to be discussed simultaneously.

Two topics are proposed for discussion in committee. The first is parliamentary government in the modern world. I believe all of us, even in the developed countries, have a great deal to learn not only about parliamentary institutions but also about the development of parliamentary institutions and the adaptation of these institutions to modern conditions. I hope there will be papers prepared on the functioning of upper chambers and lower chambers under ideal conditions in Parliament, and that these papers will channel debate towards objectives which will be helpful to both the developed and the developing countries. This can be a very useful exercise for parliamentarians from all over the Commonwealth. It can do nothing but good, and I would put it very high in the order of importance of the items on the agenda.

The other topic that will adapt itself very well to committee treatment, and to the preparation of papers with respect to it, is a discussion of intra-Commonwealth aid, with special emphasis in the field of training and education in the developing countries. It is my hope that there will be papers prepared by experts from the donor countries providing these services abroad and at home, and also papers prepared by experts with intimate local knowledge of conditions in the donee countries for which and where this work is being conducted.

At the conclusion of the work of the committees it is proposed that reports be made to the plenary session of the conference, where there can be a general debate if it is thought necessary.

Honourable senators, I have tried to answer as fully as I can at this time a question asked by Senator Haig. The important point about the answer is the information I have given as to where the delegates will be at certain times during the period of the conference.

I think it will interest honourable senators to know that the Honourable John Turner, who is the President of the Canadian Branch and a member of the administration, and I both felt that our visit to London was very well worthwhile. I cannot speak too highly of the preparations made for it, and for the provident use of our time that was arranged, particularly by the Secretary General of the Commonwealth Parliamentary Association, Mr. Robin Vanderfelt, who is at present in Canada and who happens to be in our gallery tonight.

Not only did the general officers help us greatly, but we were extremely well received and looked after by the United Kingdom branch and its officers, through whom we met a great many British parliamentarians at various functions.

I cannot conclude without saying that we had a particularly interesting time at a luncheon given by the Leader of the Government in the House of Lords, the Right Honourable the Earl of Longford. He had with him his chief whip, the Right Honourable Lord Shepherd, and the Deputy Leader of the Government in the House of Lords, Lord Champion. Sir David Stephens, the Clerk of the Parliaments, was also present.

Honourable senators will be interested to know that the questions came from them rather than from us, although we did have a great many to ask them on the way their upper chamber operates. The trend in Britain today is away from hereditary peerages and towards life peerages which, in effect, is what we have had in Canada since Confederation, although without the title.

We discussed procedures, powers and methods of placing problems before parliament, and such matters as the report of the Bryce Commission in 1917, which is the classic document on second chambers, and mentioned as appropriate for second chambers.

The United Kingdom branch is seeing to it that there will be a good representation from both the British House of Commons and the House of Lords. It is my opinion that with the kind of co-operation we have been receiving from all the Commonwealth countries we shall have an outstanding meeting this year.

Hon. Mr. Haig: Honourable senators, I thank the honourable Leader of the Government for his explanation of the procedures of the conference. There are two further questions I should like to ask. First, what is to be the position of the non-delegates who are represented at the conference; and, second, at what place in Ottawa is it intended to hold the conference and the committee meetings?

Hon. Mr. Connolly (Ottawa West): In reply to the first question, I have no doubt that the delegates will be selected by the party leaders in both this house and the other. Members of Parliament who are not selected as members of the delegation from either house will be free, of course, to attend the meetings. I hope there will be a large attendance. The debates will be interesting, and it will be well worth while for every honourable senator to take as much part in the work of the conference as he can.

The locale presents a problem, and I cannot give the honourable senator a precise answer to his second question at this time. If Parliament is not then sitting, perhaps the most appropriate place in which to hold the conference would be the House of Commons chamber, because of its size and its available translation facilities, amplification system, visitors' galleries, the press gallery, and many other facilities.

It may be that I shall have to make an appeal to the honourable Leader of the Opposition (Hon. Mr. Brooks), and indeed to the Senate, to have this chamber made available if the other place is in session. It might be appropriate to put forward such a suggestion at the appropriate time. Failing that, there are of course some very large and good rooms which can be used for the plenary sessions, but I do think it would be more appropriate if they were held in one of the houses of Parliament.

Hon. Mr. Roebuck: How many delegates will be attending?

Hon. Mr. Connolly (Ottawa West): Anywhere from 125 to 200 delegates will be involved.

Hon. Mr. Haig: Honourable senators, if I may make another suggestion to the honourable Leader of the Government it would be that, in addition to the delegates who may be appointed by the different parties, all members of the Senate be advised of the proceedings and be extended invitations in respect to the events of this conference. I say this because I think that both the Senate and the House of Commons owe a debt to the Commonwealth Parliamentary Association, and anything we can do to assist the conference will be appreciated by the association.

Hon. Mr. Connolly (Ottawa West): My honourable friend has given me an opportunity of which I shall take advantage. It is highly desirable for every member of the Senate and the House of Commons to be a member of the Canadian branch of the Commonwealth Parliamentary Association. The membership fee is only $5 a year. I am sure I can give this undertaking on behalf of the Canadian branch that all members will be fully advised of every detail in connection with the conference.

I thank my honourable friend for the opportunity to make that plug.

Hon. Mr. Haig: I should point out that I was not asking the honourable Leader of the Government with respect to the membership fee. I was merely asking that all honourable senators be advised as to matters affecting the conference to be held next fall.

Hon. Mr. Brooks: Did I understand my honourable friend to say that the provinces could be represented?

Hon. Mr. Connolly (Ottawa West): Yes, each province has a local branch. When the Commonwealth Parliamentary Association's meeting is held outside Canada, each of the provincial branches is entitled to send one delegate, as they did when the conference was held in New Zealand. As this conference is to be held in Canada they will be invited to send two delegates. The Speaker of the Legislature is usually the most active person in the local provincial branch.

Hon. Allister Grosart: Honourable senators, as two members of this chamber are chairmen of committees and members of the Planning Committee for the Commonwealth Conference, I am sure the honourable Leader of the Government will not object if I mention the fact that my colleague in this respect is the honourable Senator Leonard.

I thank the honourable leader for his kind references to my own activities. The fact of the matter is that I could fail in the discharge of my duties without in any way jeopardizing the success of the conference; Senator Leonard, on the other hand, cannot, and I am sure will not, fail in his duties because he is the chairman of the Finance Committee.

PRIVATE BILL

MENNONITE CENTRAL COMMITTEE (CANADA) —FIRST READING

Hon. Gunnar S. Thorvaldson presented Bill S-37, to incorporate Mennonite Central Committee (Canada).

Bill read first time.

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

Motion agreed to.

DIVORCE

REPORTS OF COMMITTEE PRESENTED

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the committee's reports Nos. 636 to 670, inclusive, and moved that the said reports be taken into consideration on Thursday next.

Motion agreed to.

LEGAL SERVICES

FEES PAID BY GOVERNMENT TO MEMBERS OF QUEBEC BAR—INQUIRY

On the Notice of Inquiry of Hon. Mr. Pouliot:

> That he will call the attention of the Senate to the payment of fees by the Government of Canada to the lawyers of the Bar of the Province of Quebec for the last five years.

Hon. Mr. Pouliot: Stand until Thursday next.

CANADA LABOUR (SAFETY) CODE BILL

SECOND READING—DEBATE ADJOURNED

Hon. David A. Croll moved the second reading of Bill S-35, respecting the prevention of employment injury in federal works, undertakings and businesses.

He said: Honourable senators, this bill breaks new ground. Under it there will be established a new bureau in the Department of Labour called the Canada Labour (Safety) Code, which is a companion to the Canada Labour (Standards) Code which we passed in this house last year. It will cover the same industries that are now covered by the Canada Labour (Standards) Code and some other acts administered by the Department of Labour, as well as crown corporations.

The object of the bill is to promote the safety and well being of persons during their employment in federal works, undertakings and businesses.

The previous Government in 1962 introduced a bill with similar objectives and principles. It was not enacted by the time Parliament was dissolved. Subsequently, a bill with similar objects was placed on the Order Paper by the present Government in 1964, but it was not proceeded with due to lack of time.

This bill is a new approach to a very old and complex problem. The legislation will require all industries under federal jurisdiction to observe minimum occupational safety standards, and it will vest in the Department of Labour responsibility for the development of safety standards for the regulation and inspection of works as may be necessary for the safety and the health of employees.

At the present time there is no federal legislation of general application directed towards the preventing of employment accidents and the elimination of accidents in work places coming under federal jurisdiction.

I call your attention to the fact that there is a Government Employees Compensation Act which gives the minister authority to promote and encourage accident prevention activities and safety programs among persons employed in the Public Service. Under that act the Department of Labour has been carrying out a continuous program through consultation, education and publicity work.

Some industries under federal control—such as railways, shipping, and air transport, which involve operational safety, safety of the public, and in some instances, of employees—are covered under general statutes, but in the absence of federal controls some provincial regulations have been applied by federal establishments, with indifferent success and much uncertainty. As provincial activity in the industrial safety field has been intensified we have benefited, but it has also served to accentuate the lack of federal concern and action. This is now being recognized and corrected in this bill.

The matter has been under study by the department for a considerable number of years. An intensive survey was undertaken in 1960 and it confirmed the need of federal legislation applicable in that field.

A submission proposing safety legislation was submitted to the Cabinet and approved in 1960. The Glassco Commission recommended that aggressive action be taken to promote occupational safety in the public

service, and on two occasions the matter was referred to in the Speech from the Throne but not proceeded with.

In order to stop the drain of manpower we need positive action by the federal authority to co-ordinate and continue safety measures. We can no longer afford the loss of humans and their productivity, for accidents are expensive.

Safety codes, well applied, limit accidents. Accidents in factories take their toll in many ways. There is the pain and suffering of the victim; there is the family's worry and financial loss; there is also the effect on other employees, as well as the loss of morale and productivity.

It is a truism that can be repeated time and again, that safety prevents sorrow and men are not expendable.

There are some federal acts with safety provisions. This measure will take nothing from them, since it states that it is subject to any other act of Parliament. This will be complementary legislation to any federal statutes. Where provincial acts contain the appropriate safety standards, these can be adopted under regulations. It follows that there will be collaboration, continuous consultation and exchange of ideas and experience.

This legislation is comprehensive, in that it will provide for all elements a complete industrial safety program.

It is also enabling legislation, in that, although it does not set out the requirements, other than in a general way, as to how both employers and employees are to carry out responsibilities in a safe manner, it does authorize the making of extensive regulations containing specific safety measures. These regulations will provide for such things as an appeal by the employer against a stop order issued by a safety officer where he believes there is imminent danger.

It is anticipated under this bill that there will be promotional educational and research activities, in co-operation with either federal or provincial authority and where possible, they can arrange for such things as one inspection regarding boilers, pressure vessels and elevators. Where there is a satisfactory provincial service, arrangements are contemplated to avoid duplication and so increase efficiency and lower costs.

Statistics are not readily available because each one of the provinces seems to define injuries in a different way.

The reports of the Workmen's Compensation Boards give the number of employment injuries in Canada over the past four years as follows: In 1961, 539,092; 1962, 573,306; 1963, 627,711; 1964, 715,053. I am informed that the increase reflects the growth of the labour force.

Hon. Mr. Brooks: Could the honourable senator break that information down and tell us how many fatal injuries there were?

Hon. Mr. Croll: Yes, I have something on that. Perhaps you may wonder why I used the Workmen's Compensation Board.

The Government Employees Compensation Act was first passed in 1918. Under it, compensation is paid to federal employees injured while in employment. The act provides compensation in much the same way as in private industry. The adjudication and payment is made by the provincial workmen's compensation authorities. These provincial boards are reimbursed for the amounts paid to federal employees, and a proportional share of their administrative expenses is also paid.

I now come to the question asked by the honourable Leader of the Opposition. I have not many particulars on it but perhaps at another stage I can supply them.

The number of employees under federal jurisdiction is something less than 10 per cent of the labour force. Thus, you will see that about 60,000 industrial accidents per year can be attributed to the federal domain. That means that 225 to 250 employees are injured each working day through accidents on the job.

Hon. Mr. Choquette: Is this code going to tell them how to prevent these accidents?

Hon. Mr. Croll: This code will help prevent some of these accidents, I am sure.

Hon. Mr. Choquette: Come on!

Hon. Mr. Croll: The codes in other provinces have prevented accidents—there can be no question about that.

Hon. Mr. Choquette: Let me ask you this question. This sounds like boy scout legislation to me, just showing how to prevent accidents. You have the Canadian Labour Safety Code. Are you going to write a series of instructions to people and say, "Do not walk on steel beams when a building is being constructed?" Are you going to tell them to walk on the ground? Are you going to tell them not to drop anything on fellow em-

ployees' heads? What is this? It is just boy scout legislation and nothing else.

Hon. Mr. Croll: Similar legislation has been in effect in ten provinces of Canada for a period of, I should say, 25 years or more.

Hon. Mr. Choquette: Are they just a series of instructions?

Hon. Mr. Croll: No; there is more than instructions in this bill. There is authority and there are penalties.

Hon. Mr. Choquette: You have been talking about compensation and comparing it to workmen's compensation, and you have not dealt with the prevention of accidents at all so far.

Hon. Mr. Croll: My friend either was not listening or misunderstood what I was saying.

Hon. Mr. Choquette: I have listened to you.

Hon. Mr. Croll: I brought in the Workmen's Compensation Board only for the purpose of proving the number of accidents that are taking place in this country. That is the only statistic that is available on that particular point, and I dug that out to indicate to you the seriousness of the problem. How many accidents it will prevent, I cannot tell you at the moment, but I am certain—

Hon. Mr. Choquette: What is the purpose of this legislation?

Hon. Mr. Croll: To prevent accidents, that is what it is.

Hon. Mr. Choquette: So far we have omitted to give them instructions as to how to prevent accidents. It is ridiculous!

Hon. Mr. Croll: We have not done that at all. Some of the provinces have good safety laws; however, others are not as good. We feel that we in the federal domain have a responsibility in that field and we should do something more than what my friend suggests about writing fine essays, that we should do something actively in order to promote safety.

I indicated that 225 to 250 employees are injured each working day through accidents on the job. There are about 110 to 120 fatal accidents each year. That is the best statistic I can get on it at the present time.

Honourable senators, some accidents are not preventable. They are due usually to severe weather conditions, icy conditions, and a great number of other factors. But a sizable number could have been and must in future be avoided.

Workers must have the right to employment in safe conditions, and employers by their efforts and interest in co-operating have shown that they also want this legislation.

Over a period of years, the work done by the employees and employers safety council has been responsible in this country for preventing many hundreds of accidents and saving many, many lives. If, over a ten-year period, we can save 10 per cent of employees from disablement and anguish and hardship, it justifies all the money and all the effort we put into safety.

Some Hon. Senators: Hear, hear.

Hon. Mr. Croll: We have heard the trite phrase that "safety is everybody's business." This bill will build it into the fabric of every company and we will have the active direction and the support of management. Safety is a matter that concerns a great number of people in this country today.

The lack of safety on our highways, resulting in human slaughter on holidays and weekends, has aroused our people. They want steps taken in order to avoid needless and useless and reckless waste of innocent lives.

Honourable senators, this bill will go a long way towards making employment in the federal service safer in the future.

Hon. Mr. Choquette: Will they be only in the form of recommendations or will there be punishments and sanctions if certain things are not done that should be done?

Hon. Mr. Croll: I recommend that the honourable gentleman read the bill.

Hon. Mr. Choquette: I have just heard the explanation.

Hon. Mr. Brooks: Honourable senators, I quite agree with my seatmate that the sections of the bill were not particularly well explained. It was, however, a very sound general statement by our good friend the sponsor of the bill.

I move the adjournment of the debate.

Hon. Mr. Burchill: Before the question is put, may I ask the honourable sponsor of the bill how this is going to conflict with the various safety associations which are very active in the various provinces under the provincial workmen's compensation acts?

I know that in the Province of New Brunswick we have had the safety association there under the control of the employees for many years. I can recall several occasions when the active leaders of that association in

New Brunswick were personnel of the Canadian National Railways and employees of the federal Government. They took a very active part. I wonder how this is going to fit in with the various provincial safety associations.

Hon. Mr. Croll: I have read the last report of the New Brunswick Safety Association, which is one of the better ones, I should say. I assume from the information available to me that it is intended to collaborate with them and by appropriate regulations to give the same measure of safety support in the federal field. It is not intended in any way that these regulations should work at cross-purposes.

Hon. Mr. Brooks: I think the bill provides for mutual co-operation.

May I ask if it is intended that this bill should be sent to committee?

Hon. Mr. Croll: In my view, questions arising out of this bill could best be answered in committee by the appropriate officials who will be able to explain it section by section.

Hon. Mr. Brooks: I ask the question because you have not mentioned whether or not it would be sent to a committee. To what committee do you think it would be appropriate to send it?

Hon. Mr. Roebuck: Transport and Communications.

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

PRIVATE BILL

CANADIAN BOARD OF MISSIONS OF THE CHURCH OF GOD (GENERAL OFFICES: ANDERSON, INDIANA)—THIRD READING

Hon. Donald Cameron moved the third reading of Bill S-18, to incorporate Canadian Board of Missions of the Church of God (General Offices: Anderson, Indiana).

Motion agreed to and bill read third time and passed.

NORTHWEST TERRITORIES ACT

BILL TO AMEND—SECOND READING—DEBATE CONTINUED

The Senate resumed from Thursday, May 26, the adjourned debate on the motion of Hon. Mr. Prowse for the second reading of Bill C-146, to amend the Northwest Territories Act.

Hon. Walter M. Aseltine: Honourable senators, before dealing with Bill C-146 to amend the Northwest Territories Act, I wish to inform honourable senators that I have just received a copy of the Saskatoon *Star-Phoenix* of May 17, from which I note that at the Spring Convocation of the University of Saskatchewan, held on May 16, honourable Senator Charles Gavan Power, P.C., was on that occasion presented with the honorary degree of Doctor of Laws.

I mention this particularly because my home town is just a few miles away from the headquarters of the University of Saskatchewan, of which four of my children are graduates, and I feel it is a high honour for a senator or anyone else to be presented with an honorary degree from that university.

The newspaper article says that Senator Power was presented to the Chancellor for his degree by Dr. Norman Ward, Professor of Political Science, who read a citation and referred to Senator Power's Irish descent, his political proclivities, his legal training, his athletic career, particularly his hockey career in the National Hockey Association, his fine distinguished war record, his parliamentary career, both as a member and as a minister, and as a senator. It also mentions his other accomplishments. The Chancellor then conferred on Senator Power the degree Doctor of Laws *Honoris Causa*.

I am sure we all congratulate Senator Power on the honour which has been so deservedly conferred upon him.

Hon. Senators: Hear, hear.

Hon. Mr. Aseltine: Now I wish to say something about Bill C-146 to amend the Northwest Territories Act, which was passed in the House of Commons on May 13, 1966 and introduced in this chamber on Thursday last by one of our new senators the honourable Senator Prowse from the Province of Alberta. I congratulate him most sincerely for his comprehensive explanation. It was a fine effort on his part and a job well done.

Hon. Senators: Hear, hear.

Hon. Mr. Aseltine: For a long time I have been intensely interested in the Canadian north, consisting of the Yukon Territory and the Northwest Territories, and have been deeply concerned for the welfare of the inhabitants of those territories and for improvement in the form of government operating there. Senator Prowse gave us some information with regard to the extent of the

Northwest Territories, and I wish to add a few remarks on this aspect of his speech.

The Yukon Territory and the Northwest Territories lie north of the 60th parallel of latitude and extend eastward from Alaska a distance of over 2,600 miles across the top of the North American continent. The Yukon Territory, covering 207,000 square miles, is located north of British Columbia and east of Alaska and extends as far as the Mackenzie District of the Northwest Territories. It is not as great in area as the Northwest Territories, and covers only 5.6 per cent of the total area of Canada.

The Northwest Territories, however, as was explained by Senator Prowse, cover 1.3 million square miles, more than one-third of the whole of Canada. When he was describing the extent of the Northwest Territories he proceeded from north and worked south; I propose to work from the other direction. The Northwest Territories embrace all that area north of the 60th parallel between the Yukon on the west and Hudson Bay on the east, together with the islands in Hudson Bay and in the Arctic Archipelago. They extend northwards 1,600 miles to within 500 miles of the North Pole.

This bill has to do with the Northwest Territories only; a further bill will be presented later, Bill C-147, which will deal with the Yukon. Despite the fact that this bill has nothing to do with the Yukon, I would like to say something about the population of these territories. As of January 1, 1960 it has been estimated that the population of the Yukon is approximately 15,000. According to the 1961 census 85 per cent were white and the remainder either Indian or Eskimo. Of this remainder approximately 0.3 per cent are Eskimo; 80 per cent of the Eskimo population is in the eastern Arctic.

Now, referring to the Northwest Territories, the estimate of population on January 1, 1966 was 26,000. By the 1961 census, 42 per cent were white, 23 per cent Indian and 35 per cent Eskimo.

As honourable senators know, the Northwest Territories Act—Revised Statutes of Canada, 1952, chapter 331—has been amended many times. It was first amended during the 1953-54 session, again in 1955, still further during the 1957-58 session, again in 1959—which amending bill I sponsored—and also in 1960. This bill, C-146, further amends it. Each amendment has been for the purpose of giving to the Territories more control over their own affairs.

Honourable senators will also remember that in 1963 two bills were introduced to divide the Northwest Territories into the Mackenzie Territory and the Nunassiaq Territory. These were Bills C-83 and C-84 respectively. However, there was considerable opposition, the bills did not pass and were finally dropped. Many of the inhabitants of the Northwest Territories opposed division of any kind, and even went so far as to suggest that the Yukon should be invited to join the Northwest Territories to form a single province in northern Canada.

From time to time, honourable senators, there have been other suggestions. When I spoke in 1953 on second reading of a bill respecting the Department of Northern Affairs and National Resources, I suggested a way out of the difficulty. I propose to read from what I said on that occasion. It will only take a moment or two, but I think it important because of the fact the Carrothers Commission is considering this whole proposition. At page 162 of *Senate Debates* of that year I concluded my remarks as follows:

> I have one suggestion to make in respect to this whole matter. I have already explained that these territories are north of the provinces of British Columbia, Alberta, Saskatchewan, and Manitoba. I am informed that the cost of administering the territory is considerable and that there is very little revenue from it, so I am going to suggest to honourable senators that the way to solve this whole problem of looking after the Northwest Territories would be to give them to the provinces that I have mentioned. Give the part north of British Columbia, which extends north to the Arctic Ocean, to the Province of British Columbia. All the travel out of that country is through British Columbia anyway. Give that part north of the Province of Alberta to the Province of Alberta. That would take in the Mackenzie River valley. All that territory is adjacent to Edmonton, and all the traffic out of that territory is through the northern part of Alberta. Then, give the part north of Saskatchewan to the Province of Saskatchewan, and the part north of Manitoba to the Province of Manitoba. These provinces have local legislatures and governments and the setup is such that they could handle all this business very easily and relieve the federal Government of any difficulties or expense in connection with it.

Hon. Mr. Walker: Who suggested that?

Hon. Mr. Connolly (Ottawa West): He did.

Hon. Mr. Walker: Is this your speech?

Hon. Mr. Connolly (Ottawa West): Yes, it is Senator Aseltine's.

Hon. Mr. Aseltine: That was in 1953.

Hon. Mr. Grosart: Is the honourable senator still of that view?

Hon. Mr. Aseltine: Well, I will come to that later. Sometimes when I have said that I would come to a point later, I have been accused of failing to come to it.

Hon. Mr. Roebuck: Would the natural resources of that territory go to the province along with the expenses?

Hon. Mr. Aseltine: I would think so. They would have to handle the business and pay all the bills. They would naturally have to have sources from which to secure the funds, and natural resources would be one of them.

I may say that many people in the Territories opposed this suggestion of mine. In fact, I remember the press of the Territories carrying a great deal of opposition to the suggestion. I have never followed it up since, but I believe there is a great deal of sense in what I had to say, and it may be that something like that will eventually take place.

Honourable senators, a similar suggestion was made before I made mine, by the late Senator John T. Haig of Winnipeg. I also notice that in 1964 Premier Bennett invited the Yukon to join British Columbia, and he offered to pave the Alaska Highway if they would do so. Also, the Province of Alberta, in a brief to the Carrothers Commission which is presently carrying on an investigation into northern affairs, proposed:

> —that the Yukon Territory and the Mackenzie River basin of the Northwest Territories should be incorporated into the western provinces and that the rest of the Territories might be administered by either Saskatchewan or Manitoba.

In that connection, I came across an article in one of the western newspapers dated March 2, 1966. I do not often read newspaper articles into the record, but this is so much in point that I believe I should do so now. The article refers to the brief presented to the Carrothers Commission by the Province of Alberta, and states, in part:

> The brief, which already has sparked hot debate in the territories, is the only one the commission has received from a province. Other provinces declined invitations to submit briefs.
>
> The Alberta brief says there is not enough people nor wealth in the territories to support provincial governments. Because government offices for the territories are in Ottawa "the efficiency and effectiveness of administration, however well intentioned, is perforce blunted by sheer distance and sheer lack of contact with, and knowledge of local conditions."
>
> The solution is a locally-based administration and under present northern economic conditions, "the only possible practicable method of attaining local government is to unite with contiguous provinces."
>
> Alberta suggests joining of the Yukon and British Columbia and the Mackenzie River basin with Alberta.
>
> "The remainder of the Northwest Territories could be administered by either Saskatchewan or Manitoba; or the remainder might be split along the current Mackenzie-Keewatin districts boundary."
>
> Union of the territories with the provinces need not be permanent.
>
> "The privilege of opting for permanent union or for division and separation should be provided at such time as the population and economic development of the present territories reaches the point at which a viable provincial government can be sustained."

As I have said, these suggestions have not yet met with the approval of residents of the territories who want to be incorporated into provinces. I cannot imagine a province the size of the Yukon with a population of only 15,000, or a province the size of the Northwest Territories with a population of only 26,000.

In my opinion, it will be a long time before the population and the revenue is large enough to warrant the formation of provinces in these northern areas. In the meantime I am in favour of giving the people more control in government, and I will support the bill providing for the election of seven members to the council instead of the present four. Some people go so far as to say that all the council members should be elected. That may eventually take place, but the Government does not seem to be prepared to go that far at this time. I point out, however, that the

amendments to the Northwest Territories Act contained in this bill are interim measures. Further changes, no doubt, will be made after the Carrothers Commission reports.

When Senator Prowse was explaining this bill I asked him about the revenue of the Northwest Territories, and he told me that the total expenditure was approximately $9 million per annum, of which $8.5 million was provided by the federal Government. The Northwest Territories, therefore, depend heavily upon Ottawa for their funds, and the federal Government must continue to have a voice in the spending of this money and in the administration of the territories.

It is my understanding also, honourable senators, that the Carrothers Commission is about to make its report, and that many members of the Senate are wondering why it is found necessary to amend the Northwest Territories Act now. Why does the Government not wait until it knows what the commission is recommending? Perhaps the Government has some advance information as to the recommendations the report will contain.

Hon. Mr. Connolly (Ottawa West): I do not think so.

Hon. Mr. Aseltine: I am looking forward to the publication of the report of the Carrothers Commission because it will reflect the opinions and ideas of the inhabitants of the Northwest Territories. In the meantime I have no objection to the provisions of this bill becoming law. I want the people of the Northwest Territories to have as much control over their own affairs as it is possible to give them, but, on the other hand, I am still of the opinion that consideration should be given to the territories being taken over by the provinces which join them to the south.

I have nothing further to say with respect to the principle of the bill and its clauses at this time. At first it was my thought that it would not be necessary to send this bill to a committee. The provisions of the bill are steps forward, in my opinion. However, other honourable senators may have questions they wish to ask, and in that case the bill should go to one of the several committees of this house.

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

PRIVATE BILL

COMMERCIAL SOLIDS PIPE LINE COMPANY—SECOND READING

Hon. A. Hamilton McDonald moved the second reading of Bill S-36, to incorporate Commercial Solids Pipe Line Company.

He said: Honourable senators, the petitioners for the incorporation of Commercial Solids Pipe Line Company are four senior employees of Shell (Canada) Limited, and they are Canadian citizens or British subjects.

Although the objects set out in the bill follow the general form that has been adopted in recent years in bills for the incorporation of companies to operate pipe lines, and include the power to transport solids, liquids and gases, it is the intent of this proposed company to build a pipe line or pipe lines for the transportation of solids in capsule, slurry or other form. Shell (Canada) Limited will be the principal shareholder of the new company.

There are various solids which lend themselves to transportation by pipe line such as, for example, sulphur, coal, potash and iron ore. One project that Shell (Canada) Limited is examining particularly is the transportation by pipe line of sulphur from Alberta to the west coast. Sulphur production in Alberta—and the demand for it in various markets such as Australia, India and Japan—has increased to the point where the petitioners believe it would be in the national interest to build a pipe line which would provide a cheaper and more efficient method of transporting this commodity from the producing area to the closest suitable port.

It is anticipated that by 1969 there will be eight gas processing plants in southern Alberta producing approximately 1,750,000 long tons of sulphur per year, and that exports of Canadian sulphur by that time will amount to 1,500,000 long tons per year. The production of sulphur in southern Alberta after 1969 should increase at the rate of about 100,000 long tons annually. Any of the southern Alberta plants which wished to transport its sulphur through such a pipe line would be able to do so by mutual agreement with this particular company. Some of the plants in southern Alberta are wholly owned by Shell, others are partially owned by Shell, and there are some in which Shell has no interest at all. Shell owns approximately 40 per cent of the total production from all of these plants.

The pipe line envisaged is a 12-inch line, and will cost approximately $50 million.

Having regard to present freight rates, the pipe line would reduce the cost of transportation of sulphur to the west coast by about one-third, and, if built, would likely be the first of such in the world. So far as the

petitioners know, no other such pipe line is being planned. It would certainly place Canada in a better competitive position in world markets, the other major exporters of sulphur being the United States and Mexico.

Considerable research has already been undertaken in respect of the feasibility of such a pipe line, and the company expects to spend a further sum of $650,000 on a pilot pipe line and a pilot separation plant. Shell is seeking a charter at this time before committing itself to this expenditure.

The company has not yet ascertained what liquids will be used to convey the solids through the pipe line that it may build. It is because crude oil and natural gas liquids are possibilities, and because no pipe line should be precluded from the shipment of hydro carbons if the National Energy Board should approve, that incorporation by special act of Parliament is now sought.

Honourable senators, it is not my wish that I be questioned on the technical feasibility of this pipe line, but if this house gives this bill second reading I intend to move that it be referred to the Standing Committee on Transport and Communications. The company has assured me that their legal counsel together with technical experts are prepared to appear before the committee to answer any questions honourable senators may have. They will be able to answer them in a much better fashion than I.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. McDonald, bill referred to the Standing Committee on Transport and Communications.

NATIONAL RESEARCH COUNCIL ACT

AN ACT TO AMEND—REPORT OF COMMITTEE ADOPTED

The Senate proceeded to consideration of the report of the Standing Committee on Finance on Bill C-150, to amend the Research Council Act, which was presented May 26.

Hon. T. D'Arcy Leonard moved the adoption of the report.

He said: Honourable senators, the report of the Standing Committee on Finance on Bill C-150 was printed as an appendix to the *Debates of the Senate* of May 26, and it appears also in the *Minutes of the Proceedings* of the Senate at pages 556 and 557.

At first glance the amendments look rather extensive, but in point of fact the change made by them is a simple one. Hitherto, the National Research Council reported to or through the chairman of a committee of the Privy Council known as the Committee of the Privy Council on Scientific and Industrial Research. There was no special minister designated for the purposes of the National Research Council. Now, with the creation of the Science Council, the National Research Council will no longer function as the Science Advisory Council for the Government, and it is therefore desirable to provide for the designation of a Cabinet minister to or through whom the National Research Council will report. This is the purpose of the amendments made in committee.

The main amendment is contained in the provision striking out clause 3 of the bill and substituting a new clause 3, which in turn adds a paragraph (e) to the National Research Council Act. Paragraph (e) reads as follows:

> "Minister" means such member of the Queen's Privy Council for Canada as may be designated by the Governor in Council to act as the Minister for the purposes of this Act;

When these amendments were suggested in committee on behalf of the Government, at which time Dr. B. G. Ballard, President of the National Research Council, was before us as a witness, he asked that the matter be deferred so that he could have further opportunity to consider it. Then he appeared before our committee again last Thursday, having had a week or more to consider the matter, and he acquiesced in this change.

This bill originated in the House of Commons, and if this report is now adopted the bill as amended will have to go back to the House of Commons for concurrence in the amendments. However, as the amendments have been proposed by the Government and agreed to by the National Research Council, and as they are really consequent upon the adoption of the legislation creating the Science Council, it would seem to be quite in order for the Senate to adopt the report, amend the bill accordingly and send it back to the House of Commons.

Hon. Mr. Benidickson: May I ask the honourable Senator Leonard whether or not it is a fact that the announcement of the appointment of the new Chairman of the Science Council, Dr. Solandt, was made after the deliberations of our committee?

Hon. Mr. Leonard: Yes, that announcement was made since our committee meeting.

Hon. Mr. Benidickson: And in compliance with our discussions in committee?

Hon. Mr. Leonard: Consistent with those discussions.

Hon. Mr. Benidickson: Consistent, yes.

Report adopted.

THIRD READING

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

Hon. Mr. Hugessen: Honourable senators, I move, with leave, that the bill as amended be read the third time now.

Motion agreed to and bill, as amended, read the third time and passed.

DIVORCE

RESOLUTIONS ADOPTED

The Senate proceeded to consideration of Resolutions numbered 569 to 621, inclusive, which were presented on Thursday, May 26.

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, moved the adoption of the following resolutions:

Resolution 569, for the relief of Lorna Ann Rorabeck Cleary.

Resolution 570, for the relief of Jean Mary Rogers Lack.

Resolution 571, for the relief of Jean-Marc Séguin.

Resolution 572, for the relief of William Arthur David Rannie.

Resolution 573, for the relief of Seemah Agasee Abdoo.

Resolution 574, for the relief of Sandra Joan Dorman Randolph.

Resolution 575, for the relief of Draganikos (Draganigos) Mitakis.

Resolution 576, for the relief of Leona Elizabeth Furlong McCormack.

Resolution 577, for the relief of Betty Bates Huntley.

Resolution 578, for the relief of Andre Rene Matte.

Resolution 579, for the relief of Josephine Louise White Kane.

Resolution 580, for the relief of Joseph Jean-Paul Sylva Landry.

Resolution 581, for the relief of Monique Lapalme Garofano.

Resolution 582, for the relief of Joseph Robert Leclair Daoust.

Resolution 583, for the relief of Claire Wellerstein Berman Tratt.

Resolution 584, for the relief of Susan Blanche Goodman Marcovitch.

Resolution 585, for the relief of Ena Mary Carol Grant Pickleman.

Resolution 586, for the relief of Yvette Amireault Lussier.

Resolution 587, for the relief of Laurier Labelle.

Resolution 588, for the relief of Joseph Claude Fisette.

Resolution 589, for the relief of Marie Aline Juliette Huguette Fournier Forest.

Resolution 590, for the relief of Glenys Margaret Scargill Ainley.

Resolution 591, for the relief of Pierre Des Cotes.

Resolution 592, for the relief of Robin Wetmore Paquin.

Resolution 593, for the relief of Rita Boisvenue Provost.

Resolution 594, for the relief of Felicia Vozza Romano, otherwise known as Felicia Vozza Porco.

Resolution 595, for the relief of Denyse (Denise) Bergeron Tremblay.

Resolution 596, for the relief of Lewis Theodore Edward Robinson.

Resolution 597, for the relief of Vilem (William) Vanha.

Resolution 598, for the relief of Bertha Louise Darby Danforth Malmo.

Resolution 599, for the relief of Marie Marguerite Corine Lise Daviault Morin.

Resolution 600, for the relief of Germain Lefebvre.

Resolution 601, for the relief of Therese Macoviciuc Aganier.

Resolution 602, for the relief of Victoria Ann Lewis Lindsay.

Resolution 603, for the relief of Doris Eleanor Bartlett Allan.

Resolution 604, for the relief of Susan Agnes Mary Brooks Cofsky.

Resolution 605, for the relief of Shirley Evelyn Eisenberg Edgar.

Resolution 606, for the relief of Romeo Miron.

Resolution 607, for the relief of Waltraut Ursula Peymann Wrede.

Resolution 608, for the relief of Anie (Annie) Friedman Ship.

Resolution 609, for the relief of Joseph Earl Douglas Stanley Scully.

Resolution 610, for the relief of Jacques Brazeau.

Resolution 611, for the relief of Garfield MacLean.

Resolution 612, for the relief of Lois Mary Myers Seivwright.

Resolution 613, for the relief of Ingrid Heindoerfer Posch.

Resolution 614, for the relief of Olive Marion Lennox Cox Coombes.

Resolution 615, for the relief of Dolores Diane Murray Heino.

Resolution 616, for the relief of Helen Eileen Mee Johanson.

Resolution 617, for the relief of Marlene Lois Blois Chatham.

Resolution 618, for the relief of Carmen Lasky Mehta.

Resolution 619, for the relief of Jeannette Bailey Rainville.

Resolution 620, for the relief of Maria Cappella Piscolla.

Resolution 621, for the relief of Sharon Ruth Bourgoin Nugent.

Resolutions adopted, on division.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, June 1, 1966

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

Prayers.

DOCUMENT TABLED

Hon. John J. Connolly tabled:

Report of the Civil Service Commission of Canada for the year ended December 31, 1965, pursuant to section 76(1) of the Civil Service Act, chapter 57, Statutes of Canada, 1960-61. (English and French texts).

NEWFOUNDLAND ADDITIONAL FINANCIAL ASSISTANCE BILL, 1966

AUTHORITY TO PRINT COMMITTEE PROCEEDINGS

Hon. Salter A. Hayden, Chairman of the Standing Committee on Banking and Commerce, presented the following report of the committee on Bill C-185, to give effect to Term 29 of the Terms of Union of Newfoundland with Canada:

Your committee recommends that authority be granted for the printing of 800 copies in English and 300 copies in French of its proceedings on the said bill.

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

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

Report adopted.

REPORT OF COMMITTEE

Hon. Mr. Hayden, Chairman of the Standing Committee on Banking and Commerce, reported that the committee had considered Bill C-185, to give effect to Term 29 of the Terms of Union of Newfoundland with Canada, and had directed that the bill be reported without amendment.

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

Hon. Mr. Baird moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

CONSERVATION OF WATER RESOURCES

DEBATE ADJOURNED

Hon. F. W. Gershaw rose pursuant to notice:

That he will call the attention of the Senate to the need for conserving Canada's water resources.

He said: Honourable senators, one of the primary obligations of the people of this generation is to conserve water resources for future Canadians. All life on earth depends upon water, for without water pestilence and famine would soon depopulate the earth.

Archaeologists tell us there are cities, whole civilizations, lying beneath the sands of the desert because water was not conserved. On the other hand, certain ancient people realized the value of water. The Babylonians, the Egyptians, the Persians, built structures to store up water in time of flood so that it could be used in times of drought. The Greeks during their great days also did work along this line.

Then we come to the monumental works of the Romans. They diverted streams, built reservoirs and tunnelled canals through mountains by hand 2,000 or 3,000 years before the birth of Christ. They built aqueducts over low, depressed places so that water could be taken to the seven hills and then poured into the fountains and baths of the rich people.

Of course water is of very great value, particularly for irrigation. For many years it has been saved up in areas where food has been scarce, and then distributed so that some food could be produced by means of irrigation. Even in areas in this country where the rainfall has been deficient it has been lifesaving. Even where there is a fair but erratic rainfall, the system of distributing water by sprinklers is a useful way of getting better crops and is indeed one form of crop insurance.

Water is also used for transportation; in pioneer days the waterways were avenues for travel and highways for commerce. But this function has diminished greatly except in the far north and of course around the Great Lakes and the St. Lawrence. The word "Ottawa" is taken from an Indian word meaning "men of the forest," and long ago men of the forest with faces painted and their bodies clothed in skins of animals brought furs down the Ottawa River. Since then logs have been

floated down the river, and even today it is the cheapest way of transporting logs from the forest to the mills.

Water is also needed for hydroelectric power, industry and domestic purposes. For this purpose we require about 140 gallons per person per day. There is annually twelve to fifteen inches of rain, so that if water is conserved sufficient of it can be obtained without desalting the ocean. Of course, water is also in the air in the form of vapour and is precipitated as hail, snow and rain. It is also on the surface of land. Canada is noted for the fresh-water lakes and fast-flowing mighty rivers that cover about 7.6 per cent of the surface of this country. Water is also found below the surface. The upper margin or upper level is called the water table, and if it is near the surface vegetation grows well; if it is down deep, we miss the water because the wells run dry.

Then again, beneath the surface in certain places there are large streams of cold, rapidly flowing water called aquifers, and at other places water gushes up in artesian wells or mineralized hot springs.

Canada has quite a number of watersheds. There is the one in the north dominated by the mighty Mackenzie River; there is the Hudson Bay watershed with its tremendous power potential; and the Great Lakes and the St. Lawrence. West of the Rockies the rapidly flowing rivers produce power and provide spawning grounds to which swarms of salmon swim with great difficulty.

The place to which I particularly wish to draw honourable senators' attention this afternoon is the prairie region. There are 15 or 20 or even more streams flowing down the eastern slope of the Rocky Mountains. The trouble is that at times these streams are in flood and a tremendous amount of water comes hurtling down, and at other times it is a mere trickle. In one stream that has been very carefully watched the mean flow is about 7,500 cubic feet per second, but in springtime it can grow to 160,000 cubic feet per second. In 1958 the total annual flow of that particular stream was about 6 million acre-feet, but in 1962 it had dwindled to 4½ million acre-feet. So, there is a great difference in the annual flow of these streams and indeed in the daily or monthly flow.

To avoid these periods of flood and drought, means must be devised to regulate that flow. One method is to save the forest covering of the mountains from fire. If disease, germs or fire destroy the forests, then the water rushes down in a torrent, but if the trees are preserved there is a bed of leaves and vegetation which holds the moisture and allows it to flow more gradually.

Another way of storing water is to build reservoirs in the foothills, and this has been done to a considerable extent. The Ghost River, the Milk River, the Bow and the Waterton have been dealt with in this fashion. And Mr. Harry Strom, Minister of Agriculture in Alberta, has said that the Pincher Creek and Oldman River will have storage facilities in the future. By these methods water can be kept in the headwater areas and distributed when needed to the dry, parched areas that are certainly dependent upon irrigation.

Engineers are working on schemes to get water from the northern regions to the southern regions, from the North Saskatchewan, on which there are very few demands for water, to the South Saskatchewan on which there is a very high demand. The South Saskatchewan River flows through a dry area which has not a consistent rainfall.

Where the water is diverted to any foreign country there must and should be a return flow of benefits in some way. The federal Government, with the co-operation of the provinces, has a water policy which could be described under three headings. The first is that they are continually taking inventories and this is necessary to know what is going on from year to year. Secondly, they recognize that there is a difference in the water endowment of certain districts—some have water and some have not, and this has to be adjusted. Finally, they are interested in providing for the future which, of course, is important because as the population increases more water will be needed for domestic purposes and hydroelectric power. These needs will be increasing for a long time to come. Water is also used for various other purposes.

Now we come to the problem of water pollution. Medical records can tell of some sad tragedies in connection with water pollution. Homes have been visited by sickness and death because of the virulent bacteria which come in some of the polluted streams. How can we prevent pollution? All sewage must be treated, and industrial waste must not be dumped into flowing streams, and of course there should be a greater supply of water to purify the streams.

Protein is recognized as a necessary and very valuable food. One source of protein is the fish of the ocean and the lakes, and quantities seem to be diminishing. When Jacques Cartier sailed through the Straits of Belle Isle in 1535 he lowered a basket and it filled with fish, and the fish were so plentiful that the ship could hardly pass through the water. Even the Grand Banks does not have such quantities of fish today.

It is said that in some of the lakes—Lake Erie, for example—there are algae, debris, industrial waste, detergents and decomposing material forming a scum over the surface of the water so that fish do not get sufficient oxygen and consequently do not flourish.

During recent years much has been done to save our water supply. The Prairie Farm Rehabilitation Act, designed to help those areas that were producing nothing because of drought and wind erosion, was passed in 1935. Millions of trees have been planted. Some community pastures have been established, and efforts have been made to find appropriate uses for these submarginal lands. Many dugouts, stock water reservoirs and small irrigation schemes have been made. The Government will pay for the engineering and for half the cost of constructing these works, and some 90,000 small dams and reservoirs have been constructed.

Then, in co-operation with the provinces, larger irrigation schemes have been established. For instance, there is the St. Mary's irrigation scheme, wherein waters of three mountain streams are stored in the Spring Coulee reservoir. About 500,000 acres can be irrigated from that source. The biggest undertaking of all is the South Saskatchewan River project, where there is a great dam 210 feet high and more than three miles long, forming a lake for 140 miles behind it and providing power and irrigation for another half-million acres, and fresh water for some of the neighbouring cities.

Other developments have been the Northwest Escarpment and Interlake Project, the Assiniboia River Reclamation Project, the Maritime Marshland Rehabilitation Act, and the Canada Water Conservation Act.

One of the most recent developments of all has been ARDA, the Agricultural Rehabilitation and Development Act. Through the implementation of its provisions people living in submarginal areas are consulted. They know how they can increase their income and make better use of the water and soil, and they form associations and draw up resolutions concerning their needs. Some 368 federal-provincial schemes have already been approved, and extensive work has been done on some of them. In Alberta about a million acres are under water, and some one million acre-feet of water must be replaced in some way, so a great supply of water will be needed in the future.

These water supply works are to some extent self-liquidating because there is some return on capital investment. Those living in sparsely populated districts where neighbours are widely separated are lonely and have a hard life. Irrigation affords a better social life because people can live closer together, the standard of living is improved and, in particular, the amount of available food is increased. When we consider the fact that from one-half to two-thirds of the people of the world are suffering from lack of nutrition, we realize how valuable this food is. The conservation of water brings some measure of security, because hungry peoples will fight.

Honourable senators, it is difficult to judge just how much needs to be done. Are we doing enough, or should more be done? If we are neglecting this we shall not be held blameless. On the other hand, if this matter gets the attention it deserves, the people of this generation will make a great contribution to the welfare and happiness of future Canadians.

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

AUTOMOTIVE PRODUCTS

CANADA-UNITED STATES AGREEMENT— MOTION FOR APPROVAL— DEBATE ADJOURNED

Hon. John B. Aird moved pursuant to notice:

> That it is expedient that the Houses of Parliament do approve the Agreement concerning Automotive Products between the Government of Canada and the Government of the United States of America signed on January 16, 1965, and tabled in the Senate on March 3, 1965; and that this House do approve the same.

He said: Honourable senators, I am greatly honoured that the honourable Leader of the Government in the Senate (Hon. Mr. Connolly, Ottawa West) has asked me to deal with this most important agreement respecting automotive products which was recently concluded between Canada and the United

States. This is particularly the case because it was my pleasure and honour recently to attend the Canada-United States Interparliamentary Conference held in Washington. The Canadian delegation was most ably headed by His Honour the Speaker, and Senators O'Leary (Carleton), Phillips, Fournier (De Lanaudière), Rattenbury and myself represented the Senate at the deliberations. The first two items on the agenda of the committee meetings which I attended were the Kennedy Round and the balance of payments problem. From this it will be seen that the general subject of international trade and international payments was very much under discussion.

All honourable senators, no doubt, will have read the lengthy, informative and constructive debate concerning this agreement that was held in the other place. In addition to this debate I have had an opportunity of reading and studying many of the opinions promulgated about this agreement over the past several years. The agreement has been very much in the news and will no doubt continue in the news and in the minds of the Canadian people because it is most important and significant, and is having and will continue to have a tremendous impact not only on the automotive industry but on the whole economy of the country.

Honourable senators, I have decided, having regard to the mass of material that has confronted me, to endeavour to concentrate my remarks into a simple pattern along the following lines: Firstly, what was the problem that required the Government to decide that an agreement of this nature was necessary? Secondly, what does the agreement do? Thirdly, what have been the results of this agreement? Fourthly, I shall discuss generally the present situation and the future prospects under the agreement.

I am fully aware of the great risk involved in trying to oversimplify the very large scope of this matter, but it seems to me that if I deal with it under these four headings, honourable senators will have an appreciation and perhaps a perspective of the operation of the agreement.

What was the problem that required the Government to decide that an agreement of this nature was necessary? A good starting point for discussing this question is a reference to the Royal Commission on the Automotive Industry, established in 1960 under the Conservative Government, to "inquire into and report upon the present and prospective competitive position of the Canadian automotive industry in Canadian and export markets as compared with automotive industries in other countries." The commissioner was Dean Vincent Bladen whose most important conclusion, in my opinion, was that expressed in these words:

> The Canadian automotive industry is subject to the disadvantages of low volume production as long as it is geared almost exclusively to the Canadian market. To break through the limits imposed by low volume production in Canada, it is necessary that manufacturers be in a position to benefit from the lower cost possible of higher volume production. This could be achieved if Canadian parts manufacturers were in a position to produce parts for a wider market and if Canadian automobile manufacturers had duty free access to the lower cost, higher volume parts producers in other countries.

This then was the problem. There was an inadequate structure with a resulting loss of productive efficiency in the Canadian industry. This inadequate structure and lack of productive adaptation was becoming a serious source of weakness in the Canadian economy and as expenditures on automobiles was one area of rapidly growing demand, this weakness was, of course, being reflected in a widening volume of net external payments for automobiles and parts. However, it is my opinion that the essential problem lay not in the payments' balance itself but in the inadequate structure in productive efficiency of the Canadian industry.

What does the agreement do? I believe that the prime essential objective of the agreement was to bring about needed improvement of the country's industrial structure. This could only be achieved through the development of lower cost and more efficient production, making the fullest possible utilization of the economies of specialization and scale. Probably the biggest merit of the agreement—and I wish to emphasize this—is that it recognizes the problem of efficiency and that it seeks, through the willing co-operation of the companies involved, the development of a continuing movement towards more efficient and lower cost output. A more specialized concentration upon fewer models and upon fewer kinds of parts and components, with a

growing share of output being directed towards the United States and other export markets, promises to bring about major improvements in the productive capability of the whole industry.

Now, honourable senators, I wish to turn to the agreement itself. Under its provisions Canadian-made motor vehicles and original equipment parts enter the United States free of duty. On the Canadian side, vehicles and original equipment parts may be imported duty free by a Canadian vehicle manufacturer who meets a number of specific requirements. These requirements are set out in a tariff item which forms a part of the Canada-United States agreement and in the letters of commitment to the Canadian Government signed by each of the vehicle producers. Each vehicle producer in Canada must meet the following conditions:

1. It must maintain the same ratio of vehicle production in Canada to vehicle sales in Canada that existed in model year 1964.

2. It must maintain Canadian value added in vehicle assembly in Canada at least equal to that achieved in model year 1964.

3. It must increase Canadian value added by production or purchases in Canada equal to 60 per cent of increased sales over those achieved in the model year 1964 base period.

In addition to these requirements, vehicle producers must increase total production or purchases in Canada by $260 million annually by the 1968 model year. This amount is over and above the increased Canadian production of vehicles or purchases of parts achieved through growth in the market. It is also over and above the Canadian value added which was achieved in the 1964 model year base period, and which must be maintained each year.

Duty free entry of auto parts into Canada is also available to parts makers if they are for use in Canadian vehicle production.

What does this mean in simple terms? It is clear that this is a new type of arrangement with features especially designed to deal with a special situation. It seeks to change the pattern of automotive production in Canada to enable Canadian vehicle and parts makers to expand their output to achieve cost savings by greater specialization. In fact, this means that instead of being largely confined to a market for 600,000 to 700,000 vehicles per year, Canadian producers are being encouraged to gear their activity to participate in a North American market of more than ten times that number of vehicles annually.

The ability of the Canadian vehicle and parts makers to take full advantage of this expanded opportunity will depend upon their ability to keep manufacturing costs as low as possible. In this regard I would like to point out that the agreement is of unlimited duration but that it provides for a comprehensive review of the whole program to be undertaken in 1968. At that time consideration will be given to such further steps as may be necessary or desirable for the full achievement of the agreed objectives. It is my opinion that the test will be whether Canadian automotive industries have had an adequate opportunity to participate fully and equitably in the expanding North American market.

What have been the results under the agreement?

I believe that it is fair to say that the agreement has had substantial beneficial effects. In support of the foregoing statement there is a mass of statistical data that can be brought forward but I have no desire to over-sell the benefits that are accruing under its operation. In the first place, I believe that it is probably too early to make a fair assessment of all its ramifications and, in the second place, I have often felt that statistics can be used to suit a specific situation. However, I do wish to draw the following facts to your attention.

Production during the first year of the automotive program has totalled over 855,000 motor vehicles, a 27.5 per cent increase over the same period in 1964 and a 36 per cent increase over the same period in 1963. The value of shipments of motor vehicles parts and accessories for model year 1965, the latest complete production year, shows a 51 per cent increase over model year 1963, which was the last model year prior to the introduction of this Government's automotive measures in the fall of 1963.

During the first twelve months of the program the average number of workers in the automotive industry has increased by almost 10,500 persons, or 16 per cent over 1964. More than 4,700 of these additional jobs are in the auto parts industry.

Exports of Canadian automotive products have increased greatly under the program. During 1965 exports to all countries amounted to $362 million, an increase of 275 per cent over the same period in 1963, and 94 per cent greater than in 1964. Imports, on the other hand, increased by only 33 per cent in the first 11 months of 1965, compared with the same period in 1964.

Exports to the United States during 1965 increased to $231 million compared with $99 million during 1964, and only $40 million in 1963. This represents annual increases of 133 per cent in 1965 over 1964, and 147 per cent in 1964 over 1963. Over the two-year period there was a 475 per cent increase.

Another most important aspect resulting from the operation of the agreement is that the Government has undertaken to provide assistance to those workers and parts manufacturers who are affected by the necessary adjustment process. To administer this program the Adjustment Assistance Board was established.

If parts makers are to take advantage of the automotive program, they must be increasingly competitive and flexible in their operations. Many parts makers will have to engage in substantial re-equipment and expansion programs. In additon, increased working capital will be required in order to operate at expanded levels.

To provide the opportunity to participate in the program, the board is authorized to make loans available to producers of automotive products who have a reasonable prospect of profitable operation but who otherwise would be prevented from benefiting from the program through lack of financing. The loans will carry an interest rate of 6 per cent and are repayable over not more than 20 years for land and buildings and 10 years for other purposes.

Firms manufacturing the automotive products covered by the automotive program are eligible for the loans, except those companies which manufacture automobiles or are affiliated with automobile manufacturers.

To assist workers in the automotive products industries in meeting their adjustment problems, the Government introduced a Transitional Assistance Benefit Program. This program will provide assistance benefits ranging from 62 per cent to 75 per cent of the worker's weekly pay, depending on the number of his dependants, provided this benefit does not exceed 65 per cent of the average weekly wages and salaries in the industry.

Those are my first three points. I should like to proceed now to my fourth heading, which is: A general discussion of the present situation and future prospects under the agreement.

The first point that I would like to make is that I believe that this agreement is the kind of priority that the Government of Canada should be engaged in implementing. It is a classic example of co-operation and partnership between government and industry proceeding towards an agreed objective. It is the type of initiative that I have discussed here in previous addresses, and I believe that it is the right type of government involvement in the private sector. It is a type of the kind of creative federalism that I believe is so necessary in Canada today. Yet, it is my opinion that it would be inaccurate to say that the agreement is an unqualified success in every aspect or that the road ahead will be an easy one.

It is clear that Canada has a continual and worrisome balance of payments problem, and it is also clear that although this agreement has demonstrated that in this area the ratio of exports is increasing at a rate faster than the ratio of imports, we are in fact as a country increasing our over-all deficit on current account. However, I do think that it is generally acknowledged that the balance of payments position would be significantly worse if we had not had the agreement, and it is very evident that Canada continues to be dependent on a massive inflow of capital, most of which must come from the United States.

In this regard, I would like to quote from the Prime Minister's recent address in Montreal on this subject wherein he said "a policy of national exclusiveness of 'little self-contained Canada' would not only be foolish for us; it could be fatal." I do not believe that Canada can isolate itself economically in a world where international interdependence is a necessity of existence. I would, however, like to make the additional point that the inflow of capital is dependent upon two fundamental factors, and those factors are confidence and respect in Canada as a country.

What determines confidence and respect today? Confidence on the part of those who are investing or are about to invest capital in Canada is based on the foundamental premise of fair dealing in every sense of the the word. Respect is based on the fundamental premise that if a commitment is made or a word given, the commitment or the word will be kept in its entirety. Both confidence and respect will be sustained if Canada conducts itself in a mature and enlightened fashion. I think it is clear that Canada has a great opportunity to maintain its enviable position in the eyes of the world if, in general, it keeps these two requisites in the forefront of all its negotiations.

As I previously have stated, I have read with interest a great number of the comments and criticisms that have been made about the agreement. It seems to me that most of the criticism has been valid and has been of a constructive nature. In this particular case we do not suffer from a lack of knowledge or opinion. To the contrary, much of the criticism has had great validity. The dialogue has been exhaustive. I believe that we should turn this interest and dialogue to the benefit of Canada so that when this agreement is reviewed, Canada will be in a position that will demand both confidence and respect.

It is my belief that the prime concern of the Canadian Government should be a concern for its overall strategy, the establishing of priorities and the achievement of a standard of excellence in its performance. It seems clear that in the broad strategy for Canadian development, certainly over the next few years, trade policy should have a prominent place of priority—first, for the traditional purpose of securing better terms of access for Canadian goods in external markets and, second, as a means of encouraging a needed strengthening and adaptation of Canadian industry to a rapidly expanding and changing world economy.

In this regard, I believe it is widely recognized that efforts should be made to encourage greater concentration on lines in which Canada has particular advantages, and that to secure the benefits of specialization and large scale output, it is important that there be widening of outlets beyond national boundaries.

I would refer honourable senators to the Second Annual Review of the Economic Council of Canada at page 172. I have slightly paraphrased the quotation, as follows:

> We have stressed the full part which Canada must play not only in concerted international initiatives for maintaining a strong expanding world economy but also in international efforts to improve the world's monetary and trading system. This role recognizes the growing degree of international economic interdependence. More specifically, an active and meaningful role by Canada in negotiations to broaden and deepen nondiscriminatory multilateral trade coincides with our long-term interests and position as a major world trader. Such negotiations should also be viewed in the context of offering opportunities for strengthening Canada's international competitive position, thereby helping to minimize possible constraints on future growth arising from balance of payments problems.
>
> In particular, we recommend in accordance with the foregoing basic commercial policy that:
>
> (1) Maximum use be made of the opportunities available in the present Kennedy Round of multilateral trade negotiations to remove obstacles to Canadian trade.
>
> (2) Since, in addition to multilateral arrangements, Canada has a number of bilateral and special trading arrangements, the achievement of expanding trade and economically sound industrial specialization be the dominant economic criterion of any such arrangements.
>
> (3) In anticipation of possible adjustments in the structure of production resulting from future reductions in trade barriers, immediate steps be taken to establish a general program under which adequate and effective assistance would be available to particular industries and groups of workers which may be adversely affected by any such reductions. The basic purpose of such a programme would be to bring about an effective and speedy transfer of productive resources from less efficient to more efficient lines of production. The resulting improvements in the productivity of the economy would amply justify the costs involved.

Honourable senators, for a good many reasons, including the fact that several Canadian basic products must find markets overseas rather than in the United States and our continuing and understandable concern about undue dependence on our large neighbouring country, Canada's basic interests have long been recognized as lying in the widest possible opening up of world trade.

In spite of this basic position, however, there may well be good reason in particular instances for working out bilateral or special trading arrangements so long as they do not interfere seriously with our important multilateral interests. This must be particularly the case as we view the difficulties that appear to be strangling the Kennedy Round negotiations. It seems clear that the original purposes envisaged by the late President of the United States will not be achieved as first conceived.

I reach this unhappy conclusion because so much remains to be done and agreement has not been reached in so many areas that it seems almost impossible that the Kennedy Round will be completed on time. As a result of this doubt as to the success of the Kennedy Round, I believe that Canada must concern itself with bilateral arrangements such as the one under discussion. The inherent difficulty of this statement lies in the fact that there appear to be very few obvious cases where an arrangement like the automotive agreement could sensibly be worked out.

It is true that in the case of the automobile industry there were many special considerations favouring a bilateral approach. In particular, of course, there was the fact that the industry in Canada has for many years been dominated by a small number of large U.S. companies. Any successful major readjustment of the industry's operations required the willing co-operation of these companies, and the fact that only a few companies were involved greatly facilitated the working out of practical patterns of change.

With respect to the balance of payments aspects of the agreement, it must be noted that the value of Canadian imports of autos and parts is inevitably dependent on the level of Canadian demand for cars, together with the volume of exports of completed vehicles. Because Canadian demand for cars has been increasing rapidly over the past few years, it is hardly surprising that imports of autos and parts have been rising strongly also. Under the agreement, however, such imports are being offset to an increasing degree by exports, particularly to the United States but also to some extent to other countries.

While the balance of payments deficit widened considerably in 1965, it seems clear that it would have increased a good deal more in the absence of the agreement. For the years ahead it is anticipated that the deficit will tend to level off, if not decline. I might say that for a major exporting country which has a large "payments surplus" in quite a number of products—including pulp and paper, lumber, nickel, iron ore, aluminum, wheat, etc.—the kind of payments emphasis adopted by a surprising number of people towards the automobile industry strikes me as being somewhat discouraging.

Among the awkward problems still to be faced as a result of the agreement are those of prices and wages in the automobile industry itself. It is claimed that the price margin for cars has narrowed a little in the past year and I know that spokesmen for the Government anticipate further moves in this direction. It seems to me, however, that the speed of such a narrowing of prices depends fundamentally on the relative degree of improvement of productive efficiency that is achieved. The agreement has undoubtedly strengthened the pressure of the automobile unions for wage parity with the United States. Any marked move in this direction, however, would tend to offset the fundamental purpose of the agreement in achieving more efficient production and also reduce the capacity of the industry to narrow the margin of prices.

Beyond this problem, too, there is the ever-present danger that the upward wage pressure will spread to other industries which are not achieving anything like the same gains in productivity. Such an undesirable development would clearly tend to reduce the competitiveness of the Canadian economy.

There are several other aspects of the program that have given rise to comment. Firstly, there is the problem of the type of expansion that is taking place under the agreement. To date the automotive companies appear to be concentrating on meeting their objectives through the expansion of labour intensive production rather than capital intensive production. This means that there has been a greater increase in employment of semi-skilled labour than in highly skilled labour. However, I believe that it is too early to conclude that this trend will hold for the future, as all of the companies' plans to meet their commitments have not been announced. I would hope that the industry's future expansion under the program would include locating in Canada manufacturing processes which utilize more highly skilled labour.

Secondly, there is the problem of tax policies which appear to be in conflict with the intent of the automotive program. In particular, I refer to the general 11 per cent sales tax, which of course includes production machinery used in the automotive industry. This is essentially one of the ancillary problems which arise when a program of this magnitude is undertaken, and is a problem of which the Government is very aware. In this regard I would call the attention of honourable senators to the recent Budget which proposes the removal of the 11 per cent sales tax on certain tooling for use in production machinery, and the progressive elimination of the sales tax over the next two years on the

remaining categories of production machinery and equipment.

In conclusion, I would suggest that Canada's experience under the agreement has been beneficial. It has resulted in more production and employment and has brought about greater specialization which should have a salutary effect on our economy. Notwithstanding the many benefits, some problems still remain. While efforts are being made to meet these problems, it is clear that if Canada is to enjoy maximum benefits much hard bargaining will be needed in 1968 when the agreement comes up for reconsideration. Canada, after gaining a more equitable share of North American production, must ensure that it keeps it. The Government will have to press hard for more safeguards for Canadian production and for specific arrangements to keep cross-border specialization a reality.

Honourable senators, I commend this agreement to the favourable approval of the Senate.

I would add that it is my understanding that this resolution is to be referred to the appropriate standing committee for consideration.

Hon. David Walker: Honourable senators, may I first congratulate, on behalf of the house, honourable Senator Aird on his very exhaustive and able summary of a very difficult situation. We are glad to have in this house people like Senator Aird because he has all the earmarks of a Tory. May I remark that there is another senator here who has also played a prominent part in the Liberal organization. I refer to Senator Lang, whom I wish to congratulate on having yesterday been made a Governor of Canada's greatest university, the University of Toronto.

Hon. Senators: Hear, hear.

Hon. Mr. Walker: Although Senator Aird has had to do the best he can under the circumstances, he has interlarded his speech with a great deal of theory, and, what he cannot fill in for the present in fact, he is anticipating for the future. But he has failed to point out that the debate today is really an exercise in futility.

Let us look at some of the matters he left out. In the first place the measure giving effect to this agreement, so far as Canada is concerned in any event, was brought into effect by order in council in January 1965, not 1966. And so, honourable senators, for practically sixteen months this agreement has been in operation, and only after sixteen months is Parliament asked for the first time to validate it. In effect, Parliament is being asked, and I am sure my honourable and reasonable friend will agree, to rubber-stamp the executive action of the cabinet, to endorse an agreement now operating for over a year.

What are we debating? Why have a debate at all? What is the use of it? In so acting after this sixteen months' delay, the Government, I suggest, is really flouting the sovereignty of Parliament. This is not unusual and it is not the first time. It is in keeping with many other actions that have gone on before. I ask you, honourable senators, why debate a *fait accompli*? If we are going to talk about the history of it, let us wait until 1968.

Now my honourable friend has failed to point out that the balance of payments situation, which under this Canada-United States automotive agreement was supposed to improve, has in fact worked the other way. The net automobile trade deficit with the United States rose from $578 million in 1964 to $674 million in 1965, and these figures are not disputed. In other words, there has been an increase of almost $100 million in the deficit.

My friend has also failed to point out—and I cannot blame him, for as a lawyer he is putting his best foot forward, and I think Senator Lang would do the same—that the increased employment on the assembly line, which has been very substantial, has been offset to a very substantial degree by unemployment in parts manufacturing in many areas of the country, and has caused, as he knows and as we all hear about from day to day, particularly in smaller localities, extreme hardship and even disaster in the parts segment of this great automotive industry.

Finally, as I have said, this is an exercise in futility, but it would not do to allow my honourable friend to go on with all those fine theories and look to 1968 for the working out of them.

I am bound to point out another failure. My friend has neglected to mention that the $50 million gift this tariff concession presents to the United States manufacturers—not to the Canadian manufacturers, but to the United States manufacturers—has not been passed on to the consumer except to a minimal degree. He and everyone knows well that this is one of the glaring failures of the agreement up to the present time. The honourable senator hopes that eventually it will be passed on,

but in the meantime the American car manufacturers are getting even richer at the expense of this $50 million tariff cut.

I could go on, but what is the use? It is a *fait accompli*; it has been working for 16 months. We are not being approached today for our opinion on it, because our opinion means nothing, not even the opinion of my able friend. The agreement is working for good or for evil and, as he says, we shall review it again in 1968.

Hon. Harry A. Willis: Honourable senators, first of all I want to congratulate my knowledgeable friend, the honourable Senator Aird. It is a shame he is not in the other place, for I say with all sincerity that I think he would make an excellent Minister of Finance.

Before proceeding with the few remarks I have to make on this resolution, may I refer to a personal matter. On Monday last I attended a convocation in the Province of Ontario where a new chancellor of a university was installed, and among the reception line welcoming him were chancellors of neighbouring universities. Lo and behold, I saw the honourable Senator Ross Macdonald dressed from head to foot in fine red silk, with a red tam on his head. I honestly did not recognize him at first. Solomon in all his glory was not arrayed like he. He is to be envied having such a gown and hat. I congratulate him on being Chancellor of Waterloo Lutheran University, and I was pleased to see him as the outstanding fashion in that parade.

I also wish to congratulate my colleague Senator Walker on his contribution to this debate.

I wish to press strongly to have this resolution referred to a committee. It was not considered by a committee in the other house, but I believe this resolution to be sufficiently important to Canada's fiscal policy that it should go to committee.

My first objection to this bill is that it was conceived in secrecy. Two or three ministers, including the Prime Minister, flew down to Texas where they visited what is known as the L.B.J. Ranch, and there the agreement was hammered out. Then it was brought to Canada and was born at a cabinet meeting, the birth announcement being made on January 16, 1965. I hope that if this resolution goes to committee we will see its demise notice in the *Canada Gazette* before too long.

Perhaps the principle is not overly objectionable, but why on earth would a resolution like this, affecting the fiscal policy of Canada, be passed and become law in Canada without reference to Parliament and the representatives of the Canadian people? It is noteworthy that in the United States it was considered by both Congress and the Senate. It was examined thoroughly and hotly debated before it was passed in the United States.

I have in my hand a book which will be applauded by my friends opposite. It is the latest biography of Sir Wilfrid Laurier. The honourable senator who has just spoken, Senator Walker, and some of the newcomers, of course, had not been born by 1910 and so will not recall the circumstances to which I am about to refer. Others of you will recall that the then Minister of Finance, with a cabinet colleague or two and departmental officials, went to Washington and spent almost a month there negotiating what became known as the Reciprocity Treaty. On their return to Parliament, it was debated so hotly that the then Prime Minister, Sir Wilfrid Laurier, had to adjourn Parliament in order to attend the Imperial Conference. Sir Clifford Sifton—who I do not need to say was a Liberal—on February 28, 1911, stated in the House of Commons:

> —four or five gentlemen who,...are in control of the affairs of the dominant political party, can suddenly, of their own motion, without discussion, without debate, without the knowledge of the country, commit the country to a radical change of fiscal policy.

The Prime Minister of the day had no thought of signing the agreement without the approval of Parliament and, of course, he did not obtain that approval. In September of that year a general election was held, and honourable senators will recall that the Government of the day was defeated on that very issue.

I also want to recall the words of another leader of the great Liberal party and a great Prime Minister, Right Honourable Mackenzie King, who on June 21, 1926, moved in the House of Commons:

> This house...considers further that before His Majesty's Canadian ministers advise ratification of a treaty or convention affecting Canada, or signify acceptance of any treaty convention or agreement involving military or economic sanctions, the approval of the Parliament of Canada should be secured.

On April 12, 1928 the Right Honourable Mackenzie King stated in the House of Commons:

> I submit that the day has passed when any government or executive should feel that they should take it upon themselves without the approval of Parliament, to commit a country to obligations involving any considerable financial outlays or active undertakings.

He went on to say that in all cases it should obtain the approval of Parliament.

Here we have legislation passed by order in council which, I think, was unconstitutional because it affected the fiscal policies of this country. Anyhow, it was passed by order in council and became law. As my honourable friend Senator Walker said, this occurred on January 16, 1965, and Parliament was not asked to ratify, discuss or debate it until the month of May, 1966.

Honourable senators, this is a matter which should be debated thoroughly by a committee of this house in order that all details can be gone into, and so that all those who have been hurt by it can come before the committee and express their views. Were I searching for a phrase to describe this piece of legislation I would quote the words of Longfellow, who said:

> I shot an arrow in the air,
> It fell to earth, I knew not where.

That is just about what they did with regard to this agreement. They passed it by order in council without knowing its ramifications, and, as the honourable Senator Aird said, the Government has had to set up a special board to deal with those affected and hurt by this agreement. I say to you, honourable senators, that these are the small people who for years since the last war have been trying to carry on small businesses.

I refer the house to an article by Roger Newman—not Peter Newman—in the *Globe and Mail* of May 3, 1966, the heading of which is: "Difficulties shape up for Auto Parts Suppliers." The author mentions three or four small firms in Beaverton, Ingersoll, and other places, which cannot keep going because of what has happened.

My honourable friend Senator Aird said that for years Canada was dominated by the American motor industry. I say that Canada is more dominated by the American motor industry since this agreement than it ever was before. I will tell you why. The dies that our smaller manufacturers in places such as Ingersoll and Beaverton made are now being imported by Ford and Chrysler—I think they are the principal offenders—from their parent companies in the United States. This has caused our small manufacturers in Canada, and particularly those in Ontario, to import these dies from the United States. The cost, therefore, is more, and on top of that they are saddled with the 11 per cent sales tax.

I would ask the Government why, when it entered into this agreement, it did not repeal the 11 per cent sales tax as it affects this particular industry. In order for our Canadian suppliers to compete with the Americans they have to be able to sell their dies at competitive prices, and this they cannot do when they have to pay the 11 per cent sales tax. In many cases they have to import specialized parts from manufacturers in the United States, and when bringing those parts into Canada they are faced with a tariff of 22½ per cent. When those parts are assembled and made ready for installation on motor cars, the Canadian company has to pay the 11 per cent sales tax. They are caught both ways. When they import the parts from the United States they pay the tariff of 22½ per cent, and when they sell them they pay the sales tax of 11 per cent. How on earth can they keep in business under such conditions?

Much has been said on the hustings and in the debates in the other place to the effect that this agreement has assisted the plants at Windsor and Oakville, where two of the big car manufacturers are located. I admit this, but the agreement has not helped the little man in Canada. It has been said that the agreement has provided for more employment in the automotive parts industry in Canada. But what is really happening is that these small plants can no longer carry on and are going into bankruptcy, and their skilled labourers are being sent to Windsor and Oakville where they are put on the assembly line just to assemble parts coming in from the United States. Soon there will be no skilled workers left in Canada.

It is all very well to talk about Canadian content in respect to this agreement, but the Canadian content in our automobiles right now is represented by the worker who is putting these parts on the car. That is all he is doing. He is not working with machines which require a great deal of skill to operate, and he is not manufacturing these parts. If this goes on we shall lose all our skilled labour in the industry and wind up with

unskilled workers doing something that Senator Croll and Senator Connolly (Ottawa West) could do just as well.

Hon. Mr. Connolly (Ottawa West): You are down to the bottom of the barrel now.

Hon. Mr. Walker: Speak for yourself.

Hon. Mr. Connolly (Ottawa West): I was.

Hon. Mr. Willis: Honourable senators, this is a chamber in which a second look is taken at legislation. The great enunciator of that principle is the honourable Senator Roebuck, for whom I have much respect. As this is fiscal legislation which was not referred to Parliament until 15 or 16 months after it was put into force, it should be given a good second look. This is the same principle enunciated by the great leaders of the Liberal party in the past with regard to some fiscal policies that were proposed in those days.

As I have said, it is my modest hope that by these few remarks I have persuaded my honourable friend Senator Aird, the mover of this motion, and in particular the Leader of the Government (Hon. Mr. Connolly, Ottawa West), who is a very reasonable man, to take the initiative and move that this piece of legislation be sent to a committee.

I have not much more to say, but I do want to reiterate that all is not gold that glitters. The Government, simultaneously with the negotiation of this agreement, should have wiped out the 11 per cent sales tax and thus given our small producers some measure of protection.

I have in my hand another article from the *Globe and Mail*. It is dated May 11 of this year and is headed: "Hit by Car Pact—Parts Firms Say". I shall not read this, but it was written, as far as I know, by an unbiased person.

If this measure does not go before a committee, then the people of Canada will have had nothing whatever to say about it. It has become a *fait accompli*, as my honourable friend, Senator Walker, has said. Would it not have been reasonable to have done what was done in the United States? Although this agreement passed both houses at Washington, its passage took some time. It was investigated there very thoroughly. Parliament and the people of Canada deserve the same advantage.

It is still my view that this is similar to the legislation Mr. Mackenzie King was referring to in speeches he made in 1926 and 1928, and it is certainly what Sir Clifford Sifton was referring to in 1911. I plead with the utmost sincerity that the Government consider sending this to a committee where it can be thoroughly examined, and so that the people of Canada will know it has been thoroughly examined.

I do not know whether any honourable senator present has read the brief presented to the Government by the Automotive Parts Manufacturers' Association, but I would mention that it is very good reading. In it the association gets down on its knees and asks the Government to at least amend the agreement so that the bankruptcies of these small firms may be prevented, and so that Canadian manufacturers of these parts are not put at a disadvantage because of the two taxes to which I have referred. To these pleas I hope the Government will not turn a deaf ear.

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

COMMITTEE MEETINGS

REQUEST FOR NOTICE OF AGENDA

On the Orders of the Day:

Hon. Arthur W. Roebuck: Honourable senators, before the Orders of the Day are called I should like to draw a small matter to the attention of the house. I hold in my hand a notice of a meeting of the Standing Committee on Transport and Communications which is to be held tomorrow morning at 10 o'clock. The notice gives me no information as to what will be discussed on that occasion.

I think honourable senators will agree—because like myself, they are burdened with many things to do and do not find it possible to attend all committee meetings —that it would be a real service if these notices contained information as to what is to be considered at the meetings. I like to take part in discussions of those matters that are of special interest to me, and I would consider it a worth while service if the Committees Branch, when sending out these notices, would list the subjects to be discussed.

For instance, this particular notice could say that certain bills referred to the committee will be discussed on this occasion. Without that information, we are left entirely in the dark.

That situation undoubtedly applies to the Transport and Communications Committee,

of which my distinguished fellow senator and deskmate (Hon. Mr. Hugessen) is chairman. It certainly applies to the Banking and Commerce Committee, and perhaps to other committees that meet less frequently. I call this matter to the attention of the chairmen of the committees and to the officials who produce these notices.

Hon. John J. Connolly: Honourable senators, I think the idea suggested by the honourable Senator Roebuck is a very wise one indeed. I believe it was the practice at one time, when notices of committee meetings were sent out, to include some kind of a notation with regard to the bill which was to come before the committee. If I may be permitted, I will take the matter up with the officials and see if that former practice cannot be restored. I am sure that can easily be done.

Hon. Mr. Roebuck: Thank you.

Hon. A. K. Hugessen: If my honourable friend will allow me, I will give him the information now which I agree should have appeared on the notice of bills to be considered in the Transport and Communications Committee tomorrow morning.

The principal bills which were sent to the committee by this house during the past week or two were two C.P.R. branch line bills, one in the Province of Saskatchewan and one in Alberta. The other was the Quebec North Shore and Labrador Railway Company bill, which was explained on second reading last week by the honourable Senator Bourget, and which asks for an extension of time for construction of the remainder of the line.

I am sorry that the notice did not include the information sought by my honourable friend and others who received the notice.

Hon. Mr. Roebuck: Thank you.

APPROPRIATION BILL No. 5, 1966

SECOND READING

Hon. John J. Connolly, with leave of the Senate, moved the second reading of Bill C-189, for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1967.

He said: Honourable senators, this is a bill for interim supply for one month. In accordance with the practice in the past, both in connection with interim supply bills and bills providing for supplementary Estimates, I have circulated a table showing what has been done about supply to date.

Perhaps I should preface my remarks with a few words of explanation. I do so rather apologetically, but sometimes it is helpful for new senators to be reminded that as soon as the main Estimates are tabled in this house they are referred to the Finance Committee. In that committee, not only committee members but any member of the Senate who chooses may attend and ask for any information he or she requires in respect of any item in the Estimates.

We have also begun a new practice which I think is going to prove very fruitful and helpful indeed when we come to consider supplementary Estimates. When they are tabled in this house they too will immediately be referred to the Finance Committee.

I believe the Leader of the Opposition (Hon. Mr. Brooks) spoke about how satisfactory the experience was on the occasion upon which we received the last supplementary Estimates for the previous year. We considered them in committee actually before we had the bill before us in this house, and we received most helpful explanations from the officials.

I think this practice will, if I may so describe it, take the sting out of a good deal of the criticism that members of the opposition, and indeed members on the Government side, over the years have been directing at leaders and at the Government for introducing appropriation bills, first of all, at a very late date, and secondly, at a time when they had to be rushed through without adequate consideration.

We are trying to remedy that difficulty collectively here, and there is great co-operation on both sides. If the practice is continued, I think we shall greatly benefit from it.

I know that the same problem occurs with interim supply, because interim supply is simply a vote on account of the general Estimates, or, if there are supplementaries, on account of a certain proportion of the supplementaries to enable the Government to conduct its day-to-day business.

Today we are dealing with supplementary Estimates for one month, namely, the month of June. We have already voted two months' supply. Now we are asked to vote a further third month's supply.

I will come to the bill, if I may, after I have discussed the financial aspects which are contained in section 2, details of which are given in the various schedules.

From the memorandum which has been circulated, it will be seen that the main Estimates provide for a total expenditure of $8,283,224,878. Of these there are statutory expenditures which are provided for year in and year out under acts passed by Parliament providing for certain payments. These are part of the permanent legislation of the country, and cover such items as interest on loans, payments for children, many items under the health legislation, and other statutory enactments of that kind.

The total to be voted in the year will be $4,907,982,911.

In addition, there are payments to be made out of the Old Age Security Fund of $1,035,000,000. Therefore, the total expenditures as provided for thus far without any supplementary Estimates amount to $9,318,224,878.

As I have already stated, we have passed two months' supply under Appropriation Act No. 3. This carried supply to May 31 in the amount of $870,275,281. Appropriation Act No. 5 which is now before us asks approval for payment of a total amount of $450,944,478.01.

Hon. Mr. Aseltine: Will that carry us to the end of June?

Hon. Mr. Connolly (Ottawa West): That will carry us to the end of June.

May I now direct the attention of honourable senators to the schedules. These are designed to allocate additional percentages of certain items in the Estimates for certain departments because of special requirements, many of which are seasonal. These are extra amounts in addition to the one month's supply that is generally provided in section 2, subsection (a).

Schedule A asks for an additional eight-twelfths or $11,666,666.67 under Vote L40 in the Department of Mines and Technical Surveys. This item provides for loans to the Atlantic provinces for the production of power for industrial purposes. This assistance, which is provided by the federal Government, is to be repaid over a period of 30 or 40 years, dependent upon the arrangements made for thermal power projects, electrical transmission projects, terminal station projects and the like.

The sum of $13,400,000, which had to be carried over from the past fiscal year, is now the amount that requires payment; and the additional amount requested in Schedule A will provide sufficient funds to carry out that commitment.

Schedule B refers to certain additional amounts required in the Department of External Affairs for the External Aid Office. It asks for an additional three-twelfths of item 35, in the amount of $21,025,000. This additional proportion is required particularly for wheat shipments which are to be made to India and Pakistan for delivery and shipment during the months of June, July and August. This assistance is provided under the International Food Aid Program.

Honourable senators, I come now to Schedule C. It asks for an additional two-twelfths, or an amount of $4,285,833.34. Under the Department of Finance, item 15 for Government administration, this additional amount is required for salary payments approved too late for inclusion in the departmental votes in the main Estimates, particularly for the increases given for groups A and B in the Public Service. Group A is the professional group; group B is the clerical and stenographic group.

Also in Schedule C, under item 80 of the Department of Mines and Technical Surveys, an additional proportion is required at this time of the year to cover certain programs connected with channel improvements in the Upper Thames River, the Metro-Toronto Region system of dams, reservoirs and channels; the Greater Winnipeg Floodway; and the North and West Vancouver flood control program. A good deal of this kind of work is seasonal and heavier demands are made in the earlier part of the fiscal year.

Likewise, under Schedule D, which I might describe as a seasonal item, an additional one-twelfth of $5,013,735.42 is asked for. This is required particularly on account of the expenses incurred by the Government in connection with the International Fisheries Commissions. That work goes on in a more intensive way in the summer months and extra money is required to meet the demands as they fall due. For the purpose of the record, I might say that if any senator is interested in the detail of this particular item, it will be found in the main Estimates on page 149.

Item 20 in the Department of Fisheries deals with fisheries research stations in nine

locations across the country. Again, there is a seasonal aspect to the work that is undertaken in these fisheries research stations.

In the Department of Forestry, under Vote item 15, the field research program demands are heavier at this time of the year and for that reason a little extra money is required.

Under the heading "legislation", an additional one-twelfth is required for the Senate expenses. As honourable senators know, while a month's supply may be appropriate in many departments, the Senate expenses are not incurred regularly over the 12 months of the year because the Senate is not sitting in certain months and the expenses are higher in months when it is sitting.

Similarly, additional money is required in connection with the preparations which are now being undertaken, and expenses which are being incurred now, for the Twelfth General Conference of the Commonwealth Parliamentary Association, about which we spoke last evening.

The Department of National Health and Welfare is going to require an additional amount for progress payments on the Charles Camsell Hospital in Edmonton.

Under the Department of Northern Affairs and National Resources, the cost of maintaining and operating parks, historic sites, the wild life service, and the National Battlefields Commission, is higher in the spring and early summer.

Honourable senators, perhaps I should not take you through as much detail in the schedules as I do, but I do so on interim supply bills to give you an idea of the nature of the items for which approval is being sought.

I come now to the bill itself. I have in effect dealt with the schedules, and with section 2, which provides for the total amount and the additional amount for each of the schedules.

Section 3 of the bill, which is in the usual form, provides that the amount authorized can only be paid for the purposes and subject to the terms and conditions specified in the item.

Section 4 provides that where an authority to enter into a commitment is given, that authority must be respected meticulously.

Section 5 provides, as is customary, that the amount paid or applied under the authority of the act shall be accounted for in the public accounts, in accordance with the Financial Administration Act.

I need perhaps not give the assurance, because it is always understood, that any item at any time on any future appropriation bill is open to inquiry by any honourable senator. I give the further assurance that no item in the general Estimates is closed out by the amounts required under this bill.

Hon. A. J. Brooks: Honourable senators, we have had a very clear explanation from the Leader of the Government with reference to interim supply. This is the usual type of bill which we have had three or four times a year and have had for many years.

I agree with the remarks Senator Pouliot made yesterday about having these bills before us for longer periods of time than has been the case in the past. It gives honourable senators a better opportunity of studying and discussing them.

We have had from the honourable Leader the usual assurances and the usual explanations; and I expect there are members here who feel the usual frustrations regarding a supply debate.

Senator Connolly (Ottawa West) has explained the amounts. The main Estimates, including payments from the Old Age Security Fund, as he pointed out, amount to $9,318,224,878. To this must be added, up to June 1, Appropriation Act No. 3, and this bill, which will be Appropriation Act No. 5. If I remember correctly, Appropriation Act No. 4 related to the Estimates of the previous year.

Hon. Mr. Connolly (Ottawa West): The final supplementaries of last year.

Hon. Mr. Brooks: Yes.

I would like to point out, honourable senators, that it is not $9,380 million-odd that the Estimates amount to as of June 1, but $10,450 million-odd. Before the end of the year we probably will have some more supplementary estimates which indeed might bring it up to $12 billion, or somewhere in that vicinity, which is an enormous sum of money. I am sure we all agree with our very good friend Senator Crerar, when he says it is certainly time that we gave this matter of Estimates much more practical consideration.

The honourable leader has told us that we have been more or less satisfied with the review that we are getting of the Estimates at the present time. We have a good Finance Committee, and if the committee is given the opportunity and is asked for information, I

am satisfied that they will get the information for us and that we will be given a good understanding of the general estimates.

I am not going to go into the act in detail as the honourable leader has done. Section 2, as he has pointed out, calls for one-twelfth of the total Estimates, in the amount of $408,953,242.58. He also mentioned different schedules.

Schedule A, as he pointed out, calls for $11,666,666.67, which is eight-twelfths, and this refers to a loan made under the Atlantic Provinces Power Development Act. This is not a handout; this is something which those who are in charge of the Atlantic Provinces Power Development are borrowing from the Government and which is to be repaid. I also point out that this act was passed in 1958 and it has been of tremendous assistance to the Atlantic provinces. However, I would like to ask in this connection how much money has already been borrowed by the Atlantic Provinces Development Corporation and what is the rate of interest payable? I understand that originally it was 4¾ per cent, but what it is at the present time I do not know.

There is another point on which I would like some information. When we say that under Schedule A it is eight-twelfths of the amount of the item—the general item is one-twelfth, as we know, and that covers all items in the Estimates—do we add that one-twelfth to the eight-twelfths, and is it a total of nine-twelfths that is being sought at the present time? This is a point we do not very often realize.

Then we come to Schedule B having to do with External affairs. May I revert for a moment to the point I was just making? I do not think the honourable leader explained why it was that the Atlantic Power Development Corporation required eight-twelfths. That is nine-twelfths or three-quarters of the total amount. Why are they borrowing all that money at the present time?

Hon. Mr. Connolly (Ottawa West): Perhaps the honourable gentleman will allow me to say that the amount sought under Schedule A is $11,666,666.67. The amount required to pay claims will be some $30,400,000. That is for work already done. This further amount is required to be loaned under the program. This will in effect mean that so far as this item is concerned we voted two-twelfths on the last supplementary estimate, plus one-twelfth, and now plus eight-twelfths. If it is approved we shall have allocated eleven-twelfths of the amount under this item in the main Estimates.

Hon. Mr. Brooks: And I understand that is because some bills that have not yet been paid are now falling due.

Hon. Mr. Connolly (Ottawa West): Yes, they are falling due.

Hon. Mr. Brooks: We can understand the other items which refer to the sums mentioned in L40.

Schedule B, I understand, involves assistance to developing countries in technical education, and I assume this money is required because of work done during the summer months by students who are working on special technical education in undeveloped countries. Would that be the main reason?

Hon. Mr. Connolly (Ottawa West): Perhaps I was not clear on that. The main reason for the requirement of some $21 million here is to facilitate the shipments of wheat to India and Pakistan for delivery during the months of June, July and August. That is the specific requirement anticipated during this period.

Hon. Mr. Brooks: Well, it is rather misleading. It says "Economic, technical, educational and other assistance as detailed in the Estimates—"

Hon. Mr. Connolly (Ottawa West): That is the general item, and included in that is this specific requirement.

Hon. Mr. Brooks: Another item which rather interested me was the one under the heading "Fisheries." I refer to the latter part of item 20 which says "... the amount of the share of the International Great Lakes Fishery Commission of the cost of work on lamprey control and lamprey research." I would like to know from the Leader of the Government what success they have had in this field. I understand it has been considerable. We also know, however, the pollution of the Great Lakes has resulted in a greater problem to fisheries than the lamprey eels ever were. We will have to vote more money for that, I would think. It would be money well spent.

A further item has to do with Northern Affairs and National Resources and, being a Maritimer, I was very interested to learn that there will be a new park for our sister province of Nova Scotia. The only comment I have to make on that is to express my pleasure that a new park is being established, and also my hope that the park will not be called by the same name as the area in which it is to be established. It is a name

which I cannot pronounce and I would ask the department for Heaven's sake not to give the park the name that is printed here, which is Kejimkujik lake.

Hon. Mr. Smith (Queens-Shelburne): I may tell my honourable friend that if he tries to change that name now, a name which that district has had for perhaps a thousand years and which is known to the people of that area, he will have quite an argument on his hands.

Hon. Mr. Brooks: Could you tell us how it is pronounced?

Hon. Mr. Smith (Queens-Shelburne): It is pronounced as it is written, "Kej-im-kuj-ik", and locally it is abbreviated to "Keji" for the benefit of those people who cannot pronounce "kujik".

Hon. Mr. Brooks: Perhaps you have to belong to the Micmac tribe to be able to pronounce it.

Hon. Mr. Connolly (Ottawa West): Perhaps the honourable Leader of the Opposition might suggest that they should have gone to the Gaelic for that.

Hon. Mr. Brooks: They could have done that in Cape Breton, but not in that part of the province. I am sure my friend Senator Macdonald (Cape Breton) would not approve of that. I have nothing further to say except to remark that these estimates, together with the general Estimates, show a tremendous increase in the cost of government in this country. It also shows how increasingly difficult it is to govern. I was greatly pleased with the remarks of my good friend Senator Crerar the other day; he pointed out first that governments must be very discriminatory in their payments and in their selection of priorities. He mentioned that we must try to place first things first. I think that is an excellent idea. I know every minister in the Government thinks that his department and the items under his jurisdiction are the most important, and I am afraid many of them get away with that idea.

Senator Crerar spoke about the $3 billion projected for social services. He also spoke of $100 million for the C.B.C. and other heavy expenses. These are undertakings that are possibly necessary, but we must not try to do everything at once.

I was pleased to hear the honourable Senator Aird mention the fact that we were catching up with the United States as far as our deficit in trade was concerned. But then our good friend Senator Walker, who has a great faculty for setting things straight, pointed out that we were not catching up with the United States as far as trade deficits were concerned, but that our deficits had increased from 1964 to 1965 in that one industry alone by some $500 million, or some very large amount.

It occurs to me that Canada must try to trade more with countries such as Great Britain. We have a surplus there of $500 million and a deficit with the United States of over $1 billion, and I personally cannot see why Great Britain, for instance, and other trading countries should have to pick up the tab every year in trying to pay off this great deficit we have with the United States.

Not long ago a delegation came here from the West Indies asking us to develop more trade with them. We should do so. It is one of the Commonwealth countries and, for instance, instead of Canadian tourists going to Florida or California every year, they would be far better advised to go down to the West Indies. There are also possibilities for greater trade there. These are ways in which we can lessen the great gap that exists between our trade and financial position with the United States.

Honourable senators, as I have said, these interim supply bills come up periodically and it is necessary for us to pass them. We now have a better opportunity than I believe we have had for some time to review and consider the Estimates in the Finance Committee. There is nothing further I wish to say at the present time.

Hon. Mr. Burchill: I wish to ask the Leader of the Government a question concerning Schedule A, the amount paid under the Atlantic Provinces Power Development Act. To what body in the Atlantic provinces is that paid? Is it paid in connection with the hook-up between Nova Scotia and New Brunswick?

Hon. Mr. Connolly (Ottawa West): I suppose it would depend on the project being developed at a given time, and in what province it was. I will inquire whether there is any specific allocation for that amount, and if possible I will have that information tomorrow. In any event, I will transmit it to the honourable senator.

Hon. Mr. Brooks: I understood the honourable leader to say a few moments ago that it was to pay outstanding bills.

Hon. Mr. Connolly (Ottawa West): I know that is the case, but I am not sure in what provinces the developments in question are located, which is what Senator Burchill asked.

Hon. Mr. Hollett: I would like to ask the Leader of the Government a question on fisheries. Can he inform the house as to what progress is being made towards the implementation of the 12-mile limit? I ask this question because I have had complaints from various fishermen, particularly on the southwest coast of Newfoundland, relative to the loss of nets and other fishing gear because draggers come in, not only at night but during the daytime, and drag the grounds and destroy their nets and other fishing gear. When this comes up again for discussion could the leader tell us what progress has been made towards implementation of the 12-mile limit?

Hon. Mr. Connolly (Ottawa West): I will try to obtain the information for the honourable senator.

Motion agreed to and bill read second time.

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

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

Motion agreed to.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, June 2, 1966

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

Prayers.

ROYAL ASSENT

NOTICE

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

GOVERNMENT HOUSE

Ottawa

2nd June, 1966

Sir,

I have the honour to inform you that the Hon. Robert Taschereau, P.C., Chief Justice of Canada, acting as Deputy to His Excellency the Governor General, will proceed to the Senate Chamber today, the 2nd June, at 5.45 p.m. for the purpose of giving Royal Assent to certain bills.

I have the honour to be,
Sir,
Your obedient servant,
A. G. Cherrier
Assistant Secretary
to the Governor General.

The Honourable
The Speaker of the Senate,
Ottawa.

DOCUMENTS TABLED

Hon. John J. Connolly tabled:

Financial Statement on the operations of the Veterans Insurance Act, for the fiscal year ended March 31, 1966, pursuant to section 20 of the said Act, chapter 279, R.S.C., 1952. (English and French texts).

Financial Statement on the operations of The Returned Soldiers' Insurance Act, for the fiscal year ended March 31, 1966, pursuant to section 17(2) of the said Act, chapter 54, Statutes of Canada, 1920 as amended 1951. (English and French texts).

PRIVATE BILLS

QUEBEC NORTH SHORE AND LABRADOR RAILWAY COMPANY—REPORT OF COMMITTEE

Hon. A. K. Hugessen, Chairman of the Standing Committee on Transport and Communications, reported that the committee had considered Bill S-31, respecting Quebec North Shore and Labrador Railway, and had directed that the bill be reported without amendment.

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

Hon. Mr. Hugessen moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

CANADIAN PACIFIC RAILWAY COMPANY (SASKATCHEWAN)—AUTHORITY TO PRINT COMMITTEE PROCEEDINGS

Hon. Mr. Hugessen, Chairman of the Standing Committee on Transport and Communications, presented the following report of the committee on Bill S-32, respecting Canadian Pacific Railway Company:

> Your committee recommends that authority be granted for the printing of 800 copies in English and 300 copies in French of its proceedings on the said bill.

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

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

Report adopted.

REPORT OF COMMITTEE

Hon. Mr. Hugessen, Chairman of the Standing Committee on Transport and Communications, reported that the committee had considered Bill S-32, respecting the Canadian Pacific Railway Company, and had directed that the bill be reported without amendment.

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

Hon. Mr. McDonald moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

CANADIAN PACIFIC RAILWAY COMPANY (ALBERTA)—AUTHORITY TO PRINT COMMITTEE PROCEEDINGS

Hon. Mr. Hugessen, Chairman of the Standing Committee on Transport and

Communications, presented the following report of the committee on Bill S-34, respecting Canadian Pacific Railway Company:

> Your committee recommends that authority be granted for the printing of 800 copies in English and 300 copies in French of its proceedings on the said bill.

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

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

Report adopted.

REPORT OF COMMITTEE

Hon. Mr. Hugessen, Chairman of the Standing Committee on Transport and Communications, reported that the committee had considered Bill S-34 respecting the Canadian Pacific Railway Company, and had directed that the bill be reported without amendment.

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

Hon. Mr. Prowse moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

BUSINESS OF THE SENATE

On the notice of motion for adjournment:

Hon. John J. Connolly: Honourable senators, with leave of the Senate, and also as an act of faith, I move that when the Senate adjourns today it do stand adjourned until Tuesday next, June 7 at 8 p.m.

Hon. Mr. Brooks: May I ask the honourable leader if he could give us an outline of the business we may anticipate dealing with next week? Perhaps this act of faith would help.

Hon. Mr. Connolly (Ottawa West): I have been considering this myself, honourable senators, and I am pleased to give what information I have at this time.

The debate on Senator Gershaw's inquiry calling the attention of the Senate to the need for conserving Canada's water resources will not be resumed today. This is an important debate in which there is much interest. It will be continued next week.

The Canada-United States Automotive Products Agreement is before us, and that debate will continue next week. I would say at this time, because of the remarks made yesterday, particularly those of Senator Willis, it is the firm intention to send this bill to a committee at the appropriate time.

The Senate has before it the Canada Labour (Safety) Code and the Rural Economic Development Fund Bill, both of which are important measures of widespread interest in the house.

The debate on the motion for an address in reply to the Speech from the Throne has not yet been concluded. I understand there is one more speech to be made on it. Unfortunately, it is near the end of the Order Paper, and I may ask leave to have it placed at or near the top on a day next week.

We can expect that the bill providing for Government reorganization will receive third reading in the other place and come to us next week. It is my hope that our debate on it will commence then.

Honourable senators, a large amount of work is being done in committees. The Interpretation Act is before the Standing Committee on Banking and Commerce, a subcommittee of which is working on the measure. It is very technical and it will be some time yet before the committee can make its report. When it does report, I am sure the committee's work will prove to be very useful. The Standing Committee on Finance will be sitting next week. Senator Thorvaldson is not in his place at this moment, but I understand it is his intention that the Standing Committee on External Relations will have at least one sitting next week.

In addition to the standing committees there are two joint committees which may sit, one on Divorce which was organized today, and one on Penitentiaries.

I am not quite sure of this point and I should have informed myself before coming into the chamber, but I understand that the joint committee on collective bargaining in the Public Service, to which two allied bills are still to be referred, may soon be commencing its work.

Generally speaking, the program for next week looks to be fairly comprehensive.

Hon. Mr. Brooks: The joint committee on collective bargaining, I take it, will be sitting for some time, and we shall not be debating the bill next week.

Hon. Mr. Connolly (Ottawa West): We shall not be debating it until it comes out of the joint committee.

Hon. Mr. Brooks: What two bills did the honourable Leader of the Government have in mind would be referred to that committee?

Hon. Mr. Connolly (Ottawa West): The bill on collective bargaining in the public service is allied to two other bills, one dealing with Employment in the Public Service and the other to amend the Financial Administration Act. The suggestion has been made that these bills, which are interrelated in many respects, be considered by the same committee.

Motion agreed to.

LEGAL SERVICES

FEES PAID BY GOVERNMENT TO MEMBERS OF QUEBEC BAR—INQUIRY STANDS

On the Notice of Inquiry of Hon. Mr. Pouliot:

> That he will call the attention of the Senate to the payment of fees by the Government of Canada to the lawyers of the Bar of the Province of Quebec for the last five years.

Hon. Jean-François Pouliot: Honourable senators, it has been my intention to discuss this matter during the last two sittings of the Senate, but because there are provincial as well as federal implications in the matter, and the Quebec provincial elections are taking place next Sunday, I will let the matter stand adjourned until the next sitting. In doing so I am also showing my spirit of co-operation with my colleagues whose agenda is so heavy, which is a fact that I can say is to the honour of the Senate of Canada.

Unfortunately, the body that represents the Bar in each province of Canada, and even the Canadian Bar Association, are no longer independent bodies. The only body that could be independent is the Senate of Canada. I will prove that in due course on Tuesday next, if I may have the consent of the house to allow the order to stand.

Hon. Senators: Agreed.

Order stands.

NEWFOUNDLAND ADDITIONAL FINANCIAL ASSISTANCE BILL, 1966

THIRD READING

Hon. A. B. Baird moved the third reading of Bill C-185, to give effect to Term 29 of the Terms of Union of Newfoundland with Canada.

Hon. Jean-François Pouliot: Honourable senators, I have something to say on this bill, because I had the privilege—although of course it was my right to attend the committee to which this bill was referred—of hearing the explanation given by the Honourable Mr. Pickersgill, the Minister of Transport, who represents a Newfoundland constituency in Parliament and is the representative for Newfoundland in the Government.

As the law stands today, before this bill passes third reading and receives the Royal Assent at the end of the afternoon, I must say that we can admire the sagacity and wisdom of the then Prime Minister of Canada, the Right Honourable Louis St. Laurent, who had a hand in the drafting of the Terms of Union of Newfoundland as suggested by the commission which made its report. There was a confusion between the McNair Commission, which made recommendations with regard to the Union of Newfoundland with Canada, and the proposed commission which was to study the requirements of the Government of Newfoundland.

On the one hand there was the McNair Commission which fulfilled its purpose and, on the other hand, a commission that was suggested by the Terms of Union to decide about the requirements of the Government of Newfoundland.

In *Hansard* it was stated that I mentioned the department of Newfoundland, but I did not say that—I said the Government of Newfoundland.

With respect to the $8 million that was to be paid the following year, another commission was to be appointed upon the requirement—I insist upon the word "requirement" —of the Government of Newfoundland. It was not upon the requirement of any individual, however honourable he might be, from that province, but of the government speaking on behalf of the Province of Newfoundland. It was a requirement of the Government of Newfoundland for the establishment of a commission that was to study the whole matter in order to decide whether it was possible to give the same level of living standards in Newfoundland as in the other Maritime provinces. That study has never been made. That commission has never been appointed. The Terms of Union have not been repealed, and could only be repealed by agreement of Newfoundland with Canada, and perhaps with the authorization of the British Parliament in Westminster.

It is a question which I have not studied deeply enough. However, this is a bad piece

of legislation. I am not opposed to any bill that is necessary for the Province of Newfoundland. As I said to the minister when he was before the committee, Newfoundland now is a member of the great Canadian family.

In this bill, however badly it is drafted, there is a silver lining to the cloud. It is that the Province of Newfoundland is not called a state. There is no province in the whole country which has the right to call itself officially a state. Who has ever heard about "the State of Newfoundland," "the State of Nova Scotia," "the State of New Brunswick," or the "State of Ontario," as we hear every day about "the State of Quebec?" Why is it that they use a false name to describe the province where I was born and of which I am so proud? This is a good note for Newfoundland.

On the other hand, there is no excuse for this legislation—it is a bad piece of legislation.

There has been too much confusion in the answers given before the committee. I wanted to know the stand of Honourable Mr. Smallwood, the Premier of Newfoundland, about this matter, because I did not want him to come by the back door and say he was not satisfied with what had been done by the Parliament of Canada. One has to be very careful to defend the rights of the Parliament of Canada. Who is sure that the Honourable Mr. Smallwood is satisfied, because there is no written record to that effect? There is hearsay about it, but there is no clear evidence. There is no demand from him; no letter has been tabled. It is very unfortunate. My stand was to defend the Parliament of Canada and the Government of Canada against any future complaint which could be made by the Premier of Newfoundland.

Honourable senators, I will not oppose this bill, but I have lodged a solemn protest against the kind of legislation that comes before us. There is urgent need to reform the Department of Justice from the attic to the cellar. To do so requires determination, courage and fortitude. It has to be done in all wisdom. It is urgent.

Legislation comes before us containing phrases three pages long, without any breathing spell, and no one understands anything, so much so that I told the Minister of Justice before the Banking and Commerce Committee that the bill which was before the committee at that time—I think it was the Bankruptcy Act—was just as clear as mud.

It is a serious matter, and I take the liberty to draw your attention to it. I hope that sooner or later my protest will meet with success.

Honourable senators, I must pay a special tribute to the Leader of the Government for the trouble he takes to get the information one asks for. I know that it must be unpleasant for him sometimes to insist on getting certain information. If I ask for it, it is not at all because I wish to be unpleasant, but because I consider it my duty to be well informed about what is going on, especially in matters of legislation.

That being said, I will not object to the bill any more. I will leave it at that. I take the Honourable Mr. Pickersgill's word that Honourable Mr. Smallwood is happy. So much the better!

Honourable senators, I have one word to say in conclusion. I wish to congratulate my honourable friends from Newfoundland, Senator Baird, Senator Cook and Senator Hollett, for the excellent effort that they have made to have this legislation accepted. They have done very well. Their speeches were just as good as they could be. Even so, they have not the authority that the Honourable Mr. Smallwood has to speak on behalf of the Province of Newfoundland.

Honourable senators, we have a great compensation. I had my fears about the entry of Newfoundland into Confederation, I had my concern about the union. But I have realized that the membership from Newfoundland, both in the House of Commons and in the Senate, is such an asset for Canada that any amount could be given to Newfoundland and it would be much less than the value of the members we have here in this chamber and in the other chamber.

Hon. Lionel Choquette: Honourable senators, we on this side have not opposed this bill and do not intend to do so. However, having heard the remarks of my good friend Senator Pouliot, I wish to say a few words which have been prompted by those remarks.

It is really a reflection on the Province of Newfoundland to say that they will never reach the financial standard of the Maritime provinces. Because of its tremendous natural resources, Newfoundland may some day become one of the richest provinces in Canada. If Newfoundland does become a rich

province—and I have every hope and every reason to believe that it will—it may have to come to the federal Government and say, "We do not want this perpetual gift; we are not paupers; we want to put an end to it." Newfoundland may find itself in that position.

I do not know if Newfoundland will ever come to the federal Government and make such a request. I do not think any federal Government will ever wish to put an end to this type of legislation. This is a gift which was not asked for. We have no proof that it was requested, yet it is a perpetual gift of $8 million. I agree with my friend Senator Pouliot that it is bad legislation.

Motion agreed to and bill read third time and passed.

APPROPRIATION BILL NO. 5, 1966

THIRD READING

Hon. John J. Connolly moved the third reading of Bill C-189, for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March 1967.

He said: Honourable senators, before the motion is put, may I refer to the questions asked yesterday by three honourable senators—Senator Brooks, Senator Hollett and Senator Burchill. Upon inquiry, I find that the material for which they asked is rather larger in scope than I thought it was when the questions were asked.

The items in the Estimates upon which these questions were based are, of course, still open. I will provide the material at the earliest possible opportunity and will table it. If at that time any of the honourable senators require it to be printed in *Hansard*, they need only indicate this to me and I will see that this is done.

Hon. Mr. Grosart: May I ask the Leader of the Government at this stage what is the status of the reference of this bill to the Finance Committee?

Hon. Mr. Connolly (Ottawa West): Perhaps the honourable senator was not here at the beginning of the discussion yesterday when I explained that the practice with reference to the Estimates in general, first of all, is to refer them to the Finance Committee for study, and all the items are open. We have also adopted the practice now, and I think it is a very good one, of referring the supplementary estimates immediately upon receiving them to the Finance Committee for consideration. This saves much time on the debate in the chamber because information is made available in a much more satisfactory manner than it could be by long speeches here.

So far as interim supply is concerned, I do not think it is the feeling in the Senate that these bills should be referred to committee. After all, interim supply is simply payment on account. The items are always open, and the Finance Committee can deal with any of the items called into question when interim supply is before the chamber, should the explanations given by the leader seem inadequate.

Hon. Mr. Grosart: I was here at the opening. Would the honourable leader not agree it would be wise to follow our usual practice when bills are referred to committee and wait for the report of the committee before third reading?

Hon. Mr. Connolly (Ottawa West): We always do.

Hon. Mr. Grosart: Was it done in this case?

Hon. Mr. Connolly (Ottawa West): This bill was not referred to committee. In my experience here we have never referred supply bills to committee, and I doubt if we ever would choose to do so.

Hon. Mr. Brooks: The total supply of which this is a part is referred to committee. This refers only to payment, in that we vote eight-twelfths or three-twelfths instead of one-twelfth per month.

Hon. Jean-François Pouliot: Honourable senators, I hope I do not interfere with any question that is to be put by any one of my colleagues, but I have some remarks to make on this matter.

Either yesterday or the day before I paid a tribute to the Leader of the Government. I expressed my appreciation of the unusual fact that in this instance this is the third day on which we could discuss supply. I gave him full credit for that. It is a victory, not of the Conservative tradition represented by my friend Senator Grattan O'Leary, nor of the Liberal tradition which I would be proud to represent, but it is a victory of the parliamentary tradition represented by the leader of this house, by Senator Grattan O'Leary and by my humble self.

Now we have the opportunity to discuss matters included in the Estimates of which we are called upon to vote a large portion today. There are so many things to be paid for out of the moneys we are about to vote by the bill which is to receive Royal Assent by the end of the afternoon, that I could speak for many hours to tell my grievances. Your Honour and honourable colleagues, this is the time when we can lodge complaints before the throne. We can say what we do not agree with. I am ready to give the benefit of the doubt to the Government, but on the other hand at my age and after the number of years that I have spent under this roof, it seems to me that I have the right to speak out and say what I do not agree with.

In the first place, so many people speak of liberty, freedom and human rights and yet they do not know what it is. Their mouth is full of it but in their mind they have no knowledge of it.

Not long ago, before one of the committees of this house, I had the opportunity to question a high official of the Department of Justice on the Interpretation bill. This, in my view, is one of the craziest pieces of legislation ever brought before Parliament—not just at this time, but when it was introduced, a number of years ago. It is now part of the statutes and should be the first chapter in the Revised Statutes of Canada. It should not be lost in the meander of the statute books. Its place is there, after the revision of the statutes has been completed.

Who will do that work? Who will carry out the revision of the statute books? It will be done by the bureaucracy of the Department of Justice. Will they be able to do that work well? No, sir! Will the confusion and contention in the law of the land cause these people to do the kind of work that could be compared to the patient and skillful work done in the monasteries during the middle Ages? Did you ever look at the size of the statutes? They pile up four feet high and fill thousands of pages. Who among them, the Deputy Minister of Justice and his assistants, will be able to spend enough time to put everything in order in the statute books? It is impossible.

To come back to the point I was making earlier, I asked one of the assistant deputy ministers of justice what is the definition of "freedom", of "liberty" and of "human rights". I do not see it in the Interpretation Act; I do not see it in the human rights bill. "Oh, sir," he said, "it is too difficult; it exists nowhere." I asked, "when we do not find a definition in the statutes, where shall we go for it? Shall we go to the dictionary?" He said "Yes, sir."

If we have to go to the dictionary, then what is the use of the Interpretation Act? I say this to you, honourable senators, because there is so much confusion in the minds and in the words of those who speak about liberty and freedom and human rights. You know very well that there are obligations that are correlative to every right. But these are forgotten; they are ignored. Nobody speaks of the obligations and responsibilities of those who enjoy freedom. To what extent does an individual have freedom?

To what extent does one individual have freedom? Does his freedom stop when the freedom of the other fellow starts? That means if you enjoy relative freedom you cannot encroach upon the freedom of your neighbour. If that were told and taught as it should be, we would have much less trouble in this country. But when you read the press, when you listen to speeches, you hear only of human rights. It is most ridiculous.

One after the other the provinces are adopting bills of human rights that are meaningless, a trompe-l'oeil, a deceit. One day I received a pamphlet with a blue cover coming from the dean of a faculty of one of our universities and speaking about human rights, but not mentioning a word about responsibilities. I wrote to him and asked him, "Sir, what do you do with regard to responsibilities? Why don't you mention the responsibilities that go with all liberties?" I never received an answer, and he is supposed to be a learned man. If you go to Webster's dictionary you will find the definitions of "liberty." I do not have them at hand now, but I have read them. They mention the obligations that we have when we enjoy liberty, and at the same time they say that liberty shall not be excessive because then it becomes a licence.

In the years gone by I have dealt with a judgment of the Supreme Court of Canada in the case of the Jehovah's Witnesses, when the late chief justice showed his total ignorance of Canada and rendered a judgment which made no sense and opened the door to all excesses. There should be a reform of the Bench, but I will have other opportunities to speak about that.

Honourable colleagues, if you are interested, I will send to some of you a copy of a speech that was made six years ago about liberty and responsibility and a copy of the committee report which contains the remarks to which I have just referred.

There are other things that I could speak of. You are very good to me, and I appreciate it. There is an element of friendship in this chamber that exists nowhere else, and I miss no opportunity to proclaim the fact that the Senate is a body which could be compared to no other in this country. You are wonderful listeners, and I hope that some day you will add action to the kindness that you show in listening to what is being said to you. I cannot complain, because on some occasions you have supported me two-to-one when I was defending a point of view which I was sure was right and well founded in law. Most of you have been personally good to me in different ways, and I cannot reciprocate what you have done for me, but I want the Senate to serve; I want the Senate to be useful; I want the Senate to be independent.

Now I cannot do otherwise than say a few words that I was going to reserve for Tuesday next. I shall try to make it just as snappy as possible.

A few days ago we paid tribute to a wise man in the Senate, Senator Crerar, and he deserved it. Now the Senate will be the poorer on account of the resignation that took place yesterday. However, one thing you know and will never forget is that if Senator Crerar has been praised, and worthily so, it was because of his independence, his independence of thought, his wisdom and his courage. He was not alone in being of that character. Other senators who have gone were like him.

It was so typical of Senator Crerar that as soon as he recovered sufficiently to return to the Senate he mentioned in his first speech the admiration he had for the late Senator Norman Lambert. And why? It was because Senator Lambert too was an independent man. And we think of Senator Bouffard—an eminent lawyer, jurist, professor, and businessman of my province—he was praised for his courage and independence. If those men are remembered today it is because of their courage and independence which made them Canadian citizens of the first rank. They were all party men.

There are some men—most of my colleagues, I would say—who have the same qualities, the same civic qualities which commend them to the admiration of the Canadian people; but sometimes they seem to look indifferently upon what is going on, and sometimes they say something about a certain matter and lodge a protest or give a warning. I have a warning to give now, and it is on a matter you may not consider too important. It concerns the purchase of an Old Master at a cost of $6 million. It makes no sense.

Hon. Mr. Roebuck: Hear, hear.

Hon. Mr. Pouliot: The Secretary of State should remember the fate of Dr. Jarvis, the former curator of the National Gallery, who approved purchases at much less cost than that.

At the present time what is most remarkable in culture is agriculture. I have said so before in the Senate, and not too much was done for agriculture. But with regard to culture, take it with a grain of salt and be careful of it.

Now there is a new incumbent as curator of the National Gallery. She has been praised. I am not in a position to say whether she is qualified or not, but if she starts by recommending the purchase of an old or young master at the rate of $6 million or $3 million or $1 million, we will have to be careful. She may know the address of Dr. Jarvis in due course.

Honourable senators, I thank you. My heart is full of gratitude to you. I believe that if we work in unison in the Senate of Canada, leaving aside party affiliations, we can accomplish marvels.

Motion agreed to and bill read third time and passed.

PRIVATE BILL

MENNONITE CENTRAL COMMITTEE (CANADA) —SECOND READING

Hon. J. Campbell Haig, for Hon. Mr. Thorvaldson, moved the second reading of Bill S-37, to incorporate Mennonite Central Committee (Canada).

He said: Honourable senators, I regret that Senator Thorvaldson is not present this afternoon. He received a personal call, as a result of which he had to leave for Winnipeg this morning.

This bill was presented to the Senate and read the first time on May 31. Clause 1 names the incorporators, and clause 3 indicates that the head office of the corporation will be in

Winnipeg. Clause 4 sets out the corporation's objects, which are mainly religious, educational and charitable.

By clause 5 and the following clauses the corporation is given the ordinary powers of a corporation, in that it can borrow and invest funds under supervision.

Clause 17 gives the corporation jurisdiction throughout Canada, and clause 19 indicates it is a non-profit organization.

Honourable senators, if this bill receives second reading I shall move that it be referred to the Standing Committee on Miscellaneous Private Bills, before whom a person acquainted with the corporation will appear to answer any questions the committee has.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Haig, for Hon. Mr. Thorvaldson, bill referred to the Standing Committee on Miscellaneous Private Bills.

DIVORCE

REPORTS OF COMMITTEE ADOPTED

The Senate proceeded to consideration of reports of the Standing Committee on Divorce Nos. 636 to 670, inclusive, which were presented on Tuesday, May 31.

On motion of Hon. Mr. Roebuck, Chairman of the Standing Committee on Divorce, reports adopted.

RESOLUTIONS PRESENTED

Leave having been given to revert to Presentation of Petitions:

Hon. Mr. Roebuck: Chairman of the Standing Committee on Divorce, presented the following resolutions:

Resolution 622, for the relief of Rhoda York Pike Veldhuis.

Resolution 623, for the relief of Naomi Silverman Lefebvre.

Resolution 624, for the relief of Anne Mackintosh Smith Gauthier.

Resolution 625, for the relief of Shirley Sylvia Hill Smith.

Resolution 626, for the relief of Mary Jacqueline Lorraine James Arsenault.

Resolution 627, for the relief of Helen Margaret Brown Kennedy.

Resolution 628, for the relief of David Leslie Cavers.

Resolution 629, for the relief of Denise Choiniere Foucault.

Resolution 630, for the relief of Leon Edward Goyette.

Resolution 631, for the relief of Olga Matusiak Maksymiw.

Resolution 632, for the relief of Annie Abramson Lieberman, otherwise known as Annie Abramson Liberman.

Resolution 633, for the relief of Joseph Normand Jacques Martin.

Resolution 634, for the relief of Simone Marois Charbonneau.

Resolution 635, for the relief of Dorothy Mary Shrimpton Legault Scheib.

Resolution 636, for the relief of Eleanor Florence London Himel.

Resolution 637, for the relief of Marie Bernadette Irene Filteau Cliffe.

Resolution 638, for the relief of John Bowen Cadogan Jenkins.

Resolution 639, for the relief of Marcelle Henriette Marie Sornin Com Nougue.

Resolution 640, for the relief of Abigael van Veen Szyngiel.

Resolution 641, for the relief of Eileen Lillian Kelly Gauthier.

Resolution 642, for the relief of Maxwell K. Piercey.

Resolution 643, for the relief of Margaret Jean Reid Hinton.

Resolution 644, for the relief of Barbara Gillian Michell Thomson.

Resolution 645, for the relief of Mona Lee Eisenstat Michaels.

Resolution 646, for the relief of Everett John Boyle.

Resolution 647, for the relief of Hariclia Xirotagarou Drew.

Resolution 648, for the relief of Ronald Lebrun.

Resolution 649, for the relief of Kathleen Elizabeth Cannon McHugh.

Resolution 650, for the relief of Lorna Bell Chadwick Young.

Resolution 651, for the relief of Barbara Hope Chaplin Sharp.

Resolution 652, for the relief of Aimee Poulin Dorais.

Resolution 653, for the relief of Joseph Leon Pierre Brunet.

Resolution 654, for the relief of Aldee Vallee.

Resolution 655, for the relief of Liliane Harel Nadeau.

Resolution 656, for the relief of Wells Thomas MacDonald.

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

Hon. Mr. Roebuck: Honourable senators, I move that these resolutions be considered on Tuesday next.

Motion agreed to.

CANADA LABOUR (SAFETY) CODE BILL

SECOND READING—DEBATE CONTINUED

The Senate resumed from Tuesday, May 31, the adjourned debate on the motion of Hon. Mr. Croll for the second reading of Bill S-35, respecting the prevention of employment injury in federal works, undertakings and business.

Hon. A. J. Brooks: Honourable senators, I adjourned this debate on Tuesday last. I now understand that Senator Roebuck wishes to add to the explanation of the bill, and I agree to his speaking in my place.

The Hon. the Speaker: Honourable senators, is it agreed?

Hon. Senators: Agreed.

Hon. Mr. Brooks: I point out, honourable senators, that Senator Roebuck is not speaking for me.

Hon. Arthur W. Roebuck: Be careful in what you say. I may say something with which you will agree.

I thank my honourable friend for giving me the floor and thus enabling me to make some remarks that I think ought to be made in respect of this bill.

Honourable senators, I am in a quandary in some respects with regard to this bill. In the first place, I wish to compliment the Government upon the production of so comprehensive a safety measure.

If honourable senators will look at clause 8 they will observe that the minister is empowered to establish consultative and advisory committees composed of representatives of employers and employees, first, to advise the minister, and second, to assist in establishing reasonable standards of safety. I think I can say definitely that no industrial institution or factory in this country that fails to appoint a committee of employers and employees to study safety and the prevention of accidents is up to date. I know from personal experience that safety committees of this kind, armed with some local authority, have accomplished wonders in seeking out possible hazards and eliminating dangers, thus bringing about security for employees in the operation of machines and the general working of the plant or institution. Safety measures brought about by committees of this kind have always, I think, dealt with sanitary hazards which may affect the health of the people who are victims of the situation.

This bill provides that the minister may undertake research, and institute programs to reduce or prevent employment injury.

Honourable senators, this bill has teeth. A reading of page 10 will indicate that penalties are provided for. An employer who violates the regulations or orders issued under the authority of this bill is liable to a fine not exceeding $5,000 or to imprisonment for a term not exceeding one year, or to both. This is not a boy scout bill, as it was referred to on a previous occasion. There is nothing implied against boy scouts or boy scout bills, of course, but if that remark was made with the intention of conveying the idea that this was a pretend bill or a weak bill, or anything of that sort, then I would point out that that is certainly not true.

Clause 14 provides for the appointment of safety officers who will be given very wide powers to enforce compliance with the safety regulations.

Clause 17 provides, it will be noted, that where a safety officer considers anything of a dangerous nature, then he has to notify the employer and take such measures as may be necessary for guarding the source of danger. He may close down the works and keep them closed—

Hon. Mr. McCutcheon: He could close the banks—there might be a hold-up.

Hon. Mr. Roebuck: —until those responsible comply with the regulations.

Who among us cannot recall some distressing fatality that would not have occurred had someone foreseen the danger and taken action to remove it?

Of course, there are appeals from arbitrary orders of that kind, appeals for the safety of the individual affected. I submit that all that is highly commendable. It is something that has been asked for over many years by people working in factories and elsewhere, and I congratulate the Government for its forethought and energy in producing a bill of this kind.

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

Hon. Mr. Roebuck: Yes.

Hon. Mr. McCutcheon: What type of factories does he refer to which are under federal jurisdiction?

Hon. Mr. Roebuck: You are asking me rather a big question as to what institutions—

Hon. Mr. McCutcheon: No, I am asking about factories, manufacturing establishments, where machinery is used.

Hon. Mr. Roebuck: I did not say that there were any factories under government jurisdiction, although I think there are a great many. During the war, for example, all the factories producing supplies for the army were under dominion jurisdiction, and I fancy there were a good many more.

Hon. Mr. Smith (Queens-Shelburne): And all the crown corporations.

Hon. Mr. Roebuck: Yes, all the crown corporations; they have factories. However, I was not referring to factories under federal jurisdiction when I made that broad comment. I said that I knew from personal experience the benefits produced by committees of employers and employees in various factories in bringing about safety of operations. Undoubtedly this bill will tend in that direction. I have no criticism of the bill on that account.

If senators turn to section 7, they will find that the Governor in Council may make regulations for the safety and health of persons employed in any federal work. That is good.

I call special attention to section 7(d) of the bill. Under that paragraph the minister may make regulations:

> (d) respecting the provision and maintenance of potable water supplies and of sanitary and other facilities for the well-being of employees.

My purpose in mentioning this is that the labour unions and the railroads, to my personal knowledge, have been crying out these improvements for many years. I have taken part in negotiations between railway management and employees with a view to securing something of that nature.

The labour unions have been protesting the lack of sanitation at terminals and divisional points, especially at bunkhouses provided for the use of employees, usually at stopover locations. I have seen reports indicating that the sanitary conditions to be found in too many of these bunkhouses and such places are in a positively disgraceful condition. I fancy some of my colleagues know something about that and about the protest of the workers over the years. I also know, and I say this in defence of the companies and their management, that some effort has been made from time to time to correct that state of affairs, but I am also informed that much remains to be desired.

The problem is not so serious in the bunkhouses in the centres where sewage and water supplies are available, but at many of the turn-around points in the remote areas where these facilities are not available the bunkhouses will be found to be in a deplorable condition. Peremptory orders are required immediately to clean them up. It is something that is long overdue.

May I give an illustration which honourable senators may check if they wish to do so. I am creditably informed that on diesel locomotives of the C.P.R. men are required to drink out of a tin water pail, and the top of the pail is the common drinking cup. You will find that on the C.P.R. across Canada.

Hon. Mr. Brooks: Could not the local board do something about that matter?

Hon. Mr. McCutcheon: Or the Minister of Transport?

Hon. Mr. Roebuck: Thank you. I will come to that. That is my thesis at the moment.

I have said that the unions have been protesting bad sanitary conditions for many years. In 1948 the Canadian Railway Labour Executives' Association, representing the employees of both railways, and throughout Canada, waited upon the Honourable Paul Martin, at that time Minister of National Health and Welfare, for the purpose of complaining against sanitary conditions such as I am indicating.

On April 30, 1949 Mr. Martin wrote to an old friend of mine, the late J. B. Ward, then Assistant Grand Chief Engineer of the Brotherhood of Locomotive Engineers, that his department had authority—perhaps I can say has authority now—with regard to health and sanitation on railroads under dominion jurisdiction.

I have Mr. Martin's letter before me, written on April 30, 1949, which says in part:

> We have since been advised that this Department has authority with regard to health and sanitation in buildings on the

property of international or interprovincial railway companies.

There was no doubt they had authority, but just how did they exercise it? The department, after the writing of that letter, proceeded to draft what they called "minimum standards," and they produced a document entitled "Sanitary Requirements for Bunkrooms." That was sweet music to the ears of the men who were using those facilities. The actual practice, however, was far below the wording of the document, which merely contained suggestions and had no regulatory authority.

Hon. Mr. Flynn: Why?

Hon. Mr. Roebuck: That is the way they were drawn.

Hon. Mr. Flynn: I understood the honourable senator to say that the Minister of National Health and Welfare had authority to draft regulations. Under this measure he would have more authority than he had before.

Hon. Mr. Roebuck: That is what I am complaining about at the moment and wish to bring to the attention of this house, so that we may deal with this bill and its virtues in a sensible way. I have the document before me.

Hon. Mr. McCutcheon: If I follow your argument, I assume you are suggesting that Mr. MacEachen or Mr. Nicholson will do a better job than Mr. Martin.

Hon. Mr. Roebuck: If you will just wait for a few minutes until I have some chance to state my case, you might then ask that question. I do not think it applies at the moment.

The present bill comes from the Department of Labour under Mr. Nicholson, and I shall have something to say about both the bill and Mr. Nicholson in a few minutes.

To return to what I was saying about the Department of National Health and Welfare, the document before me is entitled, "Recommended Requirements for common Carriers Construction Camps and Eating Establishments under Federal Jurisdiction." It had no teeth in it.

Hon. Mr. McCutcheon: That was Mr. Martin's fault.

Hon. Mr. Roebuck: And the recommendations have not been fully observed.

Hon. Mr. Brooks: What is the date of that document, may I ask?

Hon. Mr. Roebuck: This was produced in January 1966.

Hon. Mr. Brooks: They had not very much time.

Hon. Mr. Roebuck: That is the consolidation that I have before me. The department's action was in 1954 under the Department of National Health and Welfare Act. The heading is: Potable water regulations for Common Carriers, 18 August, 1954. They are recommended standards only, as applied to locomotives, cabooses and bunkhouses. I can tell you from my knowledge that it was only a recommendation and it had no really serious effect.

As I was saying, in 1955-56, when diesel engines replaced the old and picturesque steamers, some of the new diesels had sanitary facilities but they were designed in such a way that they will not work in cold weather. So, right now the sanitary arrangements on these diesels are closed down in the winter. That is one reason why, as I tell you, they have the drinking water in a tin pail with a common cup, the top of the can.

When the railway unions could get no effective action from the Department of Health, and no authoritative enforcement, the unions went to the Board of Railway Commissioners. They asked for regulations under section 290L of the Railway Act. You will find that in chapter 234 of the Revised Statutes of Canada 1952.

This section gives what I would think are fairly broad powers to the Board of Railway Commissioners. Section 290L provides that regulations may be made:

> (1) generally providing for the . . .protection, safety, accommodation and comfort of the public, and of the employees of the company, in the running and operating of trains . . .

One would think that that was pretty broad. Application was made to the Board of Railway Commissioners. The men were disappointed. The board held that the safety and comfort of the employees did not include sanitation. It is extraordinary, but it is a fact.

Hon. Mr. Flynn: Did they go further than that?

Hon. Mr. Roebuck: I can give you the reference. I do not blame you if you hardly believe it. You will find the decision in Canadian Railway Cases, volume 2, page 336 to 337. I have a summary here of the decision, as follows:

The resolution must be disposed of by the simple statement that, the men not being "on duty" during these intervals, the act confers no jurdisdiction whatever upon the Board to deal with the situation.

Hon. Mr. McCutcheon: Surely that does not deal with facilities on a diesel engine?

Hon. Mr. Roebuck: The decision does.

Hon. Mr. McCutcheon: The man surely is on duty when he is on a diesel engine.

Hon. Mr. Roebuck: He is not on duty when he is in a bunkhouse.

Hon. Mr. McCutcheon: Oh, a bunkhouse.

Hon. Mr. Roebuck: The board has refused to issue regulations with regard to sanitation of any kind, which they hold is not safety—

Hon. Mr. McCutcheon: That is not what the head note said. The honourable senator said the head note referred to the obligations of the railway towards an employee when he was on duty.

Hon. Mr. Roebuck: They referred, when this summary was made, to bunkhouses.

Hon. Mr. McCutcheon: But you were talking about bunkhouses and I am talking about diesel engines.

Hon. Mr. Roebuck: I was and I am still talking about bunkhouses, if you will let me finish my remarks.

In the Railway Act, which has no fewer than 468 sections, I find nothing other than what I have just read, section 290(1) under which the men have applied, but without success.

Beginning in 1957, and every year since, irrespective of what government was in office, the railway unions in their annual brief to the cabinet committee have asked the Government for action.

In 1963 the unions were told that the Government was preparing a national safety code. That was very satisfactory to the men.

In 1966 the promised code appears in Bill S-35, which is before us at this moment and which was sponsored by Senator Croll a few days ago. It gives the minister very wide powers to enforce sanitation, just such powers as the men have been asking for in the last 20 years.

Again the men are disappointed. If honourable senators will turn to clause 3(3) of the bill they will find it reads:

> Notwithstanding subsections (1) and (2) and except as the Governor in Council may by order otherwise provide, nothing in this Act applies to or in respect of employment upon or in connection with the operation of ships, trains or aircraft.

One would hardly expect to find a section like that in this bill. Thousands of men on the railways are to gain no benefit from this bill. They are thrown back on section 290(1), which has been ruled by the Board of Railway Commissioners not to apply and under which, although it has been in effect for a long time, are such things that I mentioned as water in the pails, and bunkhouses that are a disgrace.

The bill gives wide powers of enforcement, it is true, but not in favour of this very large number of men.

What does all that mean? Does this bill imply, that the "men who go down to the sea in ships"—because such men are excluded also—and those who operate trains and those who fly aircraft, do not need sanitation, or that like pigs they can endure filth with immunity?

Hon. Mr. McCutcheon: It means the bill is a façade which was all I was endeavouring to indicate previously.

Hon. Mr. Roebuck: I cannot hear the honourable senators' whisper. Anyway, if this bill goes through as it now stands it would seem that our policy is that sanitary safety is not for railway men.

Why draw this distinction? You will notice that the section says that it does not apply unless the Governor in Council intervenes. There is a power of regulation by the Governor in Council to expand or override that section which reads out the labour men. Why make that distinction between ordinary civil servants, of whom there are many thousands —Senator Croll gave us the number—and these men who run trains? Why should not this bill extend to all of them? Why leave it to the men to convince the Government, which does not now agree with them on the need for sanitary protection? Why leave it to them to establish their right to sanitary protection later on? Why draw that distinction between classes? Is there any distinction in cleanliness between classes? I do not think so.

I think I have made the matter fairly clear, and I have explained my objections. I am strongly in favour of the bill, but everybody is not. I have a telegram from J. O. Goodman of the Automotive Transport Association of Ontario, representing the transport operators,

strenuously urging rejection by the Senate of Bill S-35. On the other hand I have received strong representations from the labour unions and their representatives asking to be included under this bill and protesting that the regulations in the past have not been effective and just were not good enough. I have, for instance, a letter written quite recently to the minister responsible, the Honourable John R. Nicholson, from which I quote the following paragraph:

> The Brotherhood of Locomotive Engineers has also endeavoured to deal with the situation in direct negotiations and while we have been successful with the Canadian National Railways in obtaining the promise of the installation of mechanical water coolers and electric toilets on diesel locomotives, we have not met with any success in dealing with the Canadian Pacific Railway Company. Our position is that all cab-operated diesel locomotives used in main line service should be equipped with some form of sanitary toilet, wash basin and a closed type drinking water supply.

I would think it was obvious. And the minister replies and he certainly does not disagree. He says:

> The measure with respect to safety in employment about which I spoke to the labour groups, will necessarily be of general application. It will establish basic principles as well as indicate the general method of enforcement.

The men expected this safety code to apply to them as well as to anyone else, but it does not do so.

The minister continues:

> The standards and other subject matters that may be dealt with by regulation under the proposed Code will be developed over a period of time to deal with particular physical working conditions of persons employed within the federal field of jurisdiction.

The only answer to the argument I am making is that the rights and safety of these men are in some way protected under other legislation. Honourable senators, I have made a fairly careful study of this matter and have had some knowledge of the circumstances of the men. I have represented railroad unions for many years and I actually took part in the negotiations that led up to the agreements. In those negotiations we discussed at great length the very matters I am speaking on now, and I know as far as one can know anything that the sanitary arrangements on the railroads are not such as we could be proud of. This bill ought to apply to the railroads. In my view it is most essential that we have the inspectors provided under this bill given power to inspect trains, bunkhouses, and all other facilities used by these men. I am not asking for anything more than is given to others. All civil servants benefit by these regulations, so why should not these men? This bill provides what we have been asking for for years. It is a sore disappointment that it does not extend to the thousands of our railroad citizens.

Do not misunderstand me; I am highly in favour of this safety measure. It is a splendid bill. I congratulate the Government for bringing in at last a comprehensive safety code, but I am thoroughly disappointed in its limitations and its distinction as between classes in that it includes civil servants and excludes railroad employees.

Hon. Mr. Hollett: May I ask the honourable senator a question? Why does this comprehensive legislation not include other than federal employees?

Hon. Mr. Roebuck: Because we have no jurisdiction to do so.

Hon. Mr. Hollett: Well, then, let us get it.

Hon. Mr. Roebuck: We would have to rewrite the British North America Act. Our right is limited to matters under federal jurisdiction and I could turn up decision after decision, some of them given by the Privy Council, where the distinction was drawn. For instance, the Hours of Labour Act which went to the Privy Council was held to be under provincial jurisdiction in those industries under provincial control, and to be under dominion jurisdiction in those industries or institutions under dominion control. If we were to attempt to legislate in such matters, it would be ineffective. The court would simply rule the legislation as unconstitutional and therefore ineffective.

Hon. Mr. Flynn: Does the honourable senator suggest that provincial hygiene regulations do not apply to trains and ships? They may be difficult to enforce, but do they apply?

Hon. Mr. Roebuck: They do in part. Where the lack of sanitation in a community endangers the community generally, it will come within provincial legislation. Where it is entirely a matter of the diesels, for instance,

and deals with men employed by the railroads, it is under dominion jurisdiction. That is the way I understand it.

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

NORTHWEST TERRITORIES ACT

BILL TO AMEND—SECOND READING

The Senate resumed from Tuesday, May 31, the adjourned debate on the motion of Hon. Mr. Prowse for the second reading of Bill C-146, to amend the Northwest Territories Act.

Hon. John Hnatyshyn: Honourable senators, I understand that in view of the election that will be held in the Northwest Territories in the month of September next, there is some urgency to pass this bill so that Royal Assent can be given to it today. Therefore I do not intend to speak at length, but there are certain matters which I wish to draw to the attention of honourable senators.

First, I wish to congratulate the sponsor of the bill, Senator Prowse, for the excellent manner in which he introduced it. I know that Senator Prowse, along with all of us who live in the Prairie provinces with the northern territories at our boundaries, are probably a little more conscious of the importance of the north than are people who live farther away.

I also wish to say at this stage that I personally have very great confidence in the present Minister of Northern Affairs and National Resources. I think that he realizes the importance of the north; he realizes the enormous wealth in natural resources that exist there, and he personally is doing his very best.

I do not know that I want to extend the same compliment to the present Minister of Transport. I recall that when the Pine Point Railway was built by the previous Government, Mr. Pickersgill was its chief critic. He ridiculed the whole idea of the vision of the north. He saw nothing but waste of money in building new railroads. As a matter of fact, I think he looked in his crystal ball and saw the railroad rusting away from lack of use.

As you will recall, when the Pine Point Railway was built, the federal Government of that day contracted with the railway to use the rails to the extent of carrying only 225,000 tons of concentrates per year. That was not the objective. That was not all that the Government expected, but that is what was contracted for. This figure was reached as a result of negotiations with the representatives of Cominco, the company that was going to be the chief user in the initial stages. As a matter of fact, in 1966 it is estimated that there will be 630,000 tons taken out of this area, which is almost three times what was anticipated for the first year.

Just briefly, to give you an idea of the mineral production: in 1964 the mineral output was $17 million; in 1965 it was $72 million, and in 1966 I believe it is estimated it will be over $100 million.

I believe the north is going to be the most exciting part of Canada in a very few years. As a matter of fact, I know that the present Minister of Northern Affairs and National Resources is in favour of building another railway—because the Pine Point Railway runs along the western boundary of Alberta—on the eastern boundary of Alberta and the western boundary of Saskatchewan.

I know that in my own province, when uranium was in great demand we had Uranium City just a few miles from the boundary of the Northwest Territories. I had the pleasure of being in that community a few times some years ago when it was a town of some 3,000 people, busily mining uranium. As honourable senators know, uranium ran into bad days, but I think its use will come back into demand and we will see expansion not only in the northern parts of Saskatchewan, Alberta and Manitoba, but also in the Northwest Territories. The main difficulty now is the lack of communications, and railways will have to be built.

The population of the Northwest Territories today is larger than that of Manitoba when it became a province in 1870. It used to be part of the Northwest Territories, but when it was made a province it had a population of 10,000. Winnipeg was a city of 225 people in 1870. It took another 35 years, until 1905, for two other provinces, the Provinces of Alberta and Saskatchewan, to be formed from parts of the Northwest Territories.

I do not agree with my very good friend Senator Aseltine that we should split up the Northwest Territories and add parts of them to each of the provinces they border. I believe they have a special economic interest that no other part of Canada will have. In the very near future both the Yukon and the Northwest Territories are probably

going to become the eleventh and twelfth provinces of Canada.

I am not going to go extensively into what exists in the Northwest Territories and the Yukon, because that topic has been excellently dealt with by the sponsor of the bill. I wish only to add that with the increasing population in the Northwest Territories and, certainly, with the expanding economy, people have become more conscious of managing their own affairs. They would like to have self-government, and I believe that is coming. I am not saying I advocate that it should be given to them overnight—I do not think the people of the Northwest Territories are demanding that—but I would like this bill to go a little further than it does. All it says is that instead of four elected members the council will have seven elected members and five appointed. At the same time, clause 19A of the bill says:

> It shall not be lawful for the Council to adopt or pass any vote, resolution, address or bill for the appropriation of any part of the public revenue of the Territories, or of any tax or impost, to any purpose that has not been first recommended to the Council by message of the Commissioner in the session in which such vote, resolution, address or bill is proposed.

It simply means this Council of seven elected and five appointed members will have no authority whatsoever to pass money bills unless they are recommended by the Commissioner. This is something they had under the old bill, because it was the Commissioner in Council who could pass money bills.

To my mind, the question arises: Is this provision included because in the present bill the elected members outnumber the appointed ones? I do not think this bill goes much further than the colonial type of government that we have had in the Northwest Territories up to now.

I am not saying it should be done immediately, but I think the federal Government should express a definite principle, a definite policy, that the ultimate object is that as soon as possible the Northwest Territories and the Yukon are going to have a democratic system of self-government such as we understand in this country. I believe the Minister of Northern Affairs and National Resources personally would like to make such a statement, and I only hope that he gets support for this from the rest of the cabinet. I would like to see self-government given to the Northwest Territories next year, which happens to be our centennial year.

As I have said, in my opinion, this bill is just a housekeeping bill or probably just window dressing, for, after all, as was pointed out by the sponsor, the Carrothers Commission is sitting and is looking into the problems of the Northwest Territories. From all appearances, it is a commission composed of excellent members who are doing a fine job, but their report will not be ready until some time this fall. To increase the number of elected members from five to seven, in my opinion, in view of section 19A, does not go much further in giving self-government to the Northwest Territories.

Both the sponsor of the bill and Senator Aseltine made excellent presentations concerning conditions in the Northwest Territories. I am not going into that question, except to say that I would like to impress upon honourable senators the importance of these territories. I have mentioned the Pine Point Railway that has been built. As soon as it was built the beautiful and prosperous town of Fort Smith came into being on the southern boundary of the Northwest Territories. This very prosperous town is referred to sometimes as the capital of the Northwest Territories.

More railways into the Territories are needed because of the untold mineral wealth there. I should like to point out that the Soviets in regions similar to the Northwest Territories have cities with populations of many thousands of people.

The day is coming when we shall have to pay more attention to the north, when we shall have to open up that country because of its great wealth. The Territories can be of benefit not only to themselves but to Canada. I am sure that in the not distant future we shall have an eleventh and a twelfth province in this dominion.

Hon. Allister Grosart: Honourable senators, I intend to enter this debate because, like Senator Hnatyshyn, I have visited the Territories, and have some strong views on this relic of colonialism in our system of government. I would have liked to develop this at more length than the late hour permits.

In view of the forthcoming elections, I understand there is some urgency about the passage of this bill, and the honourable Leader of the Government (Hon. Mr. Con-

nolly, Ottawa West) would like to have it assented to this evening. Therefore, I shall keep my remarks as brief as possible, but I hope that this will not be taken as an indication that I regard this matter as anything but of the highest importance.

I gathered from the remarks of Senator Aseltine that he believed the interests of the Northwest Territories and the adjacent provinces, and indeed of Canada as a whole, might best be served by the Territories becoming part of the adjacent provinces. It is not my intention to controvert that view. Senator Aseltine might well be right. The people of the provinces, if they agree with him, and the experts elsewhere in Canada who appear to share that view, may also be right. But, it seems to me that if there is one lesson we should have learned from past and present history, it is that the form of government of any people emerging from a state of non-independence should not be determined by what others think is best for them. Their own wishes must be respected.

It is obvious that there are many matters which must be considered before any decision is made about the future of the Territories. There are economic considerations, geographical considerations, demographic considerations, and many others, but it seems to me that the one consideration which must have precedence is that of the wishes of the subject people in the Territories.

I use the word "subject" deliberately because, as Senator Hnatyshyn has so well pointed out this bill, with all its good intentions, makes it clear that those people live under a very limited form of democracy. They certainly do not have at the present time a system of representative responsible government. Indeed, section 19, which Senator Hnatyshyn read, could well be taken out of this statute and placed in our history books as an indication of the type of colonial status that Canada suffered from 100 to 150 years ago. The wording is almost exactly the same as that found in the statutes under which Canada was not an independent or sovereign nation.

I am not inclined in any way to criticize the fact that this is the situation at the moment. I would not criticize that any more than I would criticize the fact that Canada itself has not always been a self-governing nation, or that Australia, New Zealand, India, Ghana and even the newest nation, Guyana, were not always self-governing. Self-government comes about gradually.

Generally speaking, for those countries seeking self-government the process is too gradual and too slow, but for those outside, self-government to the newer nations of the world has come about too quickly. Yet I do not see how we can support the basic principle of the right of any people, not now self-governing and independent, to be consulted and to have their wishes honoured in the matter of the form of government under which they are to work out their destiny—whether in Vietnam, Malaysia or in the new nation that will emerge in September, Swaziland—and deny it in Canada.

Some of the difficulties, I know from discussions that have been going on, have been emphasized and in some cases exaggerated. Senator Hnatyshyn has pointed out that Manitoba had less population in 1870 than the Northwest Territories have today. I will go further and say that it had less population than either of these territories has today, because the population of the Yukon is at least 15,000 and that of the Northwest Territories is 25,000.

Of course, if the Territories are to obtain independence within our Constitution there will be geographical problems, but other countries that have become independent nations had much more difficult problems.

I would sum up my position by saying that I believe it would clear the air, and indicate a measure of goodwill on the part of the federal Government, if at this time a declaration were made that the form of government under which these Canadians in the Northwest Territories are to work out their destiny will not be altered in any substantial way except in accordance with their wishes. I am sure many of us applauded, as we looked across the world at the breakup of the old British Empire, the very wise decisions of those who had the responsibility, generally speaking, of making such a declaration of intent in respect of some part of the Empire which today is an independent nation within the Commonwealth.

The second part of the wisdom of those responsible was the setting of a program and a time plan. This might well be done in this case, because it would bring great satisfaction to the citizens of those territories if the Government were to say: You will not in any circumstance be placed under a form of government that is not in accord with your

wishes, and we will now spell out for you in exact terms how and when we see your independence within the Constitution being brought to fruition.

Honourable senators, I am fully aware that we are not here dealing with a nation emerging from dependence to national independence. We are dealing with Canadians who are not now enjoying the provincial rights that the rest of us have, rights that for us are guaranteed by the Constitution. I am referring here to the powers that are within the exclusive jurisdiction of the provincial legislatures.

I am aware that there is not exact parallelism between constitutional matters and those of self-determination, but the principle of the right to self-determination in a form of government is the same whether we are dealing with Canadian subjects not now independent in Canada or British subjects not now independent in South Africa. I say there is more justification for not forcing these Canadian subjects into a form of government which is contrary to their wishes than for forcing, shall we say, Swaziland, which is completely encircled geographically by South Africa, into an association with the Union of South Africa.

I therefore urge the honourable Leader of the Government to carry to those councils, in which I am sure he has influence, the suggestion that there be a declaration and a program in respect of the eventual rights of Canadians in the Northwest Territories.

Motion agreed to and bill read second time.

THIRD READING

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

Hon. Mr. Connolly (Ottawa-West): Honourable senators, with leave of the Senate, I move that this bill be read the third time now.

Motion agreed to and bill read the third time and passed.

The Senate adjourned during pleasure.

ROYAL ASSENT

The Honourable Robert Taschereau, P.C., Chief Justice of Canada, Deputy of His Excellency the Governor General, having come and being seated at the foot of the Throne, and the House of Commons having been summoned and being come with their Speaker, the Honourable the Deputy of His Excellency the Governor General was pleased to give Royal Assent to the following bills:

An Act respecting The Trustee Board of The Presbyterian Church in Canada.

An Act to give effect to Term 29 of the Terms of Union of Newfoundland with Canada.

An Act to amend the Northwest Territories Act.

The Honourable Lucien Lamoureux, Speaker of the House of Commons, then addressed the Honourable the Deputy of His Excellency the Governor General as follows:

May it please Your Honour:

The Commons of Canada have voted certain supplies required to enable the Government to defray the expenses of the public service.

In the name of the Commons, I present to Your Honour the following bill:

An Act for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1967.

To which bill I humbly request Your Honour's assent.

The Honourable the Deputy of His Excellency the Governor General was pleased to give Royal Assent to the said bill.

The House of Commons withdrew.

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

The sitting of the Senate was resumed.

The Senate adjourned until Tuesday, June 7, at 8 p.m.

THE SENATE

Tuesday, June 7, 1966

The Senate met at 8 p.m., Hon. Maurice Bourget, P.C., Acting Speaker, in the Chair.

Prayers.

DIVORCE

JOINT COMMITTEE—CHANGES IN COMMONS MEMBERSHIP

The Hon. the Acting Speaker informed the Senate that a message had been received from the House of Commons to acquaint the Senate that the name of Mr. Scott (Danforth) has been substituted for that of Mr. Brewin on the list of members appointed to serve on the Special Joint Committee on Divorce;

And that a further message had been received from the House of Commons to acquaint the Senate that the name of Mr. Brewin has been substituted for that of Mr. Scott (Danforth) on the list of members appointed to serve on the Special Joint Committee on Divorce.

GOVERNMENT ORGANIZATION BILL, 1966

FIRST READING

The Hon. the Acting Speaker informed the Senate that a message had been received from the House of Commons with Bill C-178, respecting the organization of the Government of Canada and matters related or incidental thereto.

Bill read first time.

Hon. John J. Connolly moved, with leave of the Senate, that the bill be placed on the Orders of the Day for second reading at the next sitting.

Motion agreed to.

YUKON ACT

BILL TO AMEND—FIRST READING

The Hon. the Acting Speaker informed the Senate that a message had been received from the House of Commons with Bill C-147, to amend the Yukon Act.

Bill read first time.

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

He said: Honourable senators, while it is not intended to proceed with consideration of this bill tomorrow and I see no likelihood of this happening, nevertheless, I move, with leave, that it be placed on the Order Paper for second reading at the next sitting. I shall make a similar motion with respect to another measure we shall receive for consideration from the other place. I do this so that the Order Paper will reflect the business we have ahead of us.

Motion agreed to.

PUBLIC SERVICE

COMMONS BILLS REFERRED TO JOINT COMMITTEE

The Hon. the Acting Speaker informed the Senate that a message had been received from the House of Commons to acquaint the Senate that the following bills have been referred to the Special Joint Committee of both houses appointed to consider legislation relating to the Public Service:

Bill C-170, An Act respecting employer and employee relations in the Public Service of Canada;

Bill C-181, An Act respecting employment in the Public Service of Canada; and

Bill C-182, An Act to amend the Financial Administration Act.

FAIR WAGES AND HOURS OF LABOUR ACT

BILL TO AMEND—FIRST READING

The Hon. the Acting Speaker informed the Senate that a message had been received from the House of Commons with Bill C-2, to amend the Fair Wages and Hours of Labour Act.

Bill read first time.

Hon. John J. Connolly moved, with leave of the Senate, that the bill be placed on the Orders of the Day for second reading at the next sitting.

Motion agreed to.

DOCUMENT TABLED

Hon. John J. Connolly tabled:

Capital Budget of the Canadian Overseas Telecommunication Corporation for the fiscal year ending March 31, 1967, pursuant to section 80(2) of the Financial Administration Act, chapter 116, R.S.C., 1952, together with a copy of Order in

Council P.C. 1966-979, dated May 26, 1966 approving same. (English text).

PRIVATE BILLS

THE EVANGELICAL COVENANT CHURCH OF CANADA—FIRST READING

Hon. John Hnatyshyn presented Bill S-38, to incorporate The Evangelical Covenant Church of Canada.

Bill read first time.

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

Motion agreed to.

LUTHERAN CHURCH IN AMERICA—CANADA SECTION—FIRST READING

Hon. W. Ross Macdonald presented Bill S-39, to incorporate Lutheran Church in America—Canada Section.

Bill read first time.

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

Motion agreed to.

DIVORCE

FIRST REPORT OF JOINT COMMITTEE

Hon. Arthur W. Roebuck, Joint Chairman of the Special Joint Committee of the Senate and House of Commons on Divorce, presented the first report of the committee:

> Your committee recommends that its quorum be fixed at ten (10) members, provided that both houses are represented.

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

Hon. Mr. Roebuck: Honourable senators, it is a matter of routine. I move, with leave of the Senate, that the report be adopted now.

Hon. Mr. Pouliot: Just a moment. Is this a report which has just been tabled now?

The Hon. the Acting Speaker: I believe so.

Hon. Mr. Connolly (Ottawa West): It is a routine report.

Hon. Mr. Pouliot: I will not let it pass, because we had some trouble about it. I am wide awake, and I am watching it. Next sitting.

Hon. Mr. Roebuck moved that the report be taken into consideration at the next sitting.

Motion agreed to.

LEGAL SERVICES

FEES PAID BY GOVERNMENT TO MEMBERS OF QUEBEC BAR—INQUIRY

Hon. Jean François Pouliot rose, pursuant to notice:

> That he will call the attention of the Senate to the payment of fees by the Government of Canada to the lawyers of the Bar of the Province of Quebec for the last five years.

He said: Honourable senators, I have just a few words of explanation to give about this inquiry so that you will not be misled, and afterwards I shall ask for leave that the inquiry stand in order that I may give you further and more precise information.

This is a big question. In the first place, as a member of the Bar for many years, I realize that it takes quite a lot of money for a young lawyer to start his practice, especially if he is alone in a large centre. He may join a big firm and receive a regular salary and have no personal responsibility concerning the rent, the wages of the stenographers, the purchase of paper and stamps, etc.

It is impossible for a lawyer to have a decent office in the legal section of a city for less than $2,500 or $3,000 a year. It is impossible to hire an average stenographer, especially if she is bilingual, for less than $300 a month. Then there are all the other incidentals.

Therefore, before earning one cent for himself, a lawyer should make at least $6,000 or $7,000 to cover his expenses.

I do not complain about the fees received by my confrères of the Bar in my district, in my province, or in other parts of Canada. At this time, if I ask for some information about the lawyers of the Province of Quebec in particular, I do so in order to have an answer quickly. I have been told that the same question should be put for the other provinces, but it would take too long to get that information.

The lawyers are not supposed to live on good air in any part of Canada. They have to make money. When I represented the students-at-law of Laval at a students' dinner given at old Freeman's Restaurant on St. Lawrence Street in Montreal, I saw for the first time some bottles of Scotch on the table.

One of the leaders of the Bar at the time—he was rather young then, and he is gone now—told us students: "Your purpose in life should be to make money; if you don't make money as a lawyer, you are no good." That was the advice the young man gave us on that occasion.

There are some prosperous lawyers who have great ideals, who enjoy reading, who have a vast general culture, and who could be compared to the most famous lawyers of the Inner Temple and the other courts of Great Britain or any other country in the world. I like my profession and I admire most of my confrères.

The purpose of this question is not to prevent the Government from paying reasonable fees to lawyers for services rendered to the Government. This is normal. Their memos of costs and memos of fees are submitted for examination to the officials of the Department of Justice, who decide if the amount asked for by the lawyer handling the case or giving the service is exorbitant or not.

Therefore, the first point is that a lawyer who renders professional services to the Government or a crown company is not independent of the Department of Justice because he has to go to them for the taxation of his memos of costs.

I want those who are not within the profession to understand how it works. How could a lawyer, big or small, old or young, who has been acting for any branch of the government, and who has to go to the department for the taxation of his memos of fees and costs, be independent when he knows very well that the officer to whom he goes may say, "You have overcharged the Government on this item and on that item. I must cut this; I must cut that." There is no independence. Those lawyers who work for the Government in any capacity are dependent upon the Department of Justice for the recovery of their costs and the payment of their fees.

I am just coming gradually—

Hon. Mr. Choquette: Take your time.

Hon. Mr. Pouliot: My honourable friend knows that what I am telling is the plain truth.

Now, there is more to it. There are great names at the Bar of several countries and here in Canada. In France everyone knows how courageous was Berryer to defend Lamennais, and—

An Hon. Senator: What about Johnson?

Hon. Mr. Pouliot: I wonder if my honourable friend speaks of the President. I would not argue with my friend.

And in Canada there was Fernand Choquette, now a judge of the Queen's Bench, who as a lawyer defended his confrère Rene Chaloult in a very difficult case. There was Gilles Langlais who defended Jean-François Pouliot when he was arrested for libel and was facing a jury because he had told the truth. There are many others who acted according to the true traditions of the Bar, as we were told when we were students in the faculty of law. They have done it.

But how can you expect any lawyer who has a case for the Government to be able to defend right and justice if he thinks there has been something wrong in the interpretation of the law as it should be? I had the great satisfaction of receiving from one of my confrères here in Ottawa, whom I have not met but whom I will invite to come to have a conversation, a most interesting brief on the Interpretation Act. It is the opinion of an independent lawyer about a piece of legislation that was submitted to the Parliament of Canada, not for the first time but which had been on the statute books for a long time, but in the wrong place, as I mentioned not long ago. There is no other place for the Interpretation Act than as the first chapter of the Revised Statutes of Canada, whenever they are published. It is lacking in every respect. When I asked the Clerk of Committee if the subcommittee which was to deal with this matter had met often, I was told that it had not met for at least a month. The subcommittee is supposed to discuss the provisions of that bill, which is not complete, half-baked and nonsensical, as I pointed out to one of the assistant deputy ministers of justice.

Here is a lawyer of Ottawa, an English-speaking lawyer, probably of Scottish descent, who sent to me that most interesting work. But it should have been sent, not by him but by the General Council of the Bar of the Province of Quebec, or drafted by the Benchers of the Upper Canada Law Society, or at least by a committee of the Canadian Bar Association.

Why was it not done? It is very different to have the free expression of one man, one lawyer, however distinguished he may be, and the joint opinion of a body which should be always there to defend the rights of the people and to promote a right understanding

of the law. I refer to a body such as the Canadian Bar Association, or the General Council of the Bar of the Province of Quebec, or the Benchers of the Upper Canada Law Society or any similar organization in any one of the other provinces. Now you see the difference. Here is a lawyer who does what should be done collectively by a body, and which is not done collectively because some members of the Bar are not independent.

I do not mind about any lawyer or notary public who makes any amount of money at the expense of the Government, provided his services have been rendered, but what I do regret is the fact that some of those lawyers who have the right to make as much money as they reasonably can are prevented, by reason of the fact that they are employed by the Government, from expressing a free opinion when they reach important positions in the collective organizations of the Bar of each province or of the Canadian Bar Association. I hope I have made myself clear.

Therefore, it is most interesting to know how much money has been paid by the Government during the last five years to the lawyers of the Province of Quebec in order that we may know those who are tied and those who are free. It is not only as simple as that. If a lawyer in a law firm earns a quarter of a million dollars over five years—as happened in the Province of Quebec not so long ago—that man is not independent; and, as he must bring some of that money into his firm, all his confrères in that firm are not independent because they benefit from the large amount of money which is received by one member of the firm. Those people cannot speak on behalf of the Bar; they should not speak on behalf of the Bar, although they do. Therefore, I want to have that information.

I am greatly disappointed that the Bar is no longer independent, that no Bar is now independent on account of that. What has happened in the Province of Quebec happens equally in the Province of Ontario. It is not a question of Liberals or Conservatives; each man has his party; each man has the right to make money. However, I am sorry that such important organizations as the Bar associations are no longer independent.

Now, there is one family, the older generation of which has got into the higher ranks of the Canadian Bar Association, and the younger branch of which is controlling the General Council of the Bar of the Province of Quebec. That family is powerful because no one cared about these matters, and the members of that family took the reins and are now the leaders of the Bar in the Canadian organization and in the provincial organization of the Province of Quebec.

Before I ask for leave to let this inquiry stand until I have more precise figures to give you, I will give you a first conclusion. It is that the organizations of the Bar in each province and the Canadian Bar Association are no longer independent. Look around you. The county councils can do a lot, and they have accomplished much—especially some years ago, as I will have occasion to remind you. But for me, the only body that can be totally independent in Canada now is none other than this chamber, the Senate of Canada.

Honourable colleagues, what the others are not, you can be. I cannot show any more respect to you than to tell you now that the safeguard of our liberties is in your hands, provided you show the independence that is lacking, that has been lost by other bodies that were once but are no longer independent. Therefore, there could be no greater appreciation of the Senate than to tell you that we are free men, and as long as we can exercise freedom, which is the greatest privilege we all have, the country will be protected against all encroachments on freedom, liberty and human rights.

If you are kind enough to grant me your leave, honourable colleagues, I will give you more precise details on some future occasion.

The Hon. the Acting Speaker: Has the honourable Senator Pouliot leave that this matter stand?

Hon. Senators: Agreed.

Hon. Mr. Choquette: I would like to ask a question of the honourable senator. When we eventually get the answer to the inquiry, will we know what fees have been paid up to this date? I ask that because it would take in the fees of Mr. O'Brien and others engaged in the Munsinger inquiry. I would like to have that information.

Hon. Mr. Pouliot: Honourable colleagues, I asked for that information. It was to be as complete as possible. At the present time I have no complaints regarding the expeditiousness of the honourable Leader of the Government, but I will say that at the present time I am not discussing the amount of the fees of anyone. My objection is that anyone who receives fees from any government—from the Government of Canada or

from provincial governments—should be sitting on the councils of the Bar of any province. That is my point, in order that the councils should be as free as possible to express their honest opinion about any piece of legislation that is not apparently founded in law.

I hope this satisfies my honourable friend.

Order stands.

RETIREMENT OF SENATORS VENIOT, TAYLOR and JODOIN

TRIBUTES

Hon. John J. Connolly: Honourable senators, before the Orders of the Day are called, I am sure all honourable senators would expect me to rise and say a few words about some of our colleagues who have retired from the Senate under the appropriate legislation.

First, I address myself to the career of the Honourable Clarence Joseph Veniot of New Brunswick. Senator Veniot is not only a Doctor of Medicine, but is also—and this is a rather unusual combination—a Doctor of Philosophy. He is a surgeon and a Fellow of the Royal College of Physicians and Surgeons. At one time he was President of the New Brunswick Medical Association and a member of the Executive of the Canadian Medical Association. For many years before entering public life at the age of fifty, he practised the great profession of medicine in his native province. His example must have been rather outstanding, because one of his four children is a doctor.

Senator Veniot was mayor of Bathurst from 1933 to 1935, and in 1936 he succeeded a distinguished father in a by-election necessitated by his father's death, and he remained in the House of Commons from 1936 until 1945, at which time he was appointed to the Senate. He served for 21 years in this house, for a total of 30 years in public life.

Senator Veniot is a quiet man. Latterly his health has not been as good as it was when he was a member of the House of Commons, but he befriended everyone with whom he came in touch here.

It is worthy of mention that there has been a Veniot in public life almost continuously since 1894. Senator Veniot's father was first elected to the New Brunswick Legislature in that year, and served until 1900. In 1917 he was the Minister of Public Works in New Brunswick and was Premier of New Brunswick from 1923 until 1925. He was elected to the House of Commons in 1926 and became Postmaster General and served in the house until 1936. The total number of years served by father and son in Parliament has been lengthy.

Senator Veniot was a distinguished member of the House of Commons and of the Senate; he is a distinguished son of New Brunswick. His retirement from the Senate is an occasion of sadness for us all.

I refer now to the retirement of Senator William H. Taylor of Norfolk, who was known in Parliament for so many years as Billy Taylor. He was in public life before he came to Parliament, being the reeve of Windham Township from 1921 to 1925. He was elected to the House of Commons in 1926, and was successful in a total of four general elections to that house.

I remember him particularly well during the war years in the sessions from 1940 to 1945, when he was the Government Whip in the other place. He was popular on both sides of the house. At a time when the problems of the Whip were difficult, Bill Taylor discharged his responsibilities and duties to the satisfaction of the House of Commons.

He was appointed to the Senate in 1945, and remained here until his retirement in 1966. This means that he served Parliament for 40 years—a fact of which he is very proud indeed.

He was a farmer, and he knew farmers and the problems of farmers. He was a parliamentarian and politician who was faithful to the principles and traditions of his party, but this did not prevent him from having friends in all quarters of whichever house he happened to be a member. He had a quiet capacity for keeping friends. I suppose no honourable senator will miss him more than his seatmate, the whip on this side, the honourable senator from Provencher (Hon. Mr. Beaubien), because in this house Bill Taylor was also the assistant whip, which duties he discharged with dignity and success.

Senator Taylor will have the leisure now in which to spend more time with Mrs. Taylor, whom we were all so happy to see here last week, and with their daughter and grandchildren.

Honourable senators, Senator Mariana Jodoin also retired from this house last week. Madame Jodoin was the daughter of a barrister and the wife of a barrister, and in her early years was very active politically. She was president of the Deaf and Dumb Institute

of Montreal for some 25 years, and for her work in connection with that worthy institute she was awarded membership in the Most Honourable Order of the British Empire. She was active also in women's societies, the universities, press societies, and business and professional women's organizations.

She was appointed to the Senate in 1953—as a matter of fact, she was introduced at the same time as I. She was a conscientious senator, and I am sure we all agree that in her resignation we have lost the companionship of a very great lady.

[*Translation*]

Honourable senators, before her appointment to the Senate, Senator Jodoin had led an active life in Canadian, university and professional organizations as well as in journalism and in politics. She was the first French-speaking lady to be appointed to the Senate. As a result of her retirement, the Senate is the poorer, since in the best meaning of the words, she was beloved by all her colleagues.

[*Text*]

Hon. A. J. Brooks: Honourable senators, we are embarking upon a new procedure in debate, that of paying tribute to our colleagues who have retired under the recent legislation affecting the Senate. The retirement of these senators is necessary, as we all know, in order that they may qualify for the pension and other allowances.

The honourable Leader of the Government has spoken extensively of the public activities of the three senators who retired last week, and it is not my intention to repeat what he has said, except to reiterate that they were three very distinguished members of this house. A few days ago we paid tribute to Senator Crerar for his outstanding contribution to the public life of Canada. Of course there are very few members of this house, past or present, whose record of service to the country can compare with that of Senator Crerar. However, each one of the retiring senators, Senator Jodoin, Senator Taylor and Senator Veniot, has a splendid record of achievement in this house, and in the public life of their own provinces and of Canada.

I did not have the honour and pleasure of knowing Madame Jodoin well, but it was not difficult to distinguish in her a kind, friendly, intelligent and most likeable lady. As the honourable Leader of the Government has told us, she participated widely in public life, particularly that of her native province of Quebec. There are others, no doubt, who knew her better than I and who will be able to give a better account of her many activities and accomplishments.

Senator Veniot came from my own province of New Brunswick, where the Veniot name has been respected for many years. Senator Veniot's father was the first Acadian premier of the Province of New Brunswick, and a member of the legislature for a long time. This is something of which we are very proud. His son, Senator Clarence Veniot, is also well known in the province for his success in public life. People liked him and voted for him whenever he came up for election. He was and still is also very popular as a doctor, as a result of which when he ran for election to Parliament he always received a very large support. The Veniot family has an enviable record in both peace and war.

We shall also miss Senator Taylor. I do not think I ever saw him when he was not smiling or friendly. I am sure everyone's mental picture of Senator Taylor will always be that of a smiling man. He spent 40 years in Parliament, a fact that demonstrates he was highly respected by the people of his constituency. I was with him in the other house when we were both younger men, and it was there, perhaps, that I knew him best. A whip, especially in the House of Commons, who can always smile must have a great sense of humour and a lot of patience.

Hon. Mr. Connolly (Ottawa West): Hear, hear.

Hon. Mr. Brooks: Such a man was Bill Taylor.

I join with the honourable Leader of the Government in wishing these retired senators many more years of happiness and activity in their homes and with their families.

Possibly it would not be out of place, honourable senators, for me to say a word respecting the Retirement of Senators Act, under which many more senators will be retiring in the future.

There will be many occasions of the retirement of senators from this chamber in future. I feel that there is a weakness in this act, and that unfairness to senators has already been shown by this measure. I think we are and should be more concerned than any other group, and that we should find the time first to appoint a committee to study the act again, and make whatever amendments are necessary to improve it.

Hon. W. Ross Macdonald: Honourable senators, may I add a few words to what the leaders on both sides of the house have said.

I wish to refer especially to Senator Taylor. Before doing so, however, I join with the Leader of the Opposition in his reference to the act which enables honourable senators to retire.

The act is far from being perfect. It was passed at the end of a session when we were all anxious to get away, and I do not feel that we gave it the consideration which so important a measure deserved. Therefore, I hope that at some future time we shall have an opportunity to reconsider it. Whether or not this house has the power to amend this legislation, I cannot say, for I have not looked into the matter to any extent. However, I feel, as the Leader of the Opposition does, that the act should be reviewed, and if it can be improved we should do so.

Honourable senators, I wish to say a few words about Senator Taylor, since he and I have many things in common. We have been neighbours for many years. He represented the County of Norfolk, and I represented the City of Brantford, in the County of Brant.

Many honourable senators are not familiar with that part of Ontario. It is the garden centre of Canada, and I do not think any place could be more beautiful or prosperous.

Bill Taylor's life was a rural one. I stated that he was a neighbour of mine. Indeed, he was a good neighbour. I took advantage of his qualities as a good farmer, since I, for the most part, represented an urban riding. I knew very little about farming, but my friendship with him gave enhanced prestige in the rural parts of Brantford, with the result that I did fairly well at the polls in the rural sections of the Brantford riding.

Bill Taylor and I were in Parliament together for quite a long time. He and I contested every election; in other words, I ran in every election in which he ran. Does that mean that we were in Parliament during all those years? No, we were not. Bill won every election in which he ran. I lost the first two attempts I made. However, I can say that when I was returned to Parliament in 1935 he by that time knew his way around and he was of great assistance to me. It did not take me long to become familiar with the ways of parliamentarians and I was able to look after the interests of my constituents, with the result that I was successful in a number of succeeding elections. For that I owe Bill Taylor considerable credit.

As the Leader of the Government (Hon. Mr. Connolly—Ottawa West) stated, Bill Taylor was a Whip of the House of Commons during the war years. The Leader of the Opposition (Hon. Mr. Brooks) in his remarks also referred to those days. I sat in Parliament with Bill Taylor at that time, and they were indeed difficult days. At times feelings ran high and debate was acrimonious. All did not go well with our own party, and I think I can say the same for the other parties. However, Bill Taylor always seemed to hold us together. He was Whip of the Liberal party when the Right Honourable W. L. Mackenzie King was Prime Minister of Canada; and Mr. King had the reputation of not being an easy taskmaster. Bill Taylor served well under him, and Mr. King acknowledged his service at the end of his term as Whip by presenting him with a silver platter which he values highly.

Honourable senators, Bill Taylor was a hard worker. He fought many elections. I would remind honourable senators that he won the election of 1930, a difficult one for a Liberal to win. Indeed, it was almost as difficult to win as the election of 1958. Nevertheless, Bill Taylor succeeded in the 1930 election. He had been elected in 1926, and his majorities increased in succeeding years.

One of the reasons Bill Taylor was so successful in his constituency was that he looked after his constituents. I doubt if a single weekend went by when Parliament was in session that Bill Taylor did not get on the train at Ottawa, go all the way back to Brantford, spend Saturday and Sunday there, and return to Ottawa on Monday. He did that year after year. He never forgot his constituents and they never forgot him.

Bill Taylor and his wife have now taken up residence in Brantford. In speaking of his success at the polls, I should say that a great deal of it was due to the faithfulness of his wife throughout all those years when he served in Ottawa and Mrs. Taylor received his constituents. They have worked very well together. We welcome them in Brantford, and I join with the leaders in wishing them happiness in the years that lie before them.

Honourable senators, it was my privilege to introduce Madame Jodoin to this house, and therefore may I be permitted to say a few words with respect to her.

[*Translation*]

Honourable senators, I am sorry to learn that Senator Jodoin has decided to retire. When she was appointed to the Senate, I had the honour to accompany her to the throne and to introduce her to the Speaker. Since then, she has unceasingly made a valuable contribution to the work of the Senate.

She will be greatly missed by all of us, but we hope that her marble portrait will soon be placed at the entrance of the Senate, in order to recall that Mrs. Jodoin was the first French-Canadian woman to be appointed to this house.

I join with my colleagues to wish her many years of good health and happiness.

Hon. L.-M. Gouin: Honourable senators, I cannot let this opportunity go by without saying a few words about my good neighbour, my excellent neighbour, Senator Jodoin.

This very distinguished lady was the first French-Canadian woman ever to become a senator. She was also one of the first French-Canadian woman to take an active part in public life—I mean, in politics—and also in social work. She took an active part in the Liberal women's activities, in particular, as she did in charitable organizations such as that of the deaf-mute. It was fitting that she should be awarded the Order of the British Empire.

She was very popular in all circles. I hope that her health will continue to enable her to devote herself to all those organizations which were so dear to her and with which her name will forever remain connected.

It is not without feeling that I learned the other day that she was leaving us and I told her: "We are very sorry, dear Senator". She replied that she was sorry too, but that it had to be done.

But I trust that I will still often have the opportunity to meet her and work with her for causes which are dear to us.

[*Text*]

Hon. G. Percival Burchill: Honourable senators, we regret the retirement of our colleagues. Senator Taylor came in contact with most of us through his position as Deputy Whip and an attachment and affection for Bill Taylor was built up among us.

Hon. Mr. Choquette: He was a "true Bill."

Hon. Mr. Burchill: We regret losing these colleagues. Although I cannot add much to what has been said so well by the two leaders respecting Senator Veniot, as a representative of the Province of New Brunswick I wish to emphasize that Senator Veniot had an outstanding career as a surgeon in that province before he entered politics. His reputation as an outstanding surgeon was known all over the province. In his home town of Bathurst and in other places where he operated, many stories are told about his great ministry of healing before he became active in politics and succeeded his illustrious father.

Senator Veniot entered the Senate in our group—as did Senator Taylor—and I leaned on him to a large extent when we came here first.

Of later years Dr. Clarence Veniot's health prevented him from taking a more active part. However, I want to say that Dr. Veniot is a very great gentleman and a distinguished surgeon. We will miss him very much in this Senate. I regret sincerely his retirement.

[*Translation*]

Hon. J. M. Dessureault: Honourable senators, I wish to join the Leader of the Government, the Leader of the Opposition and my colleagues who spoke before me and paid such eloquent and well-deserved tribute to our colleagues who have left us after sitting in the Senate for so many years.

The departure of honourable Senators Crerar, Taylor, Veniot and Jodoin creates in the Senate vacancies which will be difficult to fill.

However, as a Quebec colleague of Mrs. Jodoin, I should like to pay her a particular tribute and express my regrets to see her leave so soon her senatorial duties which she performed with so much dignity.

I knew Mrs. Jodoin long before her appointment to the Senate in 1953, when I was witness to her swearing in, which afforded me great pleasure. I always professed great esteem and friendship for her.

She is a great lady who has long been engaged in political, social and charitable work, where she played a leading role.

In 1926 she founded in Montreal the Wilfrid Laurier Club, of which she is still honorary president; she is also vice-president and life member of the National Federation of Liberal Women of Canada.

Mrs. Jodoin was the first French-Canadian woman to be appointed to the Senate; she never missed an opportunity to be useful to

her fellow-countrywomen who always held her in high esteem.

To conclude, I know that we will all remember our four distinguished colleagues well and will greatly miss them.

I wish them health, long life and a well-deserved rest during their retirement.

Hon. Cyrille Vaillancourt: Honourable senators, I am a Quebecker who wants to pay tribute to his colleagues who left the Senate last week. This reminds me of an old saying:

To leave is to die a little,
To die to those we love.

And, I add: To leave is to live, to live through the memories left in our hearts and souls by those colleagues for whom we had a deep affection. Older in years than I, the four of them were my juniors in the Senate since I have been her for over 22 years. However, I would also like to add a word about Senator Jodoin.

As pointed out by our leader, her father was a lawyer of great reputation in Montreal. He wrote many legal works, namely, his works of reference on the Civil Code. Married to a lawyer, she had herself, if I may say so, a legal mind. Senator Jodoin never made much noise but good is often done quietly and often noise does not bring any good. With her tact, her very soft and pleasing voice, Senator Jodoin could touch all hearts. She was and still is very active, not only in political circles but especially in charitable and welfare organizations also, I might add, since she is still chairman of the Zélatrices de l'Institut des Sourds-Muets. She is fond of saying: I hope I will stay there until God calls me back to him.

A few months ago we paid tribute to someone. He then had the opportunity to say a few words—let us add that he was not old but old enough to retire—and he told us: I must leave because I am only a setting sun.

I have remembered since then those beautiful sunsets one sees in the fall, when the temperature is pleasant and mild and when it is good to feel alive. At such times I go as far as the parish church from where I have a splendid view of the St. Lawrence river and Quebec City. When the sun sets on the horizon, it looks like a ball of fire that lights up the whole river. Moreover, a beautiful sunset forecasts a beautiful tomorrow. When one looks at such a sunset, one says to oneself: Tomorow will be a nice day.

In comparing our colleagues who have left us, I see again the picture of the setting sun and I say to myself: The youth you have trained will be good and radiant. Then, as a beautiful dawn rises, we can say that other mornings, through your own radiance, will rise in triumph.

[*Text*]

Hon. Jean-François Pouliot: Honourable senators I wish to say a few words about Dr. Veniot, whom I knew when he was a student at Laval and I was younger than he. I remember that he came down with his arms full of prizes. He was very successful in his examinations. He was one of the brightest students of the faculty of medicine of Laval. Besides that, and it has not yet been stated, he was a remarkable chef. He had the gift of cooking unsurpassed meals. He rendered many services as a surgeon in his native province. I liked him and I liked his father, who was very helpful as Postmaster General when he was there.

Dr. Veniot belongs to that great fraternity to which his deskmate, Dr. Gershaw, also belongs and as do Senator Sullivan and Senator McGrand. We are fortunate in having in this chamber such eminent representatives of the learned faculty of medicine and surgery.

Senator W. H. Taylor—or Bill Taylor, as we knew him—was a personal friend of mine. He was with me at the time of the conscription issue, which was a very difficult and controversial matter. He was fair and dealt honestly with all members of Parliament. He was very well liked by all.

Madame Jodoin is a very great lady, and there was no exaggeration in the praise spoken of her today. I appreciate very much the great honour Madame Jodoin paid me, an honour done to me by only two of my colleagues, and that was to hang my picture in their rooms. The other one was Senator Leonard Tremblay. That is an evidence of real friendship. We shall miss Madame Jodoin as much as we now miss Senator Tremblay.

CANADA LABOUR (SAFETY) CODE BILL

CORRECTION OF STATEMENT

Hon. Arthur W. Roebuck: Honourable senators, I am compelled to make a correction in my remarks at page 642 of *Hansard* of June 2.

Speaking on the Canada Labour (Safety) Code Bill, I referred to a decision made by the Board of Transport Commissioners with regard to bunkhouses, and I read volume 11

in my citation as volume 2. It is an easy mistake to make. I wish now to correct this, and to say that the judgment may be found in Canadian Railway Cases, volume 11, at page 336.

In that same address I read a telegram from Mr. J. O. Goodman of the Automotive Transport Association of Ontario, in which he expressed opposition to this bill. Since then I have received a telegram from Mr. John Magee, General Manager, Canadian Trucking Associations Inc., in which he says:

> We wish to advise that the telegram represents Mr. Goodman's personal view and was not sent on the instruction of any policy-making body of the trucking industry, either provincial or national—

I had undoubtedly given the impression, as did he in his telegram, that he represented the trucking industry. Apparently that is not entirely the case according to the second telegram.

Since then I have received a further telegram from Mr. Goodman in which he says:

> My June second wire represents the views of the board of directors of the Automotive Transport Association of Ontario—

I hope both these gentlemen will attend when this bill is before the committee to express their views and to tell us just whom they do represent.

PRIVATE BILLS

QUEBEC NORTH SHORE AND LABRADOR RAILWAY COMPANY—THIRD READING

Hon. C. G. Power, for Hon. Mr. Bourget, moved the third reading of Bill S-31, respecting Quebec North Shore and Labrador Railway Company.

Motion agreed to and bill read third time and passed.

CANADIAN PACIFIC RAILWAY COMPANY (SASKATCHEWAN)—THIRD READING

Hon. Keith Davey, for Hon. Mr. McDonald, moved the third reading of Bill S-32, respecting Canadian Pacific Railway Company.

Motion agreed to and bill read third time and passed.

CANADIAN PACIFIC RAILWAY COMPANY (ALBERTA)—THIRD READING

Hon. David A. Croll, for Hon. Mr. Prowse, moved the third reading of Bill S-34, respecting Canadian Pacific Railway Company.

Motion agreed to and bill read third time and passed.

CANADA LABOUR (SAFETY) CODE BILL

SECOND READING

The Senate resumed from Thursday, June 2, the adjourned debate on the motion of Hon. Mr. Croll for the second reading of Bill S-35, respecting the prevention of employment injury in federal works, undertakings and businesses.

[Translation]

Hon. Jacques Flynn: Honourable senators, I feel that the importance of this bill should not be judged by its rather high-sounding title, whether it be its full title which reads:

> An act respecting the prevention of employment injury in federal works, undertaking and businesses

or its short title: Canada Labour (Safety) Code; nor should it be judged by the fact that it has 31 clauses and covers 13 pages, nor even by the very unusual fact that it had a sponsor and a co-sponsor.

Of course, I commend both Senator Croll and Senator Roebuck for the explanations they provided regarding this bill. They performed their duty brilliantly. I must say, however, that I am far from sharing their enthusiasm about this bill, which seems to me to have a very limited scope and be rather a half-baked piece of legislation.

Among other things, the sponsor of the bill stated, as reported on page 604 of the official report:

> This bill breaks new ground.

Further on, on page 605, he said:

> This legislation is comprehensive, in that it will provide for all elements a complete industrial safety program.

And still further on, on the same page, he added:

> It does authorize the making of extensive regulations containing specific safety measures.

Honourable Senator Roebuck, whom I termed earlier as the co-sponsor of this bill, said on page 640:

> In the first place, I wish to compliment the government upon the production of so comprehensive a safety measure.

And, further, he referred to certain safety problems, particularly sanitary hazards that might be of interest to railway employees.

He mentioned a moment ago the decision of the Board of Railway Commissioners and, as an aside, I should like to make the following comment: I went to the trouble of looking up the decision of the Railway Commission which Senator Roebuck mentioned. It is a well-founded decision. But I believe the reporter reported it erroneously because it did not involve bunkhouses, or sleeping quarters in the ordinary sense we would encounter, for instance, in forestry operations, or close to the stations. Nevertheless, the railway employees involved were asking that the company supply them with a boarding house separate from ordinary hotels where they could have lived, and the Railway Commission simply said: How can you expect us to have the power to order the railway companies to build dormitories at places where you will have to stop overnight when you are not on duty and hence cannot be considered as employees of the railway?

If inadequate sanitary conditions had been involved in the case, the problem could have been easily solved through provincial hygiene regulations which apply to all hotels, public places, boarding houses, etc.

To my mind, it was just an embryo of legislation. First, what is being proposed? In Section 4, a very elementary principle is proposed:

> Every person operating or carrying on a federal work, undertaking or business shall do so in a manner that will not endanger the safety or health of any person employed thereupon or in connection therewith.

I have no objection. It is elementary. It is a simple provision of civil law. It is a statement of elementary principle that an employer take the required precautions so as not to endanger the lives of his employees. In any case, it would surely not be what I would call a comprehensive safety measure.

In fact, the legislation simply seeks the authority to make regulations. It enables the Minister of Labour to enact regulations in all areas concerning safety and, incidentically, regarding sanitation, in the areas within federal jurisdiction.

Section 7 sets out, without restricting the general principle that I have just laid down, a series of areas where he may legislate through regulations. This is all very well, but it is not by the mere power to make regulations that the problem is going to be solved. The regulations themselves will show whether this act can really work in its intended field of application.

Although this is only legislation that allows the making of regulations, the fact is, in my opinion, that the field of application covered is a highly restricted one.

Section 3 describes this field of application. It is a very long one, which is similar to that we had last year in the Canada Labour (Standards) Code. It says:

> Any work, undertaking or business operated or carried on for or in connection with navigation and shipping, whether inland or maritime,

rail transportation, air transportation, and, then, we come to broadcasting stations. Frankly, here I do not see the purpose they have in mind for a broadcasting station. Is it possible to make security regulations forcing banks to hire policemen as a protection against thugs who would try to stage a hold-up? I do not understand very well what they have in mind.

Subsection (h) says:

> any work or undertaking that . . . is before or after its execution declared by the Parliament of Canada—

This is the usual wording. The field of shipping, rail transportation and air transportation is a broad one, but, as pointed out by Senator Roebuck, subsection (3) says:

> nothing in this Act applies to or in respect of employment upon or in connection with the operation of ships, trains or aircraft.

Thus, a very large scope of application having been described, this third subclause says that the act does not apply to transport. I do not criticize the principle of this third sub-clause because it is well-founded. Indeed the field of transport is already covered by other legislation. As Senator Roebuck pointed out, the Railway Act contains the right to regulate safety. Senator Roebuck mentioned section 290, quoting paragraph (l); all the paragraphs of that section show that the government has only to avail itself of this provision to make complete regulations in the field of security as far as railways are concerned.

The same situation exists in the field of maritme transportation. The Canada Shipping Act includes a series of provisions covering every possible aspect of security and health. Therefore, this bill is useless in that regard.

With regard to air transport, the government has the same powers.

However, as some might say, that leaves the government employees. Well, with regard to government employees, I would say, first of all, that the Government does not need any legislation to apply security and health standards. Besides, it already has the right to legislate with regard to accidents which might occur to federal civil servants through a legislation which Senator Croll mentioned when he moved the second reading of this bill.

Therefore, with regard to government employees, there is no need for any legislation; the government can adopt any regulations it sees fit. The same thing applies to public works contracts given out by the government. It can stipulate therein the terms which contractors will have to meet with regard to security and health.

There remains in fact only a small area. It is possible that we are succeeding in closing a little gap left by the federal and provincial legislation. Honourable senators, as we know very well, the field of security and health is first of all the responsibility of provincial legislatures. There is in that field a host of provincial regulations which sometimes apply to areas coming under the federal government.

I talked a little earlier of bunkhouses, for instance, the boarding houses which a railway company could build. In my opinion, provincial health regulations apply in that field which does not come exclusively under the jurisdiction of the federal government.

I am not criticizing the principle of the legislation but I say that we are dealing with a bill which seems to cover a very large area and which, in fact, has a very narrow field of application, and we are not even too sure about certain limits.

In short, I would see this bill as an embryo of legislation, as an attempt to codify, perhaps to standardize or co-ordinate all the security regulations that may eventually apply throughout all fields of this federal jurisdiction. Through it, the Department of Labour may perhaps be able one day to repatriate within its jurisdiction all the regulations related to maritime, air or railway transport, other related fields, as well as other spheres strictly of federal competence.

But, as it stands now and with present regulations in the various fields I have mentioned and which are still being applied, this code will cover almost nothing and, again, will only permit the minister and the government to experiment. We shall see, in a few years, whether we have achieved more efficiency and consistency in the field of security. But to find anything very important and really complete in this piece of legislation is, I think, to deceive oneself. In my opinion, it is nothing but a mountain bringing forth a mouse.

[*Text*]

Hon. David A. Croll: Honourable senators—

The Hon. the Acting Speaker: I must inform honourable senators that if the honourable Senator Croll speaks now it will have the effect of closing the debate.

Hon. Mr. Croll: Honourable senators, may I, first of all, thank Senator Roebuck and Senator Flynn for their valuable contributions to this debate. Senator Roebuck saw much merit in the provisions of the bill as indeed, as he indicated, does the man on the job. It is not a façade. It is meant to do a job that previously has not been done.

Senator Flynn was of the view that the bill is a collection of various odds and ends made for the purpose of centralizing authority, and there is some truth in that. He referred to it as an embryo. If he used that word in the sense that it has not shape or form, then I cannot agree with him at all. On the other hand, if he used it in the sense that it is a beginning, then I will agree with him and point out that it can be brought before us time and again for improvement, enlargement and extension.

Senators Roebuck and Flynn both made constructive representations with respect to clause 3(3) which reads as follows:

> Notwithstanding subsections (1) and (2) and except as the Governor in council may by order otherwise provide, nothing in this Act applies to or in respect of employment upon or in connection with the operation of ships, trains or aircraft.

This provision was placed in the bill to avoid duplication and overlapping of jurisdictions with respect to operational safety. The Senate will appreciate that each of these three areas is highly specialized, and it is a vitally important field in which there should be no confusion or uncertainty with respect to safe operation.

There are particular statutes governing these operations in the interest of safe and efficient movement of persons and things, namely, the Railway Act, the Canada Ship-

ping Act, and the Aeronautics Act. Because of the size and complexity of these industries and the importance of protecting the travelling public as well as employees, it is essential that responsibility be discharged under one authority, namely, the Minister of Transport. The subclause to which I have referred is not an absolute exclusion of these industries from the application of the safety code, and if the Governor in Council sees fit then it can be so ordered.

The other matter raised was in connection with sanitary conditions in bunkhouses. Clause 7(1)(d) of the bill has reference to drinking water and sanitary conveniences and certain types of equipment and facilities connected with railroading. It is my view, as I am sure it is that of Senator Roebuck, that there is adequate authority vested in the Minister of Transport to deal with these matters. However, I am informed that in the event that a situation complained of is not improved or remedied, then it is possible for the Governor in Council to deal with it under this act. I am given to understand also that the Department of Transport is giving serious consideration to the best means by which this may be done.

I thank the honourable senators for their constructive criticisms, if I may use that word. These points will be fully covered when the bill is before the committee to which it will be referred after second reading.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

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

Hon. Mr. Croll: I move that the bill be referred to the Standing Committee on Transport and Communications.

Hon. Mr. Flynn: May I ask the honourable sponsor of this bill if it is proper to refer it to the Standing Committee on Transport and Communications, having regard to the fact that there is a provision excluding its application to all forms of transport.

Hon. Mr. Connolly (Ottawa West): Honourable senators, the comment is usually the other way, namely, that everything seems to go to the Standing Committee on Banking and Commerce.

Hon. Mr. Flynn: Yes, I agree.

23031—55½

Hon. Mr. Connolly (Ottawa West): This is a good opportunity for us to have the Standing Committee on Transport and Communications deal with this bill. There are transportation aspects to it, although, of course, there are others. Sometimes it is difficult to know to which committee a bill should be sent, and sometimes the presence of the chairman of the particular committee can be a determining factor.

Hon. Mr. Flynn: That is a good argument.

Motion agreed to.

DIVORCE

RESOLUTIONS ADOPTED

The Senate proceeded to consideration of Resolutions numbered 622 to 656, inclusive, which were presented on Thursday, June 2.

Hon. Arthur W. Roebuck, Chairman of the Standing Committe on Divorce, moved the adoption of the following resolutions:

Resolution 622, for the relief of Rhoda York Pike Veldhuis.

Resolution 623, for the relief of Naomi Silverman Lefebvre.

Resolution 624, for the relief of Anne Mackintosh Smith Gauthier.

Resolution 625, for the relief of Shirley Sylvia Hill Smith.

Resolution 626, for the relief of Mary Jacqueline Lorraine James Arsenault.

Resolution 627, for the relief of Helen Margaret Brown Kennedy.

Resolution 628, for the relief of David Leslie Cavers.

Resolution 629, for the relief of Denise Choiniere Foucault.

Resolution 630, for the relief of Leon Edward Goyette.

Resolution 631, for the relief of Olga Matusiak Maksymiw.

Resolution 632, for the relief of Annie Abramson Lieberman, otherwise known as Annie Abramson Liberman.

Resolution 633, for the relief of Joseph Normand Jacques Martin.

Resolution 634, for the relief of Simone Marois Charbonneau.

Resolution 635, for the relief of Dorothy Mary Shrimpton Legault Scheib.

Resolution 636, for the relief of Eleanor Florence London Himel.

Resolution 637, for the relief of Marie Bernadette Irene Filteau Cliffe.

Resolution 638, for the relief of John Bowen Cadogan Jenkins.

Resolution 639, for the relief of Marcelle Henriette Marie Sornin Com Nougue.

Resolution 640, for the relief of Abigael van Veen Szyngiel.

Resolution 641, for the relief of Eileen Lillian Kelly Gauthier.

Resolution 642, for the relief of Maxwell K. Piercey.

Resolution 643, for the relief of Margaret Jean Reid Hinton.

Resolution 644, for the relief of Barbara Gillian Michell Thomson.

Resolution 645, for the relief of Mona Lee Eisenstat Michaels.

Resolution 646, for the relief of Everett John Boyle.

Resolution 647, for the relief of Hariclia Xirotagarou Drew.

Resolution 648, for the relief of Ronald Lebrun.

Resolution 649, for the relief of Kathleen Elizabeth Cannon McHugh.

Resolution 650, for the relief of Lorna Bell Chadwick Young.

Resolution 651, for the relief of Barbara Hope Chaplin Sharp.

Resolution 652, for the relief of Aimee Poulin Dorais.

Resolution 653, for the relief of Joseph Leon Pierre Brunet.

Resolution 654, for the relief of Aldee Vallee.

Resolution 655, for the relief of Liliane Harel Nadeau.

Resolution 656, for the relief of Wells Thomas MacDonald.

Resolutions adopted, on division.

RURAL ECONOMIC DEVELOPMENT FUND BILL

SECOND READING—DEBATE CONTINUED

The Senate resumed from Thursday, May 26, the adjourned debate on the motion of Hon. Mr. McDonald for the second reading of Bill C-151, to provide for the establishment of a fund for the economic and social development of special rural development areas.

Hon. Jean-François Pouliot: Honourable senators, I shall try to be as brief as possible in my remarks on this bill. I find that it applies to the farmers of Canada for their rehabilitation, and the manner suggested is to give them a certain amount of money to help them improve their farming conditions.

Honourable senators, there are many ways to keep farmers on the farms. One way is to give them security of ownership to permit them to live in peace on their farms. When I was young my parents told me that farmers were kings on their farms. Probably you have heard the same thing said. That was true some years ago for a certain number of farmers. Naturally, as with other trades and professions, some farmers are more fortunate than others.

A distinction should be made between farmers and settlers. Apparently settlers are the first occupants of a lot or piece of land. Those we call farmers are in possession of farms already under cultivation. I have not used technical terms, so you will understand what I mean.

At home, in the county which I had the honour to represent for a number of years in the Commons, there were two classes of farmers. Some were settlers and others were farmers. The farmers were far ahead of the settlers. Sometimes the settlers had considerable difficulty because in the first place, they did not have lots on which there were enough trees to permit their subsistence or support. The trees on any tract of land are a profitable harvest to the owner, inasmuch as they have not been cut down by lumbermen before the lot was granted to a settler.

In my province the division of lands was not made with sufficient care in the first place, and in some areas there were farmlands which were granted to lumber companies, while the farmers had to settle on lands that were not suitable for farming. Frequently the timber was cut on the lots before the settler could occupy the land.

For a time there was a great move for colonization, and some people were under the impression that they could take persons out of a city like Montreal, transplant them to the country and make farmers out of them with no experience at all.

That was about 25 years ago. The settlers were given lots on the sides of rocky hills. In one parish in my former constituency the lots were on seven hills. In order to go to church for instance, they had to climb one hill and go down the other, and so on. I called it "Seven Hill Parish." I saw young girls there, beautiful looking, whose figures were like the stem of a flower, because they were undernourished. Those settlers lived on soup made

out of our national emblem, the maple leaf. Several families shared a cow for field work, for the transportation of material, and for the supply of milk for the children.

I made an inquiry and sent questions to all the farmers of certain parishes, asking them how many animals they had. I already knew the answer. However, I received it in writing. One of those families had two animals, a cat and a dog. Do not laugh, it is true. Another had six animals—six chickens. I went on like that. The people were very poor and undernourished.

Finally, I succeeded in having an inquiry made by the Department of Labour, on the instruction of the Honourable Norman Rogers. I felt it was important to know the occupations of the unemployed and I had asked the Minister of Labour under the Bennett government for the occupations of the unemployed. They could not answer me. So I had to correspond with the mayors of several municipalities of the larger cities in Canada in order to get this information with regard to previous trades of those who were unemployed, whether they were carpenters, barbers, etc.

The two municipalities where I had the most trouble were the City of Toronto and the City of Windsor. There were union men in the council, and I had a lot of difficulty.

If honourable senators want further information about it, the entire correspondence is bound in the archives. Sir Arthur George Doughty, the Archivist at the time, thought it was worthy of being bound, and it is undoubtedly available there. I have not seen it, I do not know if it has been burned or is still there, but it was there for a time. A report was made, and when the Honourable Norman Rogers, Minister of Labour, took office at the beginning of the session of 1936, after the elections of 1935, he said that that report on unemployment which was made at the time and distributed to all the members of the House of Commons was the basis of the policy of the Government.

Then I asked them for my reward, to have an investigation made of the settlements in my county. There are those three big books. That probe was made by Mr. Frank Lafortune who was previously a controller of the City of Ottawa, and Mr. Willie Begin, who was the right-hand man of Senator Power when he was a member of the Cabinet. He was his right-hand man in Quebec City.

Those gentlemen visited all the settlements and made a report on those people. Their report showed that it was important to come to the assistance of those settlers in order to permit them to live.

Everything possible to help those people has been done. I have those reports here. Those two gentlemen went out to visit each family to report on them, and these are the big reports that I have now.

It was not the business of the Government of Canada to do that, but it had to be done by the Government of Canada because the provincial government was not acting.

At the present time conditions are very bad in some settlements. For instance, in the Parish of St. Elzéar, near St. Louis, in the heart of the County of Temiscouata, the number of families has decreased from 64 to 16. The children have gone to the city and they have invited their parents to join them. Now the parents live with their children who take care of them in the city. They have left the country and the old people have the pension which helps them to live in town.

The first trouble that we had with regard to the uprooting of the sons of the land was the war, not only because of the enlistments but because of the manufacture of munitions.

When a farmer, who has been living a frugal life in the country, goes to town and enjoys the advantages of the city, with electricity, easy transportation and so on, he does not want to return to the land.

My neighbour is a farmer and I have the most profound admiration for him, for his wife, for his family. I have known his father, mother, sisters, brothers—they are my friends and I know them well. I see them every day. Their work is difficult. They rise early in the morning; they have not a moment to spare. The mother has to get up early to milk the cows and to do all the work that has to be done for the family. It is a very hard life.

My most pleasant vacations have been spent with farmers. I know them and their hospitality; they are generous, they are kind; their life is hard and difficult. It is not the easy life that people have in town. The great problem is to keep the farmers in the country, to keep them on the farm. Their life must be made more attractive.

I wonder if you will permit me to put on the record an article—I do not wish to read it all to you tonight—that was written when I was very young. When I was in my early twenties, before I passed my Bar examinations I had a friend in the country who was

the best farmer around Rivière du Loup. I used to talk to him. One day there was a preacher or missionary who blamed the farmers for buying stoves with mirrors on them—the old stoves that had mirrors on both sides or in the middle. This missionary said it was extravagant for a woman to have a mirror in front of her when she was cooking, so she could look at herself when she was working at the stove. This article appeared in a publication called *La Patrie* on December 13, 1913—53 years ago. The title of it is: "No Luxury, but Comfort".

If you have no objection, with your leave, I will put it on the record for your information.

The Hon. the Acting Speaker: Honourable senators, is permission granted to the honourable senator to have this article inserted in *Hansard*?

Hon. Mr. Choquette: By all means.

Hon. Mr. Pouliot: It will be translated into English for the benefit of my English-speaking colleagues.

The Hon. the Acting Speaker: It is agreed.

[The article follows]

[*Translation*]

NO LUXURY, BUT COMFORT
IF YOU WANT TO KEEP YOUR CHILDREN AT HOME . . .
"LA PATRIE"—DECEMBER 13, 1913

Let us distinguish between luxury and comfort. . . . Comfort is far removed from luxury. Luxury is the superfluous, the excessive, it is living beyond one's means. Comfort is what can properly be afforded to give life some charm. It is no worse for a farmer who has the means, to buy a piano or even a pianola, than for a millionaire to purchase an automobile. One cannot be blamed for incurring expenditures proportionate to one's means, all the more so since, if the family residence is bare of all embellishments, the children will seek in town the distractions they cannot find at home.

Farmers in some areas of the country are to be admired for knowing how to enjoy the benefits life has to offer.

The woollen sock is generally favoured all over. It is very well to practise thrift. But the happiness of an intelligent and sensitive man should not merely consist of piling up dollar bills, of depositing money in the banks and of putting the care of improved cattle before that of the children in the home.

Is there in the world anything more beautiful than to see a father arousing the interest of his children in his most unimportant chores, of a farmer who inspires those who will follow in his footsteps with the love of the land where they were born and where destiny calls them to live happy days and a life blessed by heaven.

But the task of the father does not stop there. He must further give his children a taste of family life and to this end, give them, together with the love they can expect from their parents, all the necessary comfort.

In short, for each to strive, within his means, to please his children is not only a right, I should almost say it is a duty, a patriotic duty which, more than any other crusade, will stem the scourge of emigration of our people to the big cities or to the United States.

[*Text*]

Hon. Mr. Pouliot: Honourable senators, you understand it is important to keep the farmers on the land. If help is given to them on the farm, it will enable them to stay there. There is a tremendous amount of work to be done, but the best thing to do is help them.

The best thing that has been done up to now was done by the former Minister of Agriculture, who is now a colleague of ours. He decided to give a lot of technical information in an understandable way to all farmers. A publication entitled *Le Mois* gave very good information. There was his letter to the farmers in both languages. It was bilingual and was a very good way to inform them, and they needed to be informed.

At the time of conscription my surprise was to have the reports on all the farmers, about the number of cattle that they had in some parishes, the number of hogs they hibernated and the wealth they had on the land. Of course, the wealthier ones could not be compared to the settlers whom I have mentioned.

When conscription was the issue in the war years, one of the main reasons that Your Honour (Hon. Mr. Bourget) and myself and others objected soundly to it, was precisely to keep the farmers on the land, to prevent them from being lost to the farm.

If today you compare the statistics of the number of people who are on the farm in all provinces of Canada to that of 25 years or 30 years ago, you will realize the effect of the war on the rural population.

I had some rewards—the reward of having helped the people to stay on their land and not be induced or forced to go to town and leave the country. But in all my years as a Member of Parliament, I know only of one family that has come back from the city to the country—only one. It was a young man who had left the parish in Rivière du Loup to work as a mechanic in Montreal. He made some money, came back home with his wife, who had been brought up in the city, and he bought his father's farm to operate it.

I wonder if it would not be possible to have a larger number of farmers come back from the city to the country with the experience that they have gained when they were farming. There is no improvisation in farming. It is not only a profession, it is also a science. But it is not a science that is often taught in schools, although some agronomists are very helpful. It is a science taught by father to son, and even nowadays in the country there is some work, despite the machinery that exists, that can only be done by the arms of young, strong men. They can be directed by their parents, but the parents with all their experience need the strength of the young ones to operate a farm sucessfully.

Much more could be said about it, but I consider the time that we spend in helping the farmers stay on the land is not lost. Those who have stayed there have proved their courage and are among the best Canadians. I say that of all the farmers in Canada. When they work on the land they have time to think.

I hope this bill will be considered in the best spirit. I am entirely in favour of it. I am in favour of any kind of help that we can give the farmers. It would take too long to explain what has been done for them in the past collectively and individually, but what has been done was to support a good cause and for people who deserved it.

Hon. Mr. Choquette: Hear, hear.

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

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY—ORDER STANDS

On the Order:

> Resuming the debate on the motion of the Honourable Senator McDonald, seconded by the Honourable Senator Gouin, for an Address to His Excellency the Governor General in reply to His Speech at the Opening of the Session.

Hon. John J. Connolly: Stand.

With reference to Order No. 9, I would appreciate it if we could have the consent to have it placed as item No. 1 tomorrow. It is the last speech on the address, and Senator Bourque has been waiting for some considerable time. I understand it is not a long speech and I would appreciate if this could be done.

Hon. Senators: Agreed.

Order stands.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, June 8, 1966

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

Prayers.

DOCUMENT TABLED

Hon. John J. Connolly tabled:

Report of the St. Lawrence Seaway Authority, including its Accounts and Financial Statements certified by the Auditor General, for the year ended December 31, 1965, pursuant to sections 85(3) and 87(3) of the Financial Administration Act, chapter 116, R.S.C., 1952. (English and French texts).

PRIVATE BILL

UNITED INVESTMENT LIFE ASSURANCE COMPANY—FIRST READING

Hon. T. D'Arcy Leonard presented Bill S-40 to incorporate United Investment Life Assurance Company.

Bill read first time.

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

Motion agreed to.

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY—DEBATE CONTINUED

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

[*Translation*]

Hon. Romuald Bourque: Honourable senators, may I at the outset pay my compliments and best wishes to the new Speaker. I have no doubt about his capacity to do, with dignity and efficiency, the work imposed upon him by the high office he occupies.

I take great pleasure in congratulating the mover and seconder of the address in reply to the Speech from the Throne for the very constructive, interesting and documented speeches they made on that occasion.

At the same time, I wish to congratulate our brilliant leader, Senator Connolly, for his return to the Senate. Sickness forced our leader to get away for several weeks. We hope that his health will now permit him to continue to fill, with all the efficiency for which we know him, the high position he occupies and for which he is so eminently qualified.

At the same time, I want to congratulate the Leader of the Opposition, honourable Senator Brooks, for his kindness and his tact in the discharge of his duties.

To the new senators, I wish the heartiest welcome. I am sure that those distinguished citizens will make a great contribution to the business of this house.

[*Text*]

Honourable senators, on Monday, May 23, 1966, there appeared in a Montreal daily an editorial concerning Her Majesty Queen Elizabeth II. I think it is a beautiful editorial, and I would like to read it into the record:

> Today, the official birthday of Queen Elizabeth II, is an opportunity to pay tribute to one of the rarest and finest examples of a dedicated life in the world today.
>
> This is the official observance of the Queen's 40th birthday. She has been the Queen now for 14 years. The light that beats about the Throne is such as would disclose any fault or failing. But the critics of the Queen have had to pick upon such trifling matters as to condemn only themselves.
>
> The reconciliation of all private wishes with public duties is never easy. The necessity to do always what duty demands rather than to find the ease and satisfaction of a more private and freer life—and to know that this necessity will end only in death itself—imposes a difficult role. It is hard to forget the famous photograph of the Queen descending from her plane at the airport, while in front of the camera, Sir Winston Churchill and Mr. Clement Atlee stood shoulder to shoulder to receive her back from the tour interrupted by her father's sudden death. At that moment the long, hard reign of Elizabeth II seemed to begin.
>
> To have been given such a role, and to carry it out year after year—faithfully, graciously, humbly—is to set an example that none could fail to acknowledge in human terms. The monarchy, of course,

is greater than any one person: it comes out of antiquity and belongs to the ages. But when the duties of the monarchy are accepted with unfailing dedication, there is also a human triumph.

The best observance of the Queen's Birthday is for everyone to be as dedicated to his, or her, own calling, as Elizabeth II has been to hers.

[*Translation*]

Honourable senators, on May 1, 1966, in an important and widely read Montreal weekly, there appeared the following article which I quote:

The mania of some people to impose their views upon others under cover of an "association"

More and more people are exasperated by the dictatorial attitude of small pressure groups which, through publicity in the press and more particularly on television, are not satisfied with expressing their own opinions but seem bent upon forcing them on the rest of the people. These small "cells" are getting more numerous and more vociferous. For instance, we have in mind two of those French-speaking groups that have been in the news this week.

Last Sunday, about a hundred members of the League met and blandly decided that the French Canadians should, at all costs, boycott the Centennial celebrations. That is an opinion, but the language used by the group gives the impression that they were speaking for thousands of active followers. The next day, one of these two French-speaking groups, whose opinions are not shared by $\frac{1}{10}$ of 1 per cent of the population, in spite of their claim to the contrary, declared peremptorily that the last part of the Parent report was worthless and that it should simply be thrown in the wastebasket etc. These, as previously stated, are only two instances that made the headlines in the last few days but these small groups of individuals are not by far the only ones operating along these lines and seeking to impose by force their own views on the rest of the population.

I have refrained from mentioning the names of these two groups referred to in the article quoted, because I do not think it is very important—such groups are already too numerous.

[*Text*]

Honourable senators, there comes a time in every man's lifetime when without thought of personal or political gain, without any desire for recognition or reward, he must stand up and be counted on the side of a cause in which he believes.

Today, in this honourable and historic chamber, I want to speak up for Canada. I want my voice for these few moments to be heard above all the clamor, above all the grievances and all the promises, and to be accepted simply as the profession of my sincere love for what I believe is the greatest country in the world.

I am not speaking today as a French-Canadian or as an English-Canadian or as any other kind of hyphenated Canadian. I am speaking as one who was born in Ontario, has lived for half a century in Quebec and has visited and addressed audiences in almost every other province of this vast country and abroad.

In Parliament, I represented a constituency made up of many religious and ethnic groups, and I firmly believed that I represented not just one of those groups, but all.

Here, in the Senate of Canada which, along with the rest of the country, will be celebrating next year its hundredth anniversary, I believe it fitting that one should offer leadership to this nation in recreating a sense of nationhood and restoring the faith which led in 1867 to foundation of this Confederation.

Next year will be Canada's centennial year. It is inevitable that in the process of celebrating our hundredth birthday we should look back over our past. At the risk of offending all the historians who try so diligently to preserve, and sometimes elaborate, our national story, and at the risk of antagonizing the many well-meaning people who are already deep in their plans for pageants and spectacles commemorating the great battles and achievements of former years, I would suggest that we forget our history for a while and concentrate upon our present and our unlimited future. Looking forward is a better preoccupation for a young nation than reflecting upon old disputes and fruitless quarrels.

History is full of errors as well as triumphs. We in Canada cannot afford to dwell upon the errors, as we so often currently are inclined to do. Like every people on earth, we have problems, but ours are small compared to those of many other lands. We exaggerate them and far too often seize upon them as

noble excuses to support our own personal prejudices or to justify untenable positions. It is time we tore up the pages of history which deal with violence and real or imagined injustices, or at least wrenched their memory from our minds, and concentrated upon the way we live today and the world we are going to live in tomorrow.

It does not really matter who was responsible for this or that political or military crime —if indeed it ever did. England celebrates the victory at Waterloo; France celebrates the conquest of Britain in 1066; Germany celebrates the triumph of 1870. What matters is what we are doing to and for each other right now.

But who cares who won a battle two hundred or more years ago? It puts no food in our grocery baskets today and does not make one contemporary world citizen any better than another. Must we, without any such glamorous disasters or triumphs to remember, conjure up new ones based on petty trifles and deceits?

Who cares about promises that were made by a king or a queen across the ocean centuries before we were born, or what the Governor of New France said to the Governor of New England when Canada was simply a barren waste of ice and snow? It will not help develop a single mine, or ship a bushel of wheat, or compose a bar of music.

I wish I could say it will not create a single newspaper headline!

Young men must have things to believe in and fight for—but surely it is not for the long dead past. Surely, we in Canada have something much better to offer than that, and we who have spent our lives here and who come from all corners of the nation have the right and the duty to suggest to those who follow us that they lay down their history books and allow themselves to dream of a Canada that will truly come first in the hearts and minds of all their countrymen, not just in one tiny corner.

Some Hon. Senators: Hear, hear.

Hon. Mr. Bourque: We are having our fill of dissension, most of it unsoundly based and carried on without rhyme or reason. Responsible citizens despair; universities, sociologists and newspapers set out to discover who is to blame. Finding the answer to that question, if such an answer exists, offers no solution. It matters not who was to blame—what should concern us is what we all together do about Canada today.

Canadians are an individualistic people. There lies one root to our problem. Each of us attempts to justify his position, according to his own history, his own experiences, his own religious beliefs and his own social prejudices. This is not a French fault, nor an English one; it is not the exclusive weakness of the German or the Pole or the Italian or the Japanese. It is a characteristic of all of us, whatever our background, who share this great wide-open land where an individual can still be an individual and is neither regimented nor afraid.

It is a great privilege to be an individual. But it is a dangerous one, too. Carried to extremes it can destroy a nation—and all the individuals who occupy it. Unrestricted, it can lead to the kind of dissension which today, on the eve of her hundredth anniversary, threatens the peaceful future of this wonderful nation.

The people of Canada are a wonderful breed. They have come here over the centuries from almost every country on earth, and they have brought with them skills and traditions, hopes and ambitions which if drawn together could create something entirely new in this world, a true Canadian, not melted down into a common mould but devised and contrived out of diversity. What a noble experiment we have made—and how close we are coming to success. All that we need is a little more patience, a little more understanding and a great deal more willingness to live and let live and to share our national inheritance instead of fighting over it.

If we lived in a poor land, without resources, with no hope of future development, bitterness and tension among us would be understandable. Then neighbour would fight neighbour for the tiny piece of cheese—we would be engaged as so many others have been in a struggle for survival.

But this is not the case. We are twenty million people in a land with staggering natural resources, most of them still uncovered. We are one of the biggest trading nations in the world; trade follows our flag across the seven seas to every island and every continent. We have the second- or third-highest living standard in the world. A greater percentage of our people are gainfully employed, at good wages and salaries, than is the case in almost any other country.

We are young, but we have already bred artists, writers, actors and musicians who

have won international reputations. The produce of our prairies feeds millions of starving people on the other side of the world. Our nickel and asbestos, copper and newsprint support industrial enterprises not only in Canada but abroad.

We have made important contributions to science and medicine, and one of our greatest and most welcome exports has been Canadian brains. However, much we may wrangle and wrestle at home, abroad we are looked upon as a very fortunate people who have come a long way in our first hundred years.

The men and women who have contributed to this portrait of a modern Canada have never come from one single ethnic group nor has any ethnic group dominated our foreign image. Scots, Irish, English, French, Jews, Polish, Italians, Czechs, Chinese, Ukrainians and representatives of many other groups all play on our hockey teams, paint our pictures, act on our stage, write our books and magazines and compose and sing our songs. Creatively, we are still individualists, but our total product makes no distinction between racial or ethnic backgrounds, our religion or our mother tongues.

Art is international: no matter of what origin, creative artists can communicate with each other. In a sense, Canadians are international too; and, just as artists have done, they can learn to communicate and to be creative together to help produce the end product which is health, happiness and good fortune for all.

The energy directed by Canadians today into inter-city, inter-provincial, inter-racial or ethnic group bickering could have created a dozen major industries, built hundreds of miles of roads or sent a rocket half way to the moon. The time, energy and conversation expended in trying to find the goat who is responsible for all our difficulties might have given the world a rich new philosophy capable of leading us all on the way to perpetual peace. How much better reading we could have had in our newspapers, and how much better viewing on our television. And what an example we would have afforded those countries in other parts of the world whose people are not too sure that it will ever be possible for men and women of different ethnic backgrounds and different religions and tongues to live peacefully together in one country.

We believe they can—the whole reason for Canada's existence is based on that belief. We believe that people can share problems and triumphs, failures and successes, riches and poverty, without being squeezed into a test tube and ejected like so many robots, looking alike, talking alike, thinking alike. That is the whole Canadian story: multitudes of people from many different countries crossing an ocean to settle in one vast land where, without giving up their own individuality—without becoming conformists in any sense of the term—they can live their own lives and joyously allow others the right to do likewise.

Who settled the prairies and created out of a wilderness an overflowing breadbasket? Women in heavy shawls and men in sheepskin coats who travelled across a continent on hard wooden seats in cold and drafty colonists' cars; men and women who spoke not a word of either French or English, but who quickly developed a love for the land and bred children who won positions in every walk of life. Why should they suffer or see their future imperilled because a shot rang out in the forests of Quebec or Ontario two centuries ago?

Some Hon. Senators: Hear, hear.

Hon. Mr. Bourque: Who planted the orchards in the Atlantic provinces, built the ships and mined the iron, caught the fish and gave to Canada one of its loveliest playgrounds? Men and women from the villages of Scotland and Brittany, some of whom speak the Gaelic and respond to the bagpipes while others talk a provincial French and follow the customs of Acadia. Are they to suffer or see their futures endangered because someone in Winnipeg dreams of a homeland in Iceland?

Quarrels are easy to start and almost impossible to end. Long after becoming senseless, they go through the generations, like the feuds in the southern states which have kept many Elizabethan colonial tribes from sharing in the prosperity of America. So devoted have these mountain folk been to their hatreds, they have let their share of the great society slip by and are content, or at least compelled, to sit barefoot in the shade plotting additional ways of humbling their enemies.

Ethnic or religious feuds on a bigger scale in a country like Canada can only produce more calamitous results. Instead of a few, smouldering individuals sharpening their knives and cleaning their rifle barrels, we are threatened with whole cities or provinces

rising up to fight over again the battles of the seventeenth and eighteenth centuries, to find revenge or satisfaction against imaginary enemies for indignities suffered by their ancestors centuries before they were born.

This is not the way we will build a great Canada, nor the way by which any of us will achieve real personal satisfaction. There is a positive course we can follow—a straight and honest path that can only bring us to the kind of world in which we all want to live.

Let us first of all come out of the past and into the present. "Je me souviens" is no longer a suitable slogan for the mid-twentieth century, unless I remember only those things which are good and forget those which are bad. Let our historians and teachers accept their responsibilities as citizens of Canada and as citizens of the world and realize that to teach a child to look upon the past with vengeance or retribution in his heart is a dangerous and wicked thing to do. To use the past to teach understanding and respect for other peoples of all races and creeds is a useful and decent contribution to society.

Next, let us realize that even though we live in a competitive society, in Canada there is plenty for all of us if we work together to get it. Price cuts, phoney discounts, misleading advertising and unfair competition never pay in business. They pay even less in the business of nation building. Everybody loses when class fights against class, ethnic group boycotts ethnic group, or when unfair tactics are introduced to maintain racial, economic or religious superiority. Controversy attracts the headlines; it seldom contributes to personal satisfaction or national prosperity.

Finally, whether we are young or old—whether our life in this fascinating and vigorous country is just beginning or whether we have completed our race and concluded our task—let all of us take a few hours or days as we reach the eve of our country's hundredth birthday to do these things: To study ourselves as individuals and a people, to find out what we really are and what we amount to in the scheme of things; to list our virtues and our faults, and to be as frank with the latter as we will be with the former; to study other Canadians who may have a different ethnic, social or religious background than ours and find out what they really are, how they react and how they think, and what they amount to in our scheme of things; to list their virtues and their faults, and to be as frank with the former as we will be with the latter; to ponder on what we have discovered about ourselves and our neighbours and, if possible, to go out and meet a few of those whose tongues or accents may have once repelled us; and then, on the basis of what we have learned, to think of the ways in which all of us could benefit if we worked closer together instead of drawing apart.

That is not a political platform or a program, nor do I intend it as such. For what ails Canada today is not a political problem—it is a problem of human relations, a problem of creating within each one of us the desire to be good Canadians, worthy of this great country which all of us share.

I have not submitted here today a detailed study plan, but knowing as I do that many senators in this chamber share my apprehension about the future of a divided Canada, I sincerely believe that within this chamber lies a great opportunity to be of lasting service to our country. We are senior citizens in Canada, and this can either entitle us to sit back and rest from our labours or present us with the challenge to use our knowledge, experience and relative freedom from political toil to find a cure for a national disease which threatens the death of all that we have worked to create.

I am sure that within this body are many men and women of goodwill, men and women of varying ethnic backgrounds and of varying political faiths, who would, if pressed, willingly give of their time and energy to find a formula which would win universal approbation.

I am not going to suggest that a royal commission be established to hear witnesses, receive petitions and write reports. Royal commissions have their usefulness, but the real problem which besets us is not one which is amenable to formal investigation. It deals with ancient prejudices, unreasonable quarrels and inner disturbances. It is not something which can be reconciled quickly. It requires patience and much long and studied effort.

If a large Canadian merchandising company were suddenly to discover that in certain sections of the country its sales were dropping and its market disappearing, it would do two things. It would spend a lot of money on an opinion poll to discover why its customers were disaffected and then, after removing the cause, would launch a huge public relations program to attract back its former customers.

That, in brief, is what Canada must do at the present time. Canada has lost or is losing customers; it needs to know why; having discovered why, it needs to remove the cause and then it will need to tell all its people and the whole world what Canada is and what Canada means.

If honourable senators, representative of all parts of Canada and all classes and creeds, would consent to serve on such a study commission, I am sure they would be astounded at the support they would receive from serious and concerned citizens in every province and city. We sometimes hear criticism of the Senate and descriptions of its activities and its members that are far from flattering. Should we undertake seriously such an important project, and should we give to it the attention it demands, we would find throughout the entire country a great outpouring of goodwill.

The task is there before us. It will not be an easy one, but successfully performed it will constitute a major triumph for Canada. Its very promise would give to Canada's centennial a new feeling of accomplishment. Celebrating together as one people of varied interests, traditions, languages and beliefs, Canadians would begin their second century as a shining example of man's humanity to man.

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

RURAL ECONOMIC DEVELOPMENT FUND BILL

SECOND READING

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. McDonald for the second reading of Bill C-151, to provide for the establishment of a fund for the economic and social development of special rural development areas.

Hon. Arthur M. Pearson: Honourable senators, I wish to make only a few comments in respect to Bill C-151. At the outset I would say that I support this bill wholeheartedly, but I should like to refer particularly to clause 5(a), which is found on page 2 and which reads:

> For the purposes of this Act, (a) a comprehensive rural development program is a program, consisting of several development projects, that is designed to promote the social and economic development of a special rural development area and to increase income and employment opportunites and raise living standards in the area—

Honourable senators, I discussed this matter with some farmers in Ontario a short time after this bill was published. They were what might be called woodlot farmers—or they were attempting to be woodlot farmers—and they were trying desperately to get into the tree-farming business on their own. Their opinion was that the Government, instead of spending money buying up farms at this time, should be helping the farmers presently in these areas of poverty in a number of ways, such as helping them to enlarge their holdings so that they may raise more livestock, and also by giving them training in the proper handling and feeding of their livestock.

It was also their feeling that where it is essential that an area be turned into forest, and where the Government has acquired the lands in that area, the remaining farmers should be employed, under proper supervision, to assist in the reforestation in the particular area in which they live.

They felt also that forestry should be classed as agriculture, so that the implements used in woodlot farming, if imported, could come in tariff free. Apparently, at the present time, woodlot farmers have to pay a tariff on their implements.

My contention has always been that ARDA was not meant to dispossess farmers, but to give them assistance in solving their problems. If we start in with wholesale dispossession of the farm population in these areas of poverty, we are going to have to face the problem of trying to find employment for those people in urban areas and in reorienting them into a new way of life.

A difficult problem arose in Saskatchewan during the thirties when farmers in the drought-striken areas were offered free transportation if they wished to move. The movement started, and before a year had passed the Government had literally started a fire it could not put out; hundreds of farmers decided to move north where they could get fuel in the parkland country for their homes, and grass for their livestock. Great hardship was suffered by many of these farmers who moved out and who eventually, when the rains came, moved back to the prairie and started again from scratch to reorganize their farms. However, in the present case, if these farmers are moved off their land, and the land

is taken over by the provincial Government, there will be no place to which they can move back. A man who has lived all his life in a rural area will find it difficult to adjust himself to living in an urban centre, particularly if he is past middle age.

Again, I well remember that in the thirties there was a tremendous number of unemployed in the cities. In Winnipeg some businessmen tried to make arrangements for the unemployed to purchase or rent small acreages outside the city, so that they could raise some garden stuff and keep a few head of livestock which, together with the welfare payments they were receiving, would enable them to eke out a living. If we ever run into similar conditions today, we will have enough problems in the cities without adding to them by moving people whose love of land has kept them on it, even though poor, in these local areas.

Land should not be taken out of cultivation if there is any possibility at all of its growing food.

Honourable senators, food and water are the main resources of this country. We should be endeavouring to help these people raise more food, even though in these days that may seem to be a waste because of our present surplus of cereal grains. There is a growing shortage of food in the world, and we shall need every acre of land in this country, and, indeed, in the whole of North America, to help feed the hungry of the overpopulated countries.

I should like to put on *Hansard* part of an editorial that I read in the *Christian Science Monitor* of May 9 last. It commences with a quotation from the Bible:

> "And Joseph gathered corn as the sand of the sea . . . And all countries came into Egypt to Joseph for to buy corn; because that the famine was so sore in all lands."
>
> There are many points of difference between the Egypt of the second millennium B.C. and the United States of 1966. But they have at least one point of crucial similarity. Each foresaw the day when it would be called upon to help feed the world's hungering masses.
>
> Like Joseph, Secretary of Agriculture Orville L. Freeman has recognized that for many years hungry lands will be clamouring more and more instantly at the storehouses of lands fortunate enough to be able to help them through their desperate shortages. To meet this first wave of requests, Washington recently authorized a 15 per cent increase in land planted to wheat.

A little farther on the editorial continues:

> In the future, if there is a move of land in or out of tilth, it is more and more likely that America will see the amount of land under the plough broadening rather than being cut back.
>
> Thus America will almost certainly have to begin to remold its thinking on agriculture, and lay plans for more tillage, still higher yields and even greater farmer efficiency. And what is true of America, will almost certainly be true of neighbouring Canada. Together these richly endowed lands are, happily, in a position to step in and help such lands as need immediate assistance while encouraging these latter to solve their own farm problems.

In conclusion, honourable senators, I am quite agreeable to the allocation of this $50 million, as the Government intends, to certain areas such as the Interlake area, Northern New Brunswick and Eastern Quebec; but to my way of thinking the whole program is too slow and should be speeded up in every possible manner by the present Government. I say this because while there are areas which can be classed as poverty or slum areas in the country, I must warn the Government there are a number of other areas that are on the verge of becoming slum areas, and unless we vigorously push the ARDA program we are going to have a problem on our hands that will make $50 million—to use the words of the honourable senator from Regina (Hon. Mr. Argue)—look like peanuts.

The cost of living is increasing too rapidly. Machinery costs are getting out of proportion in terms of the selling price of farm products. A number of other districts, which at the present time are on the borderline of poverty, are going to be thrown on our hands to be worked out within the same manner as we are trying to deal with the present problem in slum areas.

I must say that the Government has made quite a study of the Interlake area in Manitoba. The departments of the province which are interested in this ARDA program made an intensive survey in 1964 of the needs of that area. They got the farmers into

groups to find out exactly what their needs were.

The federal Government's problem at this time is the training of personnel for field work, or assisting the provinces in training of personnel for field work, so that they can apply the remedy immediately after there has been a substantial amount of research done regarding the needs of the populace.

A steady hand is needed today to guide our country, such as in planting trees only where they give better land use for woodlots and/or recreational purposes, or arranging to build large community pastures, all with the purpose in mind of providing increased employment to farmers in those areas.

I note that the minister in speaking to this bill cited a number of what he considered the essentials of the ARDA program. In reading the brief presented by the Canadian Farm Federation to the Senate Land Use Committee in 1959, I note that the brief uses almost the exact words the minister used in the Commons debate. I am quite sure that the Canadian Farm Federation will be glad to know that the minister is following out their recommendations in the ARDA program.

Hon. Rheal Belisle: Honourable senators, consideration of Bill C-151 gives me the opportunity to say a few words regarding this legislation to provide for the establishment of a fund for the economic and social development of special rural development areas.

Here is a bill with which I cannot quarrel, and I daresay no one else in this chamber will. One cannot read the contents of the bill without coming to the conclusion that the ingenuity and foresight of the Minister of Agriculture in the Diefenbaker Government gave not only inspiration and leadership to the ARDA legislation, but laid a solid foundation for this Government to build on. May I congratulate the present Government for recognizing the wisdom of the former Government.

Honourable senators, I support the bill for several reasons. First: Within its scope it will assure a continually adequate supply of efficiently produced food and fibre to meet our national requirements and our responsibilities to less fortunate people.

Secondly: It aims to foster conditions which will help to improve living standards for farmers and rural people and make them comparable with those of workers in other occupations. May I point out that the concept of the bill is somewhat more expanded than the original ARDA concept. The bill, as I understand it, will provide for the establishment of special rural development areas, an increase in small industries and operations of this type.

Thirdly: As I read the bill, it will assist in the maintenance of the economic farm unit and the continuance of healthy and productive rural communities which historically have provided a healthy, human injection into the urban life.

Fourthly: I support the measure because it will assure the conservation and wise management of our basic soil, forest and water resources, within its limited field of action.

Honourable senators, I am sure we all freely admit that this is experimental legislation which will require determined application by the Government, the co-operation of the provincial governments, and the participation of large numbers of Canadians through the various organizations that will be involved.

While this bill provides for an expenditure of only $50 million, this figure can quickly be increased when the work under this legislation proves successful, proves its popularity and is endorsed by the people it is intended to serve.

I think it was very wise not to launch into a crash program but rather to proceed cautiously and, on the basis of the experience we are able to gain from year to year in the various regions of Canada, to solve some of the basic problems. For instance, the problems in Quebec might be quite different from those in Ontario, or the prairie provinces, or even those related to the region I have the honour to represent, and while it is now known as the nickel capital of the world it once had a large agricultural potential.

It is a well-known fact that country life, because of its slow progress, has a tendency to make our young people shy away from the farm and migrate in increasing numbers to the towns and cities. Of course, the working day is longer and living conditions more difficult for the farmers than for those who live in the city, and young people are discouraged because their parents cannot help them much to settle and continue on farms.

Therefore, the credit given to the farming community, one of the best places for credit one can find, should not be reduced but increased so as to allow young people to settle on farms, for if we allow family farms to disappear we will undoubtedly find ourselves in a difficult situation one day.

Farming, like any other profession, can be learned. It is learned more easily and more rationally in the company of one's parents, brothers and sisters. The trend today is towards larger farms, and farming is considered as some sort of ever-expanding business. However, I am convinced there will always be a place for the family farm.

I should like to point out the great urgency of giving every consideration to the problems of rural life. The farmer is now squeezed between a high cost of living and the cost price, while the sale price of his produce has remained almost unchanged in the last few years. The cost of living is rising continually and the farmer is forced to obtain one loan after another to meet his obligations.

This is not a healthy state of affairs and, sooner or later, unless the necessary remedies are found, the farmer will eventually follow the very abnormal trend of going on strike—to use a much abused word—and before this becomes a plague with that occupation too, action should be taken.

Unless the federal Government assumes its responsibilities and creates conditions which will allow the farmers to continue feeding the nation and other needy areas of the world, we will have to ask ourselves whether we have really done what is necessary. Our duty is to effect legislation which is general in scope and which will give the farmer his due, that is, a fair share of the national revenue.

I think it is wise to limit the amount of money to be spent at this time. I believe the idea that the money supply can be expanded as rapidly as the situation warrants is a good principle of the legislation, and time will prove the validity of this principle. The bill has the support of the Canadian Federation of Agriculture, farmers' unions, fruit growers' organizations, farmers' and womens' institutes and other community groups, particularly those rural community groups which are interested in co-operating with the Government and with the groups directly concerned in making a success of this legislation.

I would like to quote an article from the Sudbury *Star* of May 19. It reads:

> Northern Ontario Economy Overlooked at Ottawa, Too—
>
> Politically it is a misfortune that Northern Ontario is regarded as not much more than a geographical designation (and an imprecise one at that) for the northern part of this province.

Northerners know this to be true in most of their dealings with the provincial and federal governments—nothing special about our problems; the solutions just cost more.

Recently at the federal level, it becomes clear that nobody down there at Ottawa knows about the "North".

Study the debates in the House of Commons! The economic problems of Newfoundland are frequently under discussion. Nova Scotia, New Brunswick and Prince Edward Island are often in the spotlight under the all-embracing title of "the Maritimes". Quebec, of course, is seldom out of the news—it holds the stage front and centre. "The West" and the wheat farmers get special attention. More recently there has been special concern expressed over the economic development of "the Northwest" and its problems.

The observer of the national scene is soon made aware of what could be called the "segmentation" of Canada. He reads of some form of "special assistance" for Newfoundland, the Maritimes, Quebec, the West and the Northwest. But Northern Ontario, with its special problems, is just considered to be "a part of Ontario," and, as seen at the national level of government, with no special needs, we're entitled to no special help at all.

But there are special problems that affect Northern Ontario. They were brought to the attention of the Ottawa government recently by a delegation of 15 Northern Ontario mayors, backed by area business and industry. They argued with some vigor on rail freight rates and the curtailment of rail passenger service affecting Sudbury, for instance.

A study of House of Commons debates over a long period shows that Northern Ontario MPs familiar with northern problems have not spoken up. The Newfoundlanders, Maritimers, Quebecers and Westerners seem to be more effective in catching the ear of government.

There are matters of concern to Northern Ontario that come under national jurisdiction which do not differ greatly from those that plague areas with more active federal representation. One is the question of freight rates. The delegation of mayors sought equalization of

freight rates for the North "so that it won't cost the same to ship a sack of potatoes from the Maritimes as it does from Mattawa or the Blezard Valley to the supermarkets of Toronto.

The mayors would like to see certain industrial areas in the North designated as being qualified for federal tax incentives to attract new manufacturing plants, and the mounting of a federal campaign to promote Northern Ontario as the place of new industry.

The Ottawa government could do a lot for Northern Ontario in assisting its economic development, and without treading on provincial toes. Fast-stepping Hon. Stanley Randall has placed enough on the record in the legislature to show that his department, responsible for economic development in Ontario, is setting a pace the federal government might try to keep up with.

While Ottawa foot-draggers should get busy, above all Northern Ontario needs more "active native spokesmen". If Toronto and Ottawa fail to help, perhaps it's because they do not hear enough about the nature of the problem. More delegations are needed, particularly to Ottawa. And more strident informed voices among Northern MPs must be raised in the Commons concentrating on the economic aspects of the North—for there is already too much political utterance.

Of course honourable senators will note that there is no reference to the Senate in this matter, which provides evidence that there are no foot-draggers in this chamber.

It is gratifying to read that the Bank of Montreal, as one of its centennial projects, is giving leadership in awarding 50 Centennial Farm Leadership Awards of $2,000 each, half in western Canada and half in eastern Canada. The awards will be made "to encourage and expand leadership qualities in people in rural areas to enable them to meet the problems arising from growing technological and scientific advances in agriculture and vastly changed economic conditions." The program is open to all men and women in full-time farming, and the awards are to be made on the basis of value and feasibility of the projects of a candidate's own choosing.

It would be a wonderful thing if other companies and corporations who derive large benefits from the sale of farm produce and farm machinery imitated the lead set by the Bank of Montreal, so that the industry by itself would eventually become self-sufficient and not dependent on the Government.

I sincerely believe that the present Government should be more conscious of this gulf of misunderstanding, as it applies to Government efforts to improve the economic position of our farmers. When they read that the department responsible for the National Art Gallery of Canada is ready to spend $6 million to buy a small picture, even if it is a rare piece of art, I do not think it is an exaggeration to say that it is much more important to spend such a huge amount on the welfare of our farmers who are in dire need of assistance. I was very pleased to hear honourable Senator Pouliot express, in a much more liberal way, the same opinion. There are people who consider as folly the spending of millions on articles which do not directly benefit our citizens.

I am a little overwhelmed at the dimensions of some of our rural problems and I am quite certain that we will never solve them completely unless there is understanding and support for necessary agricultural programs from our urban as well as rural taxpayers. There must be a much wider recognition of the economic problems; and I personally prefer to think of them as challenges. Rural and urban Canada are really indivisible. If we are to enjoy the fullest fruits of our labours and resources in the Canada of tomorrow, we must take a total approach to our economic problems today, a policy approach which recognizes that our rural and urban economies are inseparably integrated.

May I conclude by suggesting that the ultimate purpose of all government agricultural policy, of course, should be to put the family farm on a self-supporting basis. Or, to state it in another way, the long-term goal of government spending to support agriculture should be to eliminate or reduce to a minimum as quickly as possible the need for government support of agriculture.

Obviously, it should not be in the long-term interests of our national economy to subsidize inefficiency in any sector. We profess to be a civilized country where people come first, where the rights of the individual are paramount, and where everyone has the right to an equal opportunity for the good life, in whatever terms that might reasonably be defined. Therefore, we must do our best to manage, with a minimum of dislocation and

hardship to the people involved, this transformation that is taking place in Canadian agriculture today.

Hon. A. Hamilton McDonald: Honourable senators—

The Hon. the Speaker: Honourable senators, I must inform honourable senators that if the honourable Senator McDonald speaks now, it will have the effect of closing the debate.

Hon. Mr. McDonald: Before the question is put there are a few remarks I wish to make in closing the debate.

First, I wish to refer to a suggestion made by honourable Senator Irvine when she spoke on this debate. She suggested that an amendment was necessary to provide that the advisory board should consist of local people rather than senior civil servants. With all respect, I think the honourable lady is a little confused as to the responsibility and duties of the advisory board under this legislation, Bill C-151. The purpose of this board—and the reason it is to be made up of senior civil servants—is to review programs implemented from time to time, and also to consider and review suggested programs submitted to the federal department by provincial departments of agriculture.

Bill C-152, if I might be allowed to refer to it for a moment, makes provision for a local committee which shall advise the province as to what programs are necessary in their community. In the particular legislation now before us the committee referred to will not be promoting programs; they will be passing judgment on the programs brought into effect or on new programs suggested by the provinces. For that reason I cannot see any need for an amendment to accomplish exactly what the honourable senator had in mind.

I was interested in the remarks of honourable Senator Pearson because, as you all know, he comes from my own province. There has been some difficulty in some rural areas of the province so far as poverty is concerned, but I could not quite agree with him when he talked about dispossessing farmers. In my view neither this legislation nor Bill C-152 will have the effect of dispossessing farmers where resources of the area are sufficient, if properly utilized, to provide a decent standard of living for the people who live in the area. This act applies to areas in our provinces where the resources, even if developed to their maximum, will not provide a decent standard of living, and also to areas where the resources when developed will provide a decent standard of living, and it is suggested that in the first case some people must be moved out of the area.

I share his concern when he tells us about moving some of our middle-aged and older people out of the farming community. However, legislation is now available which will make it possible for those people, who because of age are not capable of being retrained, to remain in the community and have their living standard increased through the payment of an allowance. Actually it is the hope of the provincial government of Saskatchewan to move the younger people out of communities where they have no hope of receiving a good level of education or achieving a decent standard of living and to move them into communities where they can be retrained so that they may be absorbed into the urban and industrial life of the province.

One of the greatest needs in Canada today is for more workers. There is hardly a province, in western Canada at any rate, that could not absorb many thousands of additional workers, and this legislation can provide one source of supply to help fill this demand and at the same time help solve the problem of depressed areas across Canada.

Senator Pearson further suggested that the program was too slow. I would point out, however, that the federal Government has nothing to do with the speed with which the program is implemented. It is administered by the provinces.

To my honourable friend Senator Belisle I would say that if in Northern Ontario somebody is dragging his feet, it is not the responsibility of the federal Government. It is the provincial Government that is responsible for implementing programs as such under Bill C-152 or Bill C-151. The programs are suggested by local people in co-operation with provincial officials, and they are then proposed to the national Government and if accepted are brought into being on a shared basis. The speed with which this program and programs under ARDA legislation generally are implemented is the responsibility of the provincial governments.

I hope that in all areas of Canada the local people will present their ideas to the provincial governments who in turn will submit programs to Ottawa where they can be studied with a view to implementation.

As I said when introducing this legislation, I do not consider $50 million is sufficient, but if between now and 1970 we spend $50 million wisely we will have laid the groundwork and will have the right to come back to Parliament to ask for further sums to finish the job.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

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

Hon. Mr. McDonald: I move that the bill be referred to the appropriate standing Committee.

Hon. John J. Connolly: Honourable senators, in view of the fact that the next bill to come before us is expected to go to the Standing Committee on Banking and Commerce, and it is likely that the same minister will be appearing in respect of both bills, it might be appropriate to refer this bill to that committee. I think this would be expeditious.

Hon. Mr. McDonald: That is satisfactory to me. I move that the bill be referred to the Standing Commttee on Banking and Commerce.

Hon. Mr. Brooks: With the understanding that the minister is to appear before the committee?

Hon. Mr. Connolly (Ottawa West): I would hope so. I shall certainly send word to him.

Motion agreed to.

GOVERNMENT ORGANIZATION BILL, 1966

SECOND READING—DEBATE ADJOURNED

Hon. John J. Connolly moved the second reading of Bill C-178, respecting the organization of the Government of Canada and matters related or incidental thereto.

He said: Honourable senators, Bill C-178 is considerably more than a housekeeping bill and considerably less than a revolutionary measure. It was extensively debated in the other place at the resolution stage on May 9 and four other days. It was considered in detail in committee of the whole house on May 25, 30 and 31, and there was some further talk, although very brief, on third reading.

As a matter of convenience to honourable senators, it might be helpful if I begin by giving an outline of the table of contents of the bill.

Sections 2 to 5 deal with the Department of the Solicitor General; sections 6 to 10, the Department of the Registrar General; sections 11 to 14, the Department of Manpower; sections 15 to 21, the Department of Indian Affairs and Northern Development; sections 22 to 26, the Department of Forestry and Rural Development.

Sections 32 and 33 deal with the amendments to the Financial Administration Act respecting the President of the Treasury Board and some other consequential changes.

Section 34 provides for an amendment to the Department of State Act.

Section 35 makes an amendment to the Salaries Act in respect of new ministers who are to be created as a result of this legislation, should it pass, and certain consequential changes.

Section 36 provides for certain transitional provisions.

Sections 37 to 44 deal with the allocation of responsibilities for the administration of certain acts to certain ministers as a result of the changes that are made in the names of various departments and the reallocation of duties.

In a general way, honourable senators, that is a table of contents of this measure. Frankly, when I read it first I was rather bewildered, but I believe that by an analysis of this kind it becomes clear that there are certain clearly defined areas, and if honourable senators will follow the bill as I discuss it I think it will be readily understood.

I should say too that many of the actual transfers of duties which are provided for in this legislation for special reasons have already been carried out under the Public Service Rearrangement and Transfer of Duties Act, and the legislation before us is required, among other reasons, because the names of departments are changed and new ministers, in effect, are being created.

I should add by way of preliminary observation that this is perhaps the most wide-sweeping reorganization and reallocation of functions that has ever been proposed for the public service of Canada in peacetime. I do not mean by that that there have not been extensive reorganizations in other times, but I think the fact this one is as extensive as it is is perhaps a sign of the times, as has

already been referred to today by Senators Bourque and Belisle. It is also a sign of the rapidity with which conditions in all parts of the country and in all areas of the economy are changing.

The purpose of the bill is to attempt to organize departments to deal more efficiently, more effectively and certainly more realistically with modern social and economic patterns of life in Canada, under new and emerging conditions. The action that is taken here—and I am not speaking of the specific action, but very generally at the moment—has been recommended both directly and indirectly at various times by different agencies. For example, the royal commission known as the Glassco Commission made some very wide-sweeping recommendations for change. The royal commission known as the Commission on Canada's Economic Prospects also contained the seeds of some of the ideas that are incorporated in this measure. There have been studies made by the Economic Council of Canada—which body, I believe, enjoys great prestige in this country and certainly in this chamber—which are reflected in part in the terms of this legislation.

There are, of course, some quite exceptional administrators in the Public Service of Canada—a fact we are all proud of—and many of the suggested changes in this bill were put forward by these individuals because they are aware, and in the ordinary course of their duties they are bound to become aware, of the extensive change which is taking place in many parts of the country. But perhaps the real reason for the need for reorganization is the emergence of new economic and social conditions throughout Canada.

Honourable senators, the Government must and does take the responsibility for this legislation, but I would be less than frank if I did not say—and everyone will agree—that two or more governments confronted with these same conditions and situations would be most unlikely to make the proposals identical to those contained in this bill. I believe it is a matter of the judgment and the kind of thinking that goes into the solution of a problem of the type I have been discussing, that really determines the final result. I would think that there are elements in this bill which will and, indeed, have commanded general political approval in all parts of Parliament. I am just as firmly convinced that there are proposals which will be strongly criticized, and some have already been strongly criticized. I can only say that to me, at this time and in these circumstances, the bill seems to be a reasonable proposal. I hope that its provisions commend themselves to the judgment of honourable senators.

I would add one or two further preliminary comments. There has been some criticism that to embody so much legislation in one act adds to the complication of the problem and leads to confusion. I would point out to the lawyers in the house—and, to many other senators who are familiar with the legislative process—that in some respects what is being done here resembles the practice under the Statute Law Amendment Act that has been adopted in the legislatures, wherein many statutes are amended in one statute. There is some similarity between the two.

In the other place, I say quite frankly, there was a procedural advantage. If a resolution had to be introduced with respect to each individual department, be it touched ever so lightly, a special resolution would have been required and the pile-up of parliamentary talk as a result would have reduced the effective working time of the house. That consideration is not one that concerns us in this chamber. But to see the scope of the measure in one bill provides some assistance to honourable senators who desire to see all of the changes being made in perspective; and I hope everyone will agree this is an advantage.

Hon. Mr. Hugessen: That is, to give the whole picture.

Hon. Mr. Connolly (Ottawa West): I think this gives a more complete picture than we would have if we were debating separate bills.

Obviously, the bill should go to a committee, and I would hope that the appropriate ministers of the various departments mentioned, and the officials, would attend the committee meeting so that they may give details that cannot be covered in a discussion in this house. It would be helpful to me if, before the bill goes to committee, an indication were made as to what ministers would be required to appear before the committee. It is no secret that ministers are very busy, but if some notice is given I am sure I can make arrangements satisfactory to the Senate and to the members of the committee.

Honourable senators, these are preliminary and rambling remarks about the bill generally. May I deal now with the particular seg-

ments of it in sufficient detail at least to give some idea of their general tenor, but not in such detail as to weary you.

The Department of the Solicitor General is provided for in clauses 2 to 5 of the bill. This office was formerly a cabinet appointment within the Department of Justice. As honourable senators know, the main responsibility of the Solicitor General is to advise the Government upon the use of the royal prerogative of mercy in capital cases. He does assist the Minister of Justice in certain other respects, but this seems to be his main function. It has been traditional from the beginning.

Hon. Mr. Choquette: It was considered one of the most insignificant portfolios, if I remember well.

Hon. Mr. Connolly (Ottawa West): Perhaps that is so, although some very important people have occupied the position. It is a department, in my opinion, that could have been utilized to much greater advantage—perhaps to the same advantage that the British use it. The Solicitor General in the United Kingdom is quite a different type of officer; he is a very important cabinet member.

This bill proposes in clauses 2 and 3 that there be a new department with a minister, a deputy minister and the necessary staff. The additional duties of the Solicitor General are set out in clause 4. He is to be charged with the administration of matters touching reformatories, prisons and penitentiaries. He is to deal with parole and remissions, and he is to be the minister to whom the Royal Canadian Mounted Police will report. The agencies dealing with these matters are self-contained units within the Department of Justice, or ones that report directly to the minister.

These new duties, as honourable senators readily see, cover enforcement and correctional activities presently in the Department of Justice. They are functions which require special and continuous attention, particularly having regard to the increase in crime in Canada, provincially and interprovincially and, indeed, internationally.

This new disposition of functions will provide a greater opportunity for correctional programs and penal reform and rehabilitation, which are subjects that have been debated extensively by very responsible people over the years. I think an opportunity for giving them higher priority in the administration of justice in Canada will emerge from the proposals contained in clause 4. It is my personal opinion that heretofore the tasks devolving upon the Minister of Justice were more than any individual minister should be asked to embrace, and there is much to be commended in the provisions of clause 4.

Hon. Mr. Roebuck: Does clause 4 state all the duties of the Solicitor General, or will he have other duties under other statutes?

Hon. Mr. Flynn: No; that is all.

Hon. Mr. Roebuck: Is this all-inclusive?

Hon. Mr. Connolly (Ottawa West): I am talking now about his general functions, if I may call them that.

I should draw the attention of the house to the fact that these clauses dealing with the Department of the Solicitor General should be read in conjunction with clause 37, wherein it is provided that the words "Solicitor General" should be read for the words "Minister of Justice" in certain pieces of legislation, and for the names of other ministers in other statutes. I refer honourable senators to Schedule A at page 20, of the bill, from which it will be seen that the Solicitor General will have administrative responsibility for the Parole Act, the Penitentiary Act, the Royal Canadian Mounted Police Act, the Royal Canadian Mounted Police Pension Continuation Act, the Royal Canadian Mounted Police Superannuation Act and the Prisons and Reformatories Act. The Solicitor General will be responsible for the administration of those statutes.

I have been talking not in terms of statutes, but of general functions. However, I am glad the question was asked because it enables me to say here and now that while the new functions are described in those clauses of the bill dealing with the Department of the Solicitor General, the statutes for which this minister will be responsible are set out in Schedule A. This applies in nearly every case.

Hon. Mr. Choquette: Is my honourable friend in a position to say whether the solicitor general will be the only person entitled to have access to the files of the Royal Canadian Mounted Police?

Hon. Mr. Connolly (Ottawa West): I cannot answer that question at the moment. I would think that certainly the Minister of Justice would have access to such files when he has to give an opinion. Perhaps I had better say

that in the result of the setting up of this department the Minister of Justice becomes, in effect, the legal adviser of the Crown. He becomes the law officer of the Crown or the law firm to which the Crown turns. As such, I would think that he would have access to whatever is required in order for him to discharge any function he is called upon to discharge as Attorney General of Canada, and that would include access to the information my honourable friend mentioned.

Hon. Mr. Roebuck: Would not access to the files be under the control of whoever manages the Royal Canadian Mounted Police?

Hon. Mr. Choquette: I would think so.

Hon. Mr. Roebuck: And access will be given to those whom that gentleman thinks should have it.

Hon. Mr. Connolly (Ottawa West): Precisely, but certainly the Minister of Justice would be an obvious example of a minister who would require access.

Hon. Mr. Brooks: If not, he should not be Minister of Justice.

Hon. Mr. Connolly (Ottawa West): If not, then the Solicitor General should become the Minister of Justice. There must be a Minister of Justice.

May I turn now to clauses 6 to 10, dealing with the Department of the Registrar General. Clauses 6 and 7 provide for a new department with a new minister and deputy minister and the necessary staff.

The duties of the Registrar General may be described as those concerned with the economic aspects of national life within federal jurisdiction. This minister will be responsible for the administration of matters touching combines, monopolies and the Restrictive Trade Practices Commission, which duties he will take over from the Minister of Justice. He will be responsible also for the administration of the Bankruptcy Act which is now under the Department of Justice. He will also be responsible for the administration of corporate affairs, the Canada Corporations Act, now in the Department of the Secretary of State. He will take over responsibility for patents, copyrights and trade marks from the Secretary of State. I suppose it is fair and reasonable to say that this department will have special concern for consumer interest in economic life.

No doubt a good deal of this work will be influenced very considerably on recommendations by the Economic Council of Canada. I suppose, too, that it is appropriate to say, as the *Financial Times* said on December 27 last, that it will be a department concerned in federal jurisdiction with the problems of business in the country within the four corners of the section setting out the duties.

This minister will in fact be responsible for many pieces of legislation. The sections dealing with the Registrar General must be read with section 38. Schedule A sets out the various acts for which the minister is immediately responsible. They are as follows: Canada Corporations Act, Combines Investigation Act, Trade Marks Act, Copyright Act, Patent Act, Timber Marking Act, Industrial Design and Union Label Act, Bankruptcy Act, Boards of Trade Act, Farmers' Creditors Arrangement Act, Pension Fund Societies Act, Part I of the Winding-up Act and The Trading with the Enemy (Transitional Powers) Act.

Hon. Mr. Roebuck: And seemingly possession of the Great Seal?

Hon. Mr. Connolly (Ottawa West): No; the Great Seal would still remain with the Secretary of State, unless I am mistaken, Senator Roebuck. In general, I think that is all I need say at this stage on the Department of the Registrar General.

I come next to the Department of Manpower and Immigration, which is dealt with in sections 11 to 14. Here again, there is a proposal for a new minister, a new department, a deputy minister and staff. The duties of the Minister of Manpower and Immigration are set out in section 13. They include the development and utilization of manpower resources in Canada, responsibility for employment services, as well as for immigration.

Honourable senators, I think it is right to say that the genesis of the proposal in this section of the bill is to be found in a committee of this house, namely, the Senate Committee on Manpower and Employment, which sat a few years ago, and for the first time highlighted the importance of the new manpower requirements in the Canadian economy. This was reflected later in the first report of the Economic Council of Canada. Perhaps that was natural, because the staff work for the Senate committee was done by the President of the Economic Council, Dr. Deutsch. The report was also commented upon by the Glassco Commission.

Generally speaking, the purpose of all these studies was to consider the potential output of the labour force of Canada in the light of the technological changes that were taking place.

In setting up this department there have been transfers of functions. From the existing Department of Citizenship and Immigration, responsibility for immigration is now vested in the Department of Manpower and Immigration.

In the Department of Labour, the minister will take over the National Employment Service, Technical and Vocational Training Programs, Manpower Consultative Services, the Research Branch dealing with manpower problems, occupational mobility, geographical mobility of workers, winter employment, and subjects of that kind and allied thereto.

These sections should be read in conjunction with section 39, which is really a consequential section with Part III of Schedule A which gives the minister responsibility for the Immigration Act, Immigration Aid Societies Act, Technical and Vocational Training Assistance Act, Section 21 and Part II of the Unemployment Insurance Act, Vocational Rehabilitation of Disabled Persons Act, and Reinstatement in Civil Employment Act.

Perhaps the establishment of the Department of Manpower and Immigration is one of the most important aspects of this legislation. I think, too, the establishing of a separate department of government is recognition of the urgency that is required if Canada is to hold her place competitively in the markets of the world and if her economy is to move ahead in step with other modern economies.

May I now deal briefly with the Department of Indian Affairs and Northern Development.

The pertinent sections are 15 to 21. Again the minister is provided for, as well as a department, a deputy minister and staff. The duties are set out in section 17. To summarize them, they include responsibility for Indian Affairs, the Northwest Territories and the Yukon Territory and their resources and affairs, Eskimo affairs, national parks, national battlefields, historic sites and monuments, and migratory birds and other wildlife.

The minister will also be responsible for co-ordinating the activities in the Northwest Territories and the Yukon Territory of the several departments, branches and agencies of the Government of Canada.

The minister will be responsible for undertaking and promoting programs for the further economic development of the Northwest Territories and the Yukon Territory, and for fostering, through scientific investigation and technology and research, greater knowledge of Canada's north and of the means of developing that area.

The minister will also have the control, management and administration of all lands situated in the Northwest Territories and the Yukon Territory belonging to Her Majesty in the right of Canada, except those lands under the control of any minister other than the Minister of the Department of Northern Affairs and National Resources.

The minister will be responsible for the administration of all acts, orders and regulations not by law assigned to any other minister.

I should say that the present department, whose name is almost identical with this one, is quite different. The new department, first of all, loses control over water resources development which formerly belonged to the Department of Northern Affairs and National Resources, except water resources development on Indian lands and certain areas in the far north.

This department also loses jurisdiction, as against the Department of Northern Affairs and National Resources, over certain power and water developments as set out in Order in Council P.C. 2284. Its nondepartmental responsibilities, however, will include responsibility for the government of the Yukon Territory, the Northwest Territories, Northern Canada Power Commission, Northern Transportation Company Limited, which operates mainly on the Mackenzie River, and the National Battlefields Commission and Historic Sites and Monuments Board.

The sections dealing with the department should be read with section 40 and also with Schedule A Part IV, which gives a long list of acts for which the minister is directly responsible. I do not think I need to read these acts, because substantially I have already given their general tenor in my description of his duties. Perhaps this is a matter which can be looked at in committee if further information is desired.

Generally speaking, this minister will have jurisdiction over the federal interests in the sense that I have described them, north of the sixtieth parallel of latitude. There are a few islands in Hudson Bay which do not fall

within this jurisdiction. I think they go with the Northwest Territories. This is a detail which can be dealt with in committee.

May I deal now, honourable senators, with the Department of Forestry and Rural Development, sections 22 to 26 of the bill.

Section 22 provides for renaming the Department of Forestry. The minister is renamed and provision is made for a deputy minister and staff. The duties of the minister include matters within the federal jurisdiction touching generally the forest resources of Canada and rural development in Canada. He has special authority in these fields for research studies, investigations, the establishment of experimental areas, for making agreements with provinces which will further the duties or the responsibilities that he carries and for the ARDA program. As honourable senators know, the Maritime Marshlands Rehabilitation Act is now merged with ARDA, so this minister will also be responsible for that program.

He will be responsible too for the Feed Grain Assistance Program, for the freight assistance in connection with feed grain, and for the storage that is required during the winter months. This minister will also be responsible for the Eastern Rocky Mountain Conservation Act. Honourable senators will remember that in 1947 a 25-year agreement was made with the Province of Alberta which dealt with conservation, particularly of the water resources on the eastern slopes of the Rockies, and which constitutes the important water shed of the Saskatchewan River basin. This will fall within his jurisdiction.

I come now to the proposed Department of Energy, Mines and Resources, the predecessor of which was so ably presided over in other years by two senators, the honourable senator from Kenora (Hon. Mr. Benidickson) and the honourable senator from Quebec City (Hon. Mr. Flynn). I am sure they will have much to say or think about my explanation of the provisions of this section of the bill.

Section 27 deals with the establishment of the department and the appointment of a new minister. Section 28 provides for the appointment of a deputy minister and a staff.

The powers which this new minister and new department will be asked to discharge are set out in section 29. They extend to energy, mines and minerals, water and other resources, explosives and technical surveys within the meaning of the Resources and Technical Surveys Act.

At this point I should put upon the record some of the nondepartmental responsibilities for which this minister and this department will be responsible. They include the National Energy Board, the Dominion Coal Board, Eldorado Mining and Refining Limited, Northern Ontario Pipe Line Crown Corporation, Eldorado Aviation Limited, Atomic Energy Control Board, Atomic Energy Canada Limited.

These agencies operate under the authority of certain acts, which are set out in Schedule A, Part V. I need only refer senators to the Schedule.

Sections 27 to 31 should be read in conjunction with section 41, which section simply provides for the substitution of the name of the new minister for the old, in cases where this is required.

This minister and this new department will be responsible for integrating regional and national policies and programs for energy, water, mineral and other resources and for all of the technical programs related thereto.

The royal commission popularly known as the Glassco Commission proposed, among other things, that responsibility for water resources should go to the Department of Mines and Technical Surveys, as it has been known. This bill accomplishes that. This department will be generally responsible for the great energy requirements of the country and for solving the problems related thereto. So it will work not only with the officials in its own department but with the universities, with the National Research Council and, I am sure, it will take a great deal of advice from the recently established Science Council.

Hon. Mr. Lang: Honourable senators, may I ask a question? Looking at section 21, I note that the control over crown lands not vested in the Minister of Indian Affairs falls under the administration of the Minister of Public Works. Then, under section 29, I note that the jurisdiction over mines is vested in the department under the Minister of Energy, Mines and Resources. What would be the case of mining lands vested in the crown in right of Canada? Do they fall under Public Works or under Energy, Mines and Resources?

Hon. Mr. Connolly (Ottawa West): Generally speaking, mineral rights which are in crown lands, described as Indian lands, are administered by the crown on behalf of the bands of Indians who live on those lands. I do not know if that answers the question the honourable senator is asking. I know that in

this respect I am right, that minerals under crown lands are administered by the crown on behalf of the Indian bands on the reservations there.

Hon. Mr. Lang: Generally speaking, of course, crown lands are provincial in nature, but I think there are a few anomalous situations where there are crown lands vested in the Crown in right of Canada.

Hon. Mr. Connolly (Ottawa West): Yes, in the far north.

Hon. Mr. Lang: No, within the jurisdiction of, and the geographical boundaries of the provinces.

Hon. Mr. Connolly (Ottawa West): There may be.

Hon. Mr. Lang: I wonder under what department they will fall.

Hon. Mr. Connolly (Ottawa West): If they are federal lands, presumably they would be under federal jurisdiction, unless the natural resources had been separated by some act or agreement with the province. It would be rather difficult for me to answer that question categorically. I would ask the honourable senator to put it in committee. If he has some specific area in mind, he could bring that to the attention of the committee also.

Perhaps I have said enough on that section and indeed perhaps I have said enough on the bill. I certainly have said enough on the Department of Energy to indicate to Dr. Sullivan that my own energy is running down a little bit. I really have little to add.

Honourable senators, I come to the Department of the Secretary of State, under section 34. This is really an amendment to the Secretary of State Act and changes the powers of the Secretary of State. That minister will be responsible now for citizenship and for elections; for state ceremonial and the custody of state documents and records; for the encouragement of literary, visual and performing arts, learning and cultural activities, libraries, archives, historical resources, museums, galleries, theatres, films and broadcasting, and also for the control and management of the National Museum of Canada. This department looks after the administration of the Trade Marks Act, the Copyrights Act, the Patent Act, the Industrial Designs Act, the Companies Act, all of which go, as I have indicated earlier, to the Department of the Registrar General.

May I refer, honourable senators, to Schedule A, Part VI, which vests authority in this minister for the Canadian Citizenship Act and the Public Archives Act. As I have indicated the functions are much wider in scope than the administration of those two pieces of legislation. I should add that section 34 should be read with section 42 for the reason I have already given.

I am sure you are all glad to know that this is the last department with which I shall deal.

The Financial Administration Act, section 32, makes provision for a new minister as President of the Treasury Board, in the place of the Minister of Finance. The President, the Minister of Finance and four other ministers will constitute the Treasury Board. This was a recommendation of the Glassco Commission, and I think it is a sensible reform to undertake. The duties of the President of the Treasury Board are set out at page 10, section 4. While these do not look very formidable, in my view this is one of the most important offices of government since this is where the real control of the purse strings lies.

> 4. (1) The President of the Treasury Board holds office during pleasure and shall preside over meetings of the Board and shall in the intervals between meetings of the Board exercise or perform such of the powers, duties or functions of the Board as the Board may, with the approval of the Governor in Council, determine.

The staff of the Treasury Board is not a large one. It is generally administered in the Privy Council offices, but there will be further legislation before Parliament which will indicate that in addition to the ordinary functions of presiding over the Treasury Board meetings, the President of the Treasury Board will also deal with collective bargaining problems on behalf of the employer with the agencies in the public service, as indeed he did in the postal strike last summer.

Now, honourable senators, I have wearied you, I know—

Hon. Mr. Roebuck: Not at all.

Hon. Mr. Connolly (Ottawa West): —but I have tried to simplify as much as I could a rather complicated looking piece of legislation. It is not, however, as complicated as it looks. I shall be glad to answer any questions I can, but I truly think this is a bill for

committee. I am not urging that it should go there without debate, but I do give the undertaking that if given second reading it will be referred to the Standing Committee on Banking and Commerce.

Hon. Mr. Choquette: Translators used to come under the Department of the Secretary of State, and I see no mention of them now. Do I take it, since they are not mentioned, that they remain there?

Hon. Mr. Connolly (Ottawa West): I should have the answer to that readily.

Hon. Mr. Flynn: It is in section 42.

Hon. Mr. Connolly (Ottawa West): I have some information here. Among the departmental functions remaining under the Secretary of State will be the Translations Bureau and the National Museum of Canada. The Secretary of State will also be responsible for parliamentary returns and will control and direct the National Library, the Public Archives, the National Film Board, the National Gallery, the Department of Public Printing and Stationery Publications Branch.

The Secretary of State is also spokesman in Parliament and has certain responsibilities for the Board of Broadcast Governors, the Canadian Broadcasting Corporation, and the Centennial Commission. The National Arts Centre is now under the direct control and supervision of the Secretary of State. That minister is also spokesman in Parliament for the Canada Council, the Civil Service Commission, the Representation Commission, and the Chief Electoral Officer. I think that gives the full scope of the duties of that department.

Hon. Mr. Roebuck: The Secretary of State is the one who shall buy the pictures.

Hon. Mr. Connolly (Ottawa West): Or rent them.

Hon. Mr. Molson: May I ask a question? I am not clear whether or not the President of the Treasury Board is a member of the Privy Council. The way the section reads, it is rather ambiguous. I am referring now to subparagraph (2) of paragraph 3 on page 10.

Hon. Mr. Connolly (Ottawa West): I think the answer lies in subsection 3(1) of clause 32, on page 10:

> 3. (1) There shall be a committee of the Queen's Privy Council for Canada called the Treasury Board over which the President of the Treasury Board appointed by Commission under the Great Seal of Canada shall preside.

Hon. Mr. Bourget: It is not very clear.

Hon. Mr. Molson: Is the President to receive two salaries? It is set out that the President will receive a salary of $15,000, as will all other ministers.

Hon. Mr. Connolly (Ottawa West): This is a drafting problem. I will ask my honourable friend to deal with it in committee, but I would be quite sure that not only the Treasury Board but also other ministers would be careful to ensure that they did not receive a salary as a minister, as a member of the Privy Council and as a member of the Treasury Board. Since we are talking about salaries, there is given a list of salaries to be paid to ministers, and honourable senators will note that there is no provision for a salary for a minister without portfolio. I do not know whether I am going to go unpaid or not.

Hon. Mr. Flynn: That is provided in another section of the act.

Hon. Mr. Connolly (Ottawa West): I wanted the jolt there.

Hon. Mr. Roebuck: I am rather mystified by this section about the Treasury Board. It is quite clear by this act that only members of the Privy Council may be members of the Treasury Board. Am I correct in thinking that in the past other than ministers have sat on the Treasury Board? If I remember correctly, for a long time the Deputy Minister of National Revenue, Mr. Sim, was a member of the Treasury Board.

Hon. Mr. Connolly (Ottawa West): I think he may have been an official, but not a member. The only members of the Treasury Board are members of the cabinet and Privy Council. This I know from past experience.

Hon. Mr. Brooks: I think others can act as advisers, if I remember correctly.

Hon. Mr. Connolly (Ottawa West): When there are special problems in relation to their own departments.

Hon. Mr. Burchill: Am I correct in thinking that the subject of immigration comes under the Department of Manpower, but citizenship comes under the Department of the Secretary of State? If this be so, it is a pretty fine line to draw, is it not?

Hon. Mr. Connolly (Ottawa West): I should not think so. I regard the problems of immigration of an order completely different from those of citizenship. The flow of people, the numbers of people, the types of people who immigrate, I think, have a special meaning and occupy a special place in the administration of the policy of the Government. When it comes to citizenship, this is more a matter of a person who is living here and whose rights can be decided quite apart from the other problems of the inflow of people from abroad.

Hon. Mr. Roebuck: They have been separate branches in the past.

Hon. Mr. Choquette: Honourable senators, if there are no other questions to be asked of the sponsor of this bill, I move the adjournment of the debate. I would also request that this item be placed first on the Orders of the Day for tomorrow, because I anticipate there are several honourable senators on both sides of the house who will want to speak on this matter. Perhaps we could deal with the rest of the Orders today and start with this item tomorrow. That is my request.

Hon. Mr. Connolly (Ottawa West): That is quite agreeable to me. I am sure it meets with general approval.

Hon. Senators: Agreed.

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

FAIR WAGES AND HOURS OF LABOUR ACT

BILL TO AMEND—SECOND READING—DEBATE ADJOURNED

Hon. Donald Smith moved the second reading of Bill C-2, to amend the Fair Wages and Hours of Labour Act.

Hon. Mr. Brooks: I notice on the agenda which was issued that second reading of this bill was to stand.

Hon. Mr. Connolly (Ottawa West): That was the original intention, honourable senators, but when Senator Choquette came to see me a little earlier he thought that instead of debating the Government Reorganization Bill and having further speeches on it now, we might have the explanation of Bill C-2 at this time. I have no objection to it being adjourned immediately thereafter. I am informed by the sponsor of the bill that the explanation will be short.

Hon. Mr. Brooks: There is no objection to that. The only objection I would have is that other honourable senators, not now present but intending to speak, may have taken this arrangement as definite.

Hon. Mr. Connolly (Ottawa West): There is no intention of asking for second reading today.

Hon. Donald Smith: Honourable senators, unless I surprise myself and am completely carried away, I undertake to occupy only a few minutes of your time.

This is rather a simple bill which does a simple thing of some importance to those upon whom it will have an effect. I would like to see this bill progress as rapidly as possible because of my own personal realization of the effect that will flow from the provisions which are being added to the Fair Wages and Hours of Labour Act and, in particular, in my own constituency where we are expecting some further tenders to be called on that difficult-to-pronounce national park down in Nova Scotia, the Kejimkujik National Park.

Perhaps I might be permitted to say that it was my privilege last year to move second reading of the legislation dealing with the establishment of the Canada Labour Code, and it is an equal privilege for me to make some remarks on second reading of this companion bill to that legislation, with which Parliament dealt at the last session.

The Fair Wages and Hours of Labour Act, which this bill amends, has been in effect since 1935, and it has established over the years minimum standards of wages and hours of work to be followed by contractors carrying out federal construction contracts. These standards have been related to local rates and conditions in effect in the various regions of Canada which could be accepted as being, as the old act says, "fair and reasonable." These standards will be spelled out in the amended act too, but, in accordance with the undertaking which was given last year by the Minister of Labour on behalf of the Government, during the consideration in Parliament of the Canada Labour Code, these proposed amendments will bring the Fair Wages and Hours of Labour Act into conformity with the minimum standards of the Labour Code.

I might say, for what it may be worth, that this bill was discussed in the House of Commons at various stages in great detail

and was then referred to one of their new standing committees, where a number of days were occupied in conducting a thorough examination of the bill. The point I am coming to is that the bill was unanimously reported out of the committee without amendment.

I wish to enumerate very briefly the principal changes which are to be brought about by this bill.

In the first place, to the present definition of "fair wages" will be added these words:

> —and shall in no case be less than the minimum hourly rate of pay prescribed by or pursuant to the Canada Labour (Standards) Code.

Therefore, in future it will be a condition of Government construction contracts that the present labour standards rate of $1.25 per hour will be the minimum rate; but, of course, in many localities the actual rate will be higher than this minimum.

Secondly, the present act provides that the working hours on Government contracts shall not exceed eight hours per day or 44 hours per week, except in special cases with the approval of the minister or in cases of emergency. The new section will provide, in accordance with the Canada Labour Code, that persons in such employment shall be paid at an overtime rate of time-and-a-half for hours worked more than the standard eight hours a day or 40 hours a week. The significant change is to reduce the number of ordinary working hours undertaken at regular rates from 44 to 40 hours a week. It is provided, however, that the working hours shall not exceed the eight hours per day standard, or a total of 48 hours per week, including overtime, except where authorized by permit. The change involved extends the 44-hour limit to 48 hours, and it relieves the situation where permits would have to be granted in more cases than would otherwise be necessary.

Hon. Mr. Davies: Are eight hours of that total to be paid at overtime rates?

Hon. Mr. Smith (Queens-Shelburne): If someone worked more than eight hours in any one day, those hours beyond the eight hours in any one day would be paid for in this classification of employment at time-and-a-half. If during a week a man worked more than 40 hours, those hours beyond the 40 hours would be paid for at time-and-a-half his regular rate of employment

Hon. Mr. Denis: Does it mean that Saturday does not count? It is five days a week, and eight hours a day; that is 40 hours a week. What happens to men who work on Saturdays?

Hon. Mr. Smith (Queens-Shelburne): I am very sorry, but I do not understand the honourable senator's point.

Hon. Mr. Denis: The honourable senator mentioned eight hours a day and 40 hours a week. Does this mean that if somebody works on a Saturday he will be paid an overtime rate, such as time and a half?

Hon. Mr. Smith (Queens-Shelburne): There is nothing in the Canada Labour (Standards) Code about working on Saturdays. The two main provisions are that the regular working day shall be one of eight hours duration, and the regular work week shall be one of 40 hours. Any man who, in either of those periods, works more than the regular hours is entitled to overtime pay. This is the same principle that is adopted in private industry.

Honourable senators, it is important to mention that in this bill provision is made for the first time for a penalty. In future for each failure to comply with any of these conditions—and these amendments provide they shall form part of the contract entered into between Her Majesty the Queen and the contractor—the contractor must pay to Her Majesty the sum of $50. This is a quick way of penalizing a contractor for not carrying out the provisions of the bill, and without making it necessary for inspectors to be continually on the job examining books and allocating the amounts of pay. It can be ascertained readily whether a contractor has broken the law in this respect, and if he has he will be subject to a penalty of $50. In other words, a few sharp teeth are being placed in the act.

Hon. Mr. Roebuck: Will the employer also have to pay the wages he ought to have paid?

Hon. Mr. Smith (Queens-Shelburne): Yes, that provision is being continued. It is in the original act. It is important to make that point.

I should point out also that the regulations section of the act is enlarged, by giving authority to make regulations for the enforcement of nondiscriminatory fair employment practices which are required to be observed in carrying out construction contracts for the Government.

None of these new provisions—perhaps this is obvious—should be applied to those contracts already entered into, or to those for which tenders have been called before the act comes into force by proclamation of the Governor in Council.

It may be of interest to honourable senators to know that federal Government contracts—that is, contracts to which this act applies—involve about three per cent of the construction in Canada. The remaining 97 per cent comes within provincial jurisdiction.

It will be obvious that in many parts of Canada these new minimum standards of wages and hours of work applying to federal construction contracts will have little effect because of the high wage rate structure that prevails in those parts, but in other areas of the country the effects of this bill will be considerable. Its greatest effect, as has been the case in respect of the Canada Labour (Standards) Code, will be felt in my own province of Nova Scotia. The Canada Labour (Standards) Code has had a considerable influence upwards on the provincial standards. I am quite conscious of the fact that because of the relatively lower standards of wages and hours of work that exist in most rural areas of the country, these amendments will have direct significance and will be well received by those who are likely to be employed on federal construction contracts, such as those in connection with national harbours and the multi-million dollar national park undertaking in my own province.

Honourable senators, I think that is a sufficient explanation of the intent of this bill, and I seek your favourable consideration of it. If, as the debate develops, honourable senators feel it should be referred to a committee for consideration, then I will be very glad to move that it be referred to an appropriate committee.

Hon. Mr. Isnor: Would the honourable senator be good enough to enlarge on clause 5? I have in mind mail contracts for periods of two, three of four years entered into last year. Would they be affected by the passage of this bill?

Hon. Mr. Smith (Queens-Shelburne): No. I am in a position to answer that directly. Mail contracts cannot be classed as construction contracts. The act which this bill amends has application only to construction contracts awarded by the Government of Canada.

Hon. Mr. Molson: Honourable senators, may I ask the honourable sponsor of this bill a question? He said that for the first time teeth were being put into the act. From a reading of the new section 3(1)(c) it seems to me that they are substantial teeth, because that paragraph reads "... in respect of any employee—" If a fairly large contractor with a thousand employees on the job does not pay proper wages, then he may be in a very vulnerable position. Is this the honourable sponsor's interpretation of that provision?

Hon. Mr. Smith (Queens-Shelburne): I am at a loss to answer that question. Perhaps during the course of the debate one of my legal friends will assist me. My honest answer is that I do not know. I would assume that the Department of Labour, as in most other matters, operates in a very reasonable fashion, and that it is not its custom to put undue burdens upon people with whom it does business. I would expect that they would administer the act in such a way as not to make it difficult for anybody.

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

DIVORCE

FIRST REPORT OF JOINT COMMITTEE ADOPTED

The Senate proceeded to consideration of the first report of the Special Joint Committee of the Senate and House of Commons on Divorce, which was presented yesterday.

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

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, June 9, 1966

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

Prayers.

PUBLIC SERVICE

JOINT COMMITTEE—COMMONS MEMBERS

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons to acquaint the Senate that the following members of the House of Commons will serve on the part of that House on the Special Joint Committee on the Public Service: Messrs. Aiken, Ballard, Bell (Carleton), Caron, Chatterton, Crossman, Émard, Faulkner, Hymmen, Isabelle, Keays, Knowles, Lachance, Leboe, Lewis, MacRae, McCleave, Munro, Orange, Ricard, Richard, Rinfret, Tardif and Walker.

DOCUMENT TABLED

Hon. John J. Connolly tabled:

Statutory Orders and Regulations published in the *Canada Gazette* Part II, of Wednesday, June 8, 1966, pursuant to section 7 of the Regulations Act, chapter 235, R.S.C., 1952. (English and French texts).

PRIVATE BILLS

THE INTERNATIONAL SOCIETY OF ENDOCRINOLOGY—REPORT OF COMMITTEE

Hon. Maurice Bourget, chairman of the Standing Committee on Miscellaneous Private Bills, reported that the committee had considered Bill S-29, to incorporate The International Society of Endocrinology, and had directed that the bill be reported without amendment.

THIRD READING

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

Hon. Hartland de M. Molson: Honourable senators, with leave of the Senate, I move that the bill be read the third time now.

Motion agreed to and bill read third time and passed.

MENNONITE CENTRAL COMMITTEE (CANADA) —REPORT OF COMMITTEE

Hon. Mr. Bourget, Chairman of the Standing Committee on Miscellaneous Private Bills, reported that the committee had considered Bill S-37, to incorporate Mennonite Central Committee (Canada), and had directed that the bill be reported without amendment.

THIRD READING

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

Hon. Gunnar S. Thorvaldson: Honourable senators, with leave of the Senate, I move that the bill be read the third time now.

Motion agreed to and bill read third time and passed.

ADJOURNMENT

Hon. John J. Connolly: Honourable senators, I move, with leave, that when the Senate adjourns today it do stand adjourned until Monday, June 13, 1966, at 8 o'clock in the evening.

Senator Brooks and I, with other senators, have been trying to determine what might best be done about the volume of work we have on hand and the prospect of receiving more. We are agreed generally that the best course to adopt is to reassemble on Monday night next, as this would give the committees an opportunity to discuss some of the legislation now before the chamber.

Motion agreed to.

HON. NORMAN A. MACKENZIE

FELICITATIONS ON ELECTION AS NATIONAL PRESIDENT OF ASSOCIATION OF CANADIAN CLUBS

Hon. David Walker: Honourable senators, the Senate has been honoured again. Yesterday, the honourable Senator Norman MacKenzie, former President of the University of British Columbia, was signally honoured by being elected National President of the Association of Canadian Clubs.

This very great honour is but a continuation of the many honours he has been garnering in the course of a very useful life which is far from over. As a former student of his at the University of Toronto, I am sure I speak for all senators in extending to him heartiest congratulations.

Hon. John J. Connolly: We are all most grateful to Senator Walker for what he has said of his former professor. Perhaps I might add that the professor too should be proud of his student.

I understand an announcement has been made in the other place today that the same honourable gentleman has been asked to undertake some arduous duties in connection with conciliation work in a very important segment of the economy. The sense of fairness which has always actuated this honourable gentleman in his career will undoubtedly be displayed again on this occasion. He is performing a great public service in taking on this burden of extra work, and I know I speak for all honourable senators in wishing him well in his new duties.

GOVERNMENT ORGANIZATION BILL, 1966

SECOND READING

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Connolly (Ottawa West) for the second reading of Bill C-178, respecting the organization of the Government of Canada and matters related or incidental thereto.

Hon. Lionel Choquette: Honourable senators, I think that the highest compliment I can pay to the Leader of the Government (Hon. Mr. Connolly, Ottawa West) who sponsored this bill yesterday is to say that he made an able presentation of a badly-drafted and ill-conceived bill. We could refer to his efforts as what the French people call a *tour de force* or quite a feat.

Despite a close reading of the debates of another place, and despite the explanation which was given so ably yesterday, I must say that in my opinion a number of mistakes have been made by the Government in connection with this measure.

It may be true, as the Prime Minister insisted, that the inclusion of these extensively diverse matters in one composite bill would enable the Government to accomplish its massive reconstruction of ministries and ministerial functions in one fell swoop. It might have been considered that the Opposition would be overpowered by the magnitude of the undertaking, the complexity of the matters dealt with, and the expertise required to reply effectively to the proposals made. In my opinion, however, this bill is neither more nor less than a lazy man's load. It would have been far better legislatively and much less confusing to deal with each department, old as well as new, seriatim and individually. In that way it would have been possible to assess individually the merits of each ministerial change.

It is difficult enough to understand what has already been done as a matter of administration, let alone what is being confirmed or changed by this omnibus bill. In my view there should have been separate bills for each department of government affected, not only from the point of view of the convenience of Opposition members, but also that it might be made abundantly clear for the future precisely what changes have been made. The net product before us is organized confusion, now and possibly for the future. The Government could, I am sure, have gone about this matter in a much more comprehensible and practical way.

Having said that, I will allow myself one further generalization. I cannot believe in the present context that what is needed is a further proliferation of departments and ministers. What is needed is a consolidation of the existing ministry, with genuine leadership at the top. None of us can have remained unmoved by the recent pleas of Senator Crerar in this respect. If the hidden suggestion in this bill is that more of "the three wise men" should be brought into the Cabinet, why not let them in by removing some who are obviously less wise?

I regret I cannot vote for the second reading of this omnibus bill, which is more in the nature of a tractor then an omnibus. There is no single principle in it: there is, by admission, a multiplicity of principles which taken together do not guarantee better government in this country. But even if, as I suspect might happen, this bill receives second reading, a heavy burden will still rest on those who in committee must demonstrate that these drastic changes will, in fact, represent an improvement over what has gone before. Reform is of no use for the sake of change alone. It must be clear that what is being changed is understood and that what is suggested will constitute a real improvement in the administration of the affairs of Canada. I, for one, am not convinced.

The reason why the establishment of new departments is being done by way of a composite bill, we are told, is merely to save time. But what of the question of future

amendments to such a piece of legislation—and we know it is customary, almost from year to year, to amend acts. Will it be as easy for both houses to amend this type of act as it would be to amend four or five separate acts? I have grave doubts on this question.

We are assured by the sponsor of this legislation that if accepted by Parliament it will not add to the number of members of the cabinet. This is all to the good, because many people, including parliamentarians, feel that the cabinet is already too large. I understand it has been intimated by the Prime Minister that there might be an approximation to the British system under which there are currently 23 ministers inside the cabinet and 31 ministers outside. These junior ministers attend such meetings of the cabinet as are concerned with the affairs of their department. They also serve on cabinet committees as required, and I believe they share the collective responsibilities of the cabinet as a whole. In other words, cabinet solidarity applies to them. This seems to make good sense to me, but I must point out that the present bill does not concern itself with this matter, and that such a change could well have been accomplished without legislation, let alone an omnibus bill of this kind.

I do not propose at this stage to examine every aspect of the departmental changes contemplated. It may be true that the so-called trifurcation of the Department of Justice may result in a "beefing up" of the administration of justice in this country by removing certain functions which have over the years become attached, by accident or design, to the Department of Justice. I sincerely hope that this will prove to be the case, because I am sure that all honourable senators will agree that the administration of justice in this country could stand some "beefing up."

Having said that, I add this, that no department, whether bifurcated or trifurcated, will be any better or stronger than the minister who heads it and his deputy. I will leave it at that.

What I have just said, I suggest, applies with equal force to such things as Immigration and Manpower. We cannot say *a priori* that such-and-such a consolidation will or will not work. That can be judged only as a matter of insight in the light of experience, but we are nonetheless expected to be armchair quarterbacks, not only before the game has been won but before the warm-up.

While I am on the subject may I remark that unquestionably the proposed Minister of Manpower has had long experience in labour matters, particularly in the matter of strikes, but the new minister, as I understand the bill, will inherit only part of the functions of the former Department of Labour and only a partial function with regard to immigration.

In particular, I believe that the Minister of Manpower will not have direct contact with the conciliation services of the Department of Labour. We heard read yesterday the functions of this minister as they appear in clause 13 of the bill, namely:

> The duties, powers and functions of the Minister of Manpower and Immigration extend to and include all matters over which the Parliament of Canada has jurisdiction, not by law assigned to any other department, branch or agency of the Government of Canada, relating to
>
> (a) The development and utilization of manpower resources in Canada;
>
> (b) employment services; and
>
> (c) immigration.

Honourable senators, here is a man with these qualities and extensive experience in labour matters and with labour unions, given a ministry of this type. Surely, although he will be replaced some day by another minister who I hope will be equally competent, the services of this minister could have been better utilized. He could have dealt with unions. He could have negotiated. He could have helped regulate or settle strikes, but, no, he is given immigration. I doubt whether he knows very much about immigration.

Hon. Mr. Connolly (Ottawa West): And manpower.

Hon. Mr. Choquette: Very well; my honourable friend has mentioned manpower. He has two portfolios. Is Citizenship and Manpower now going to work hand in hand in this way? Are we going to tell the Minister of Manpower to find out how many qualified plumbers and how many able carpenters Canada needs, and then turn to the Department of Immigration and tell it to get 200,000 men in these trades? Is that the way we are going to deal with immigration? I cannot see it for a moment.

I add merely that the former Minister of Labour, the Honourable Michael Starr, en-

joyed a record in the field of labour conciliation unsurpassed in the history of Canada. I can only hope—and the present circumstances are not too encouraging—that the new minister, having in mind his limited mandate, will be able to compile as good a record. My point is, as in all the affairs of men, personalities are the dominating factor regardless of any words in the statute book.

It is not difficult to dream up solutions of a theoretical kind. Any one person, for instance, could, as an intellectual exercise, suggest an entirely new Constitution for Canada. The difficulty is that no two people would produce a similar solution. We will know, I suppose, within a few years whether these readjustments will have a beneficial effect or not. Despite the reassuring words of the sponsor of this bill (Hon. Mr. Connolly, Ottawa West) I must confess—although I doubt whether my attitude will affect the passage of this bill—that my doubts and hesitations about the efficiency of this measure outweigh any feeling of confidence I might have for its success.

Thus far, honourable senators, I may seem to have spoken in a light vein, but legislation of this kind cannot be treated casually in this chamber, which has been called a chamber of sober, second thought. It is not a laughing matter. We have here a single bill which sets up eight Government departments and substantially amends at least five statutes, namely, the Department of Public Works Act, the Department of Forestry Act, the Department of Mines and Technical Surveys Act, the Financial Administration Act, and the Salaries Act.

In addition, Schedule A transfers to new ministers or departments the administration of 54 separate statutes. Schedule B more modestly lists about 30 acts which are amended, or repealed in whole or in part.

I have been a member of this chamber, honourable senators, for eight and a half years, and I think I can say that we have not been accustomed to receiving omnibus bills. When one did come before us its sponsor told us it was a package deal, and almost apologized for the complexity of it. A dangerous precedent is being established here. I do not know who is responsible for this type of legislation, but I think there are new legal minds in the Department of Justice and other departments who decide that they will take a short cut, and every now and then give us an omnibus bill that we are supposed to accept holus bolus.

Within a few days we shall receive another one, containing 73 pages. It has already been given first reading in the other place. I refer to Bill C-193. I shall not comment on its various clauses, but I do want to mention what it is about. It is a bill to amend the Public Service Superannuation Act, the Canadian Forces Superannuation Act, the Defence Services Pension Continuation Act, the Royal Canadian Mounted Police Superannuation Act, the Diplomatic Service (Special) Superannuation Act, the Intercolonial and Prince Edward Island Railways Employees' Provident Fund Act and the Canadian Corporation for the 1967 World Exhibition Act. What a nice bouquet we shall be receiving soon!

If we do not protest, some day we shall see Parliament being run by people in the Department of Justice who want to take these shortcuts. Honourable senators, no matter on what side of the house we may be, we should protest this kind of legislation because it is bad. In all fairness to the public and those who have to peruse the statutes, it is my opinion that because of the confusion caused by this bill the Government should give an assurance that the matter will be regularized in respect of every department affected, whether new or existing. At the very least, a brochure should be prepared immediately so that the exact status of each department may be known to all. Perhaps there should be a brochure published for each department, which will include information as to the statutes to be administered by that department and the boards which report to it. If that is not done there will be confusion.

I dare any honourable senator present to tell me, for instance, under what department pipe lines come. I have been trying to obtain that information over the last few days, but without success. The best information I was able to get is that it is not known whether pipe lines come under one department or several departments. One official suggested to me that gas may be under one department, and metal pipe under another. What kind of confusion is this? I do not think there is a senator here today who can tell me which department will, under this new legislation, administer pipe lines. That is only one example.

Hon. Mr. Connolly (Ottawa West): I suggest to the honourable senator that if he looks at

Schedule A, Part V, to the reference to the National Energy Board Act, he will have his answer.

Hon. Mr. Choquette: Will that be the only department dealing with pipe lines? I am not satisfied, because I have communicated with many people who are interested in this subject, and I was not able to obtain definite information.

This bill proposes extremely bad legislation—bad for the country, bad for Parliament which should know better, and it sets a bad precedent for the future, as I have just explained.

I understand that the Government has to a large extent repented, or regretted, the form taken by this bill—and so it should. Nevertheless, in my view, the Senate should not give the breath of life to this malformation. Better it were never born. I invite honourable senators opposite who are experienced in legislative matters—Senator Roebuck, Senator Croll, Senator Hugessen, the honourable Leader of the Government—although he is not in a position to express an opinion—and Senator Power. I ask all of them to tell me if they believe sincerely that this is sound and good legislation. And I ask senators to indicate their abhorrence of this type of legislation by voting against it on second reading. Its principle, if any, is organized confusion.

Finally, the bill is misnamed. If the bill is in fact referred to committee, I think that clause 1 should be amended so that the short title will read, "This act may be cited as the Government Disorganization Act, 1966."

Hon. Mr. Roebuck: The honourable gentleman directed a special question to me as to whether I think this is good legislation. My answer is yes.

Hon. Mr. Choquette: I thought you would say that. Everything your government puts through is good legislation.

Hon. Mr. Roebuck: No; I do not say that.

Hon. Mr. Hugessen: The honourable gentleman also directed a question to me. Frankly, I cannot understand the object of my friend's remarks to me. It is just a question of one piece of legislation instead of six. What is the difference?

Hon. Mr. Choquette: The difference is the confusion and the amendments of so many statutes; that is the confusion.

Hon. Mr. Hugessen: Surely from year to year we have legislation which amends a number of different statutes. That is not new.

Hon. Mr. Choquette: Not too often.

Hon. Mr. Roebuck: Sometimes it affects 20 million people.

Hon. Mr. Macdonald (Brantford): Carried!

Hon. M. Wallace McCutcheon: Honourable senators, I am not going to touch on the propriety of this type of legislation; that has already been done ably by Senator Choquette. I merely say that I agree with the views that he expressed.

At the same time, I think that the analogy that the Leader of the Government (Hon. Mr. Connolly, Ottawa West) drew when he was introducing this bill, between a bill of this type and the Statute Law Amendment Act, which we have from time to time, is not a particularly apt analogy.

Despite the fact that we have before us eight or more bills in one—and the Leader of the Government said that he hoped that appropriate ministers of the various departments mentioned and their officials will attend the committee—nevertheless, we shall want the ministers who will be responsible for various parts of this legislation to appear before the committee to give us more information than we have now or will obtain in this chamber.

If that means some considerable delay in the passing of this bill, and I suspect it may, then we do not need to be concerned, because, after all, there is no urgency about the bill.

It is generally understood, and I think I am correct in saying this, that most of the reallocation of responsibilities has already taken place. There may be one or two minor responsibilities which to date have not been transferred under the legislation that is available for that purpose.

Therefore, I say that we shall want to hear from the Solicitor General; we shall want to hear from the President of the Privy Council, who is reputed to be the new Registrar General as well; we shall want to hear from the Minister of Citizenship and Immmigration, who is about to become the Minister of Manpower and Immigration; we shall want to hear from the Minister of Indian Affairs and Northern Development, who is being shorn of considerable of his powers, with some minor

additions; and we shall want to hear from the Minister of Forestry and Rural Development.

Hon. Mr. Flynn: And the Minister of Justice.

Hon. Mr. McCutcheon: My colleague suggests the Minister of Justice. We shall want his views as to what is happening to his department. We shall want to hear from the Minister of Energy, Mines and Resources, who has inherited very heavy responsibilities from three or four other ministers.

Hon. Mr. Roebuck: He has not expressed dissatisfaction, has he?

Hon. Mr. McCutcheon: No, but we would like to hear from him.

Hon. Mr. Roebuck: He appears to be satisfied.

Hon. Mr. McCutcheon: He might not be satisfied after discussion in committee; one never can tell.

We shall want to hear from the Minister of National Revenue, reputed also to become President of the Treasury Board. I am not suggesting that we call the Secretary of State, for I think we can probably conclude our deliberations in committee without that.

In his opening remarks the Prime Minister is reported by the press to have said that this bill was primarily about the need for a reorganization of government. That the Government needs to be reorganized, there is no question. There are several ways of doing it. The voters failed to do it in November 1965. However, we may be somewhat more optimistic as to what they will do on the next occasion when they have an opportunity to pass on the Government.

There is also a way of doing it methodically, systematically, exposing fully the reasons for both expanding departments and contracting departments, and that is by following through carefully the recommendations of the Glassco Commission and either accepting or rejecting them and indicating why.

It has been suggested by the leader of the Government that this bill sprang to some extent out of the recommendations of the Glassco Commission. It seems to me that the bill has been tailored not to produce efficiency but to make way for the people available and politically necessary. We shall now have 26 ministries, not to mention the ministers without portfolio. We have a number of new ministers, and they will be set up with all the trappings of a deputy minister and staff, which in turn will start to expand.

The truth of Parkinson's law will be fully evident in a few years if this bill goes through in its present form. Those of you who would like to refresh your memories of Mr. Parkinson's first book will find that he said that when any Cabinet reaches more than 20, or possibly 21, its effectiveness ceases and it becomes steadily less effective as its numbers increase. He suggests that the proper figure is somewhere between three and 21, but he declines to give a specific figure. He says that some people suggest the ideal figure is eight. He points out that eight was the number of members of the committee of state of Charles I, and he suggests that what happened to Charles is probably the reason there has never been a Cabinet of eight, so far as he knows.

One could review the recommendations of the Glassco Commission at great length. One could comment on what may come out of some of the present proposals. Possibly there is something to be said for a Registrar General, and some of us may hope that the result of combining these various pieces of legislation under one department may be the sensible revision of the Combines Investigation Act, which has been promised from time to time. However, one loses hope when one finds that all that is happening is that the Combines Investigation Act, to mention only one of these matters being transferred, is going to be administered, according to current information, by the former Minister of Justice, who, when he had those responsibilities, failed to produce the improvements which we looked for in that statute and in other statutes.

It is interesting to note where this bill does not follow the Glassco Commission. There are some examples, of which I will mention two. One is the Department of Defence Production. I suggest honourable senators read the recommendations made with regard to that department to see whether this bill carries them out. In regard to the Department of Public Works, I make the same suggestion. At this time I will not labour to put the specific recommendations on the record and indicate where they have been deviated from.

As I recall, there was no specific recommendation respecting the Department of Transport, but there was a serious suggestion

that that at least was a department in which the minister was overburdened and some action should be taken. However, I do not see that referred to in this bill. Honourable senators, in regard to the Treasury Board, I will quote the Glassco Commission report. The commission made some very definite recommendations about the Treasury Board, as given in volume 1 of the report at page 54:

> —the Treasury Board needs to be strengthened by the appointment of a presiding minister with no departmental responsibilities, who would give day-to-day guidance to its staff, provide the initiative needed within the Board itself, and ensure that general considerations of good management find adequate expression within Cabinet on all matters to which they are relevant.

Those of us who have been sitting on the Finance Committee and have listened on a number of occasions to the Secretary of the Treasury Board, one of our ablest public servants, appreciate more than ever the extent and the magnitude of the problems involved in ensuring good management in government.

Although it may not be correct, my understanding is that the Minister of National Revenue is to become president of the Treasury Board. The Minister of National Revenue may be somewhat less busy than the Minister of Finance, who has been the president by law to date; but my assessment of the responsibilities of the Minister of National Revenue is that he will be left with very little time to do the specific things the Glassco Commission recommended and which the public will think this bill is carrying out.

Hon. Mr. Connolly (Ottawa West): You mean in respect of the Treasury Board?

Hon. Mr. McCutcheon: Yes. If the Treasury Board is to be separated from the Department of Finance, there should be a minister, the Glassco Commission says, with no departmental responsibilities, as the President of the Treasury Board.

Hon. Mr. Connolly (Ottawa West): That is a very reasonable statement.

Hon. Mr. McCutcheon: Otherwise, my suggestion is that it would be better to leave the Treasury Board with the Minister of Finance and appoint a strong parliamentary secretary to the Miniser of Finance who might assume those responsibilities.

I see Senator Leonard shaking his head. I merely throw that out as a suggestion, and I have some more.

Honourable senators, it seems to me that, in any reorganization, when there is an expansion in departments one frequently can contract or eliminate some other departments. I suggest that the Department of Public Works could function perfectly well and probably more efficiently as a crown corporation. I suggest that the Post Office Department could certainly function more efficiently as a crown corporation. One or two policy matters would have to be settled by a minister. The Secretary of State would have to approve the final design of the stamps, and there are other cultural matters of that nature which we might not want to entrust to the President of the Post Office as a crown corporation. However, those matters could be dealt with very easily.

A case can even be made out for not having a Minister of National Revenue. There was a considerable period when we did not have one. I am anxious to get efficiency in Government, to reduce this Cabinet to at least below the upper limit where, Mr. Parkinson says, danger follows. It is for that reason that I give these suggestions to the Leader of the Government.

Honourable senators, I have a final sugestion. When I heard that this bill was coming down, I was hoping there would be a clause in it referring to the statute setting up the Department of Industry, and saying, "it is hereby repealed."

If there has ever been an instance of overlapping of duties, functions and responsibilities, between three departments, this has been by the creation of the Department of Industry. May I quote Parkinson's first law: "Work expands so as to fill the time available for its completion." One has only to look at the Estimates for the Department of Industry in the past few years to note the steady growth in personnel and look at the salary levels to realize that once one sets up a new department, Parkinson's law will inevitably be applied. The department is there, it must find work to do and, having found work to do, it must add staff—and so it goes on until we have the result which we see today.

I have never been able to understand the exact difference between "industry" and "trade and commerce." I question whether the Minister of Trade and Commerce, either

the former minister or the present minister, understands the difference. If we are to reform Government organization, I suggest that is one more place where we might do so.

Honourable senators, I agree with Senator Choquette, there is no principle in the bill which I can discern or which, if I do discern, I can approve. As I said earlier, it appears to be tailored to suit the individuals available and who are politically necessary to fill posts that are set down here.

I will oppose giving the bill second reading.

Hon. Mr. Connolly (Ottawa West): Honourable senators,—

The Hon. the Speaker: May I remind honourable senators that if Senator Connolly speaks at this time it will have the effect of closing the debate.

Hon. Mr. Connolly (Ottawa West): Honourable senators, while I do not agree with some of the remarks made by the two senators who have spoken, I thank them for their participation in this debate and for the criticisms they have made, some but not all of which appear to me to be constructive. Yesterday, in opening the debate, I said that in any case of reorganization of departments of government, no two governments, no matter of whom composed, would do the thing in exactly the same way.

In regard to what Senator McCutcheon says about making crown corporations out of the Department of Public Works, the Post Office Department and—he did not quite say this—perhaps even out of the Department of National Revenue—

Hon. Mr. McCutcheon: Right.

Hon. Mr. Connolly (Ottawa West): —this is something that certainly merits some consideration. It is not done by this bill, but the fact that the suggestion is on the record at least indicates an opinion in Parliament which is worthy of consideration.

Senator McCutcheon's suggestion that, following the Glassco Commission report, the President of the Treasury Board should be a minister of the Crown without departmental responsibility, is still possible under this legislation, because as I read the section it is up to the Governor in Council to decide what minister shall be President of the Treasury Board as long as it is not the Minister of Finance. To be perfectly frank, seeing the kind of burden that the President of the Treasury Board has to carry, I certainly would not disagree with the honourable gentleman's proposal.

The question of the size of the cabinet is in my view a moot point. Perhaps the Government that reduces the cabinet to eight might suffer the fate of Charles I. I think it would be virtually impossible to do that. I am rather intrigued by Senator Choquette's point about the fact that the Canadian cabinet has some 26 members, while the British cabinet—the system which he endorses—has some fifty-four. I wish there were more cabinet representation in this house. I think it would be a good thing for Parliament, for this house, and for the legislative process. But to say that the number should be 23, 21 or 15, or to say that we should have an inner cabinet and an outer cabinet, as is the case in England, is a matter of judgment, and much depends upon the requirements as the government of the day sees them for the purpose of administration of the public business.

I am rather surprised at the kind of treatment Senator Choquette gives to the Department of Manpower and Immigration. I think he was in the Senate, and he may have been a member of the committee of the Senate which dealt with Manpower and Employment. I certainly think that the first real study of the problem in a comprehensive fashion was carried out by that very committee. For that reason I do not accept and I do not think very many senators can accept the description of the function of a Minister of Manpower given by the honourable gentleman.

He talks too in a complaining way about omnibus bills. I agree that to deal with the different measures in the same bill could possibly be a cause of great confusion. He cited a bill which will shortly come here, and which we should not be debating now, which deals with the public service superannuation, pensions of the R.C.M.P., and various other pension matters. Simply because these matters are handled by specific measures, he says it is not good enough to put them all together, that there is no principle running through them. In this case there is a very definite principle running through the bill to which he refers—though I am not altogether familiar with the bill—namely, the question of pensions, in various segments of the public service, perhaps including the armed forces, for the purpose of integrating these pensions with the Canada Pension Plan.

The honourable senator says he finds no principle in this bill. Honourable senators, I find a very important principle in this bill, namely, the principle of reorganizing government departments in a way that commends itself to the Government of the day, with the assistance and advice that it has had from time to time from various royal commissions which I named yesterday, and from the rather experienced administrators in the public service. I think that this bill should commend itself to Parliament, and the fact that it comes in one measure will not, in my humble opinion, create the great difficulty foreseen by the honourable senator.

I said yesterday that I thought it would be a very simple matter to provide an office consolidation after the measures are adopted by Parliament and the provisions of the bill have been put into effect in the various departments. Furthermore, I think we can very shortly expect a revision of the statutes. The last revision was carried out in 1952 and a new revision will certainly incorporate the amendments to the various statutes in their appropriate places.

I agree with Senator McCutcheon that the analogy between this bill and the Statute Law Amendment Act passed by this Parliament is not perhaps too apt an analogy. But I thought it would be some help to say it in my opening for the purpose of indicating that many statutes are being changed in one way or another.

Senator McCutcheon asked particularly about the attendance of witnesses in committee.

Hon. Mr. McCutcheon: May I interrupt for just a moment?

Hon. Mr. Connolly (Ottawa West): Certainly.

Hon. Mr. McCutcheon: I did not mention the Minister of Labour. I have views about the division of responsibility as between him and the Minister of Manpower and Immigration, and I would certainly like to have the minister before the committee.

Hon. Mr. Connolly (Ottawa West): Well, I gladly assure honourable senators that I shall do everything I can to facilitate the work of the committee. I expect to speak to its chairman today and I hope the committee will get to work quite early next week. I think it will be the responsibility of the committee, of which Senator McCutcheon is a valued member, to see that as many people are brought there as are necessary to satisfy the members of the committee.

I agree with Senator McCutcheon that the recommendations of the Glassco Commission with reference to the Department of Defence Production, the Department of Public Works, the Department of Transport and perhaps other departments have not yet been fully implemented, but many of them have already been dealt with, and this bill reflects a further step in the process of reorganization. In my view this bill goes a long way towards accomplishing the results which that royal commission sought to achieve.

Honourable senators, I think there is no need for me to say anything more at this stage. I thank all honourable senators for the contributions they have made. I hope the committee will be satisfactory and informative and that it may even persuade the honourable senators opposite that we have a shining example of good legislation in the bill before us.

The Hon. the Speaker: Honourable senators, it is moved by honourable Senator Connolly (Ottawa West), seconded by honourable Senator Beaubien (Provencher), that this bill be read the second time. Is it your pleasure, honourable senators, to adopt the motion?

Hon. Mr. McCutcheon: On division.

Motion agreed to and bill read second time, on division.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Connolly (Ottawa West), bill referred to the Standing Committee on Banking and Commerce.

FAIR WAGES AND HOURS OF LABOUR ACT

BILL TO AMEND—SECOND READING

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Smith (Queens-Shelburne) for the second reading of Bill C-2, to amend the Fair Wages and Hours of Labour Act.

Hon. John Hnatyshyn: Honourable senators, this bill has been very ably presented by the sponsor. As a matter of fact, he made such a good job of it in his pleasant manner that he gave the impression it was just a routine amendment that probably did not require much discussion. With that view I

differ a great deal. I think this bill should receive most careful scrutiny in one of our committees.

Honourable senators will recall the difficulties that were encountered in the passage of the Canada Labour (Standards) Code in 1964. Several industries found it unrealistic. For instance, the railway running trades were governed by the mileage run by train crews and not by the hours of work. Also steamships cannot remain stationary on a Sunday. The problem of the grain elevators out west came up where it was practical to average out hours of work instead of having eight hours each day. I also remember the problem involving summer resorts run by the two railways and by other companies. In view of representations made at the time by both labour and management, the Minister of Labour, as we all recall, held up the passage of that bill from October 1964 until February 1965. At that time he presented a number of Government amendments to provide for the flexibility which both labour and management felt were essential if the legislation was to be practicable. Many of those amendments were originally suggested in committee.

In regard to this Bill C-2, I understand the joint labour and management delegation presented a brief to the then Minister of Labour in May 1965, asking for further consideration. I understand that they did not even receive a reply in May 1965.

After the Speech from the Throne this session, Bill C-2 appeared in January of this year and was given first reading. Again, the labour and management association interviewed the present Minister of Labour, Mr. Nicholson, and I understand they had two meetings with him. Then, when the bill finally came before a committee of the House of Commons, there was a joint delegation of labour and management and I understand that the hearings in committee in the House of Commons lasted for three days. I feel that we too should have this bill go to committee, where all its items can be considered after hearing various representations both from the Government side and from labour and management.

I understand that the labour and management group are united and feel that fair standards and fair wages are those that are negotiated by labour and management. This practice has been followed by Quebec for some 30 years. They also feel that in regard to such things as roadbuilding, more flexibility is needed regarding hours of work because the season is short.

The main objection I have is that the Government is too hasty in ignoring the just representations of labour and management in this case. On the one hand, the Government pleads for labour and management co-operation; and, on the other hand, in regard to this bill, it seems completely to ignore labour and management.

Also, I believe a strong argument can be made that fringe benefits be included in wage determinations. Both labour and management wish to have negotiated employer-paid benefit plan contributions incorporated into "fair wages." This has been done in the United States legislation under the Davis-Bacon Act which was amended in 1963.

I do not think we should hurry this legislation if it is to stand the test of time. We should certainly give it a close study in committee. Parliament is granting bargaining rights to civil servants. I do not object to that, but I have yet to be convinced that it is right to refuse the request of labour and management under this bill, because in this regard there is absolutely no difference of opinion between labour and management. I would like this house to give serious consideration to fringe benefits, which this bill ignores. Many of these, such as medicare and the Canada Pension Plan are not covered by present legislation. There are fringe benefits consisting of sick pay, supplementary unemployment benefits and group life insurance for which there is no legislation now.

In my opinion, there has been too great a tendency recently to pass legislation which the Government thinks is needed, when the people concerned do not want it and are usually against it. You hear all over the country that the Government is getting too high and mighty in regard to some legislation that has been passed. Probably the result of the Quebec election last Sunday brings this to our attention. It may be that too much of the legislation the Government thought was necessary for the people was passed when the people did not think it was needed.

In conclusion, I again appeal to the sponsor and to honourable senators not to rush passage of this measure. Let us send it to the appropriate committee where we can hear representations from both sides so that we will know exactly the difficulties that confront both labour and management.

Hon. John M. Macdonald: Honourable senators, I wish to say a few words in regard to this bill. Perhaps I should begin by saying that I believe it is necessary—although I regret it—that we have to pass such legislation as this. I say this because actually the main purpose of this bill is to raise the minimum rate of pay to $1.25 an hour. It does seem sad in this day and age that we need legislation to bring the minimum wage under federal Government contracts up to that rate.

Hon. Mr. Roebuck: Hear, hear.

Hon. Mr. Macdonald (Cape Breton): But the fact remains, as has been pointed out by the sponsor, that there is an area where that minimum is higher than the provincial minimum wage law. For example, in Nova Scotia there are three areas for minimum wage purposes, and in the area to which the honourable senator from Queens-Shelburne (Hon. Mr. Smith) referred yesterday, the minimum wage under provincial legislation would be 90 cents an hour. Now, the passing of this act would mean that those employees would get at least $1.25. I would expect that in that area where there are no other industries the minimum would be paid. The minimum wage laws of Nova Scotia provide a higher rate than those of any of the other Atlantic provinces. I do know that in our neighbouring Province of Newfoundland the minimum wage at the present time is 70 cents an hour for men. I do not know what it is in Prince Edward Island or New Brunswick.

Hon. Mr. Burchill: It is 90 cents in New Brunswick.

Hon. Mr. Macdonald (Cape Breton): It is necessary, therefore, that we have this legislation in order to bring that minimum up to $1.25 per hour. It seems to have been assumed that this would not apply to too many projects because the federal Government itself does not engage in a large amount of construction, but it must be remembered what is provided in section 5(1) of the act. It reads:

> Whenever the grant or payment of any public moneys of Canada is authorized or made by way of contribution, subsidy, loan, advance or guarantee, for or in aid of the construction, remodelling, repair or demolition of any work, otherwise than for the Government of Canada, the party intended to receive such grant or payment (whether the government of any province or any municipal or other body or any person or agency whatever) shall, unless the grant or payment is by statutory authority or by agreement with the Government of Canada excepted from the operation of this section, be required to enter into an agreement with the Government of Canada in which there shall be set forth the terms and conditions upon which such grant or payment is to be made.

Then it goes on to state that the agreement will contain this clause about fair wages and hours of labour.

In this day and age when the federal Government makes contributions to so many projects—for example, the Trans-Canada Highway, the Roads to Resources program to which it contributes half the cost, the Technical and Vocational Training Schools, the Vessel Construction subsidy, and the Coal Storage subsidy—it could well be that this act would become applicable to much more than just construction by the federal Government itself. I would expect that through these agreements there will be many projects to which this act will apply.

Honourable senators, perhaps the sponsor and I have been considering this bill from the one point of view of minimum wage. As I read the brief that was presented jointly to the House of Commons Standing Committee on Labour and Employment by the Association of International Representatives of the Building and Construction Trades and the Canadian Construction Association, it seems they were considering it from the other point of view. They were not interested in the minimum rate because under their collective bargaining agreements their members' wages are much higher than $1.25 an hour. It was quite proper that they should make a joint submission to the committee of the House of Commons because it was to their mutual advantage. What they are interested in is the manner in which this fair wage is set.

The act defines "fair wages," and the only amendment that this bill makes to that definition is the addition of the words

> —and shall in no case be less than the minimum hourly rate of pay prescribed by or pursuant to the *Canada Labour (Standards) Code*.

The submission to which I have briefly referred is that when a fair wage is set you cannot just take what is known as the prevailing rate in a locality or region. Inciden-

tally, if the unions have managed to negotiate with employers for what are called fringe benefits, it should be remembered that for a period they were requesting more fringe benefits than actual money. In any event, the unions claim that if the wage rate, for example, was $2.50 an hour, and through negotiation they obtained benefits wholly payable by the employer worth another 25 cents, then the fair wage rate should be set at $2.75 and not $2.50. In other words, it should take into consideration everything which went to make up what might be called the real wages.

I think they made a pretty logical case, because otherwise the computation is wholly unfair. It penalizes both the employers and the unions in respect to what they have been able to accomplish. It would be a retrograde step, in my opinion, not to take this into consideration.

The committee of the House of Commons did not recommend any change, and it might well be that instead of changing this bill the whole act should be studied and brought up to date. There have been no amendments to it since 1935. If, as I expect, this bill is sent to committee, then the unions and the construction industry ought to be heard. If they are, then I am sure they will present their argument in great detail.

As I read the proceedings of the committee of the House of Commons it seemed to me they put forward the suggestion that there be more flexibility in regard to hours of labour. It would be fair to say that they did not press it too heavily, but apparently in three of the trades there is difficulty under the present system. This stems from the fact that oftentimes construction work, particularly highway construction, goes on in remote areas, and the number of hours worked in a week depends much upon weather conditions. It is my understanding that men employed on such projects prefer to work longer hours when the work is available and the weather is good. I am thinking particularly of the operators of heavy machinery who have only certain months in which to make their yearly income, and they are prepared to work somewhat longer hours.

A representative of the Department of Labour who wound up the hearings of the House of Commons Committee on Labour and Employment answered this point, but from a reading of his speech I do not think it can be said he took violent objection to it. He has some fairly reasonable objections, but he was not saying it should not be considered. He mentioned why certain things were not done, and the difficulty in considering the setting of prevailing rates otherwise than on a cash basis. It would be difficult, but I do not think it would be impossible. He had certain other objections, but I think none very substantial.

When we look at the bill again we see that it sets out a penalty clause. Section 6 of the act itself provides that the Governor in Council may make regulations for, among other things:

> (j) the penalties to be imposed for breaches of the provisions of this Act or regulations made hereunder;

This will be changed by including a penalty clause which, to my mind, is a most unusual clause.

The regulations under the act provide that in case of default in wages to employees by any person, the matter is to be referred to the minister for investigation, and if he determines that there has been a default in wages he requests the contractor to deliver a cheque for the amount. The employee can get that, because the act provides that instead of the Receiver General paying the money to the contractor he may pay it to the minister. It is further provided that the money will be paid over to employees who have not been fully paid.

As I understand it, those regulations will stand under the bill now before us. Indeed, there is no reason why they should not stand, because they are not made under the penalty clause.

Section 2(c) of the penalty clause in the bill says:

> in the event of any default in carrying out any of the conditions set out in paragraphs (a) and (b) in respect of any employee, the contractor shall pay to Her Majesty as liquidated damages a sum of fifty dollars for every such default, and the minister under whom the work contemplated by the contract is being executed may direct that the amount assessed as liquidated damages under this paragraph be deducted from any moneys payable to the contractor under the contract and be credited to the Consolidated Revenue Fund.

It would appear to me to be most unusual for a penalty clause, for that is what it actu-

ally is, to use the term, in civil law, "liquidated damages". I presume, since nothing is said about it, that to collect those damages or to prove that there are damages, someone would have to be sued. I do not think that the minister could just say, "Well, you have not fulfilled your part of the contract so I am assessing you liquidated damages of $50 for every such default." I think this is one item that should be explained in committee, for I do not see any reference to it in the hearing before the committee of the House of Commons.

Honourable senators, I feel that this bill serves a useful purpose, and that the request of the joint submission made by the Association of International Representatives of the Building and Construction Trades, and the Canadian Construction Association, deserves to be given serious consideration. If it is possible to come up with a new definition of "fair wages"—taking into consideration the progress made in negotiations between unions and employers over the past 30 years—I think every effort should be made to do so in the light of modern conditions.

Personally, I do not like the idea of prevailing rates. I do not feel there is any reason why employees in one section of the country working under contract for the federal Government should be paid less than those doing the same work in another part of the country. In other words, I think the wages paid under federal Government contracts in Nova Scotia should be just as high as in Ontario, Quebec, or British Columbia. However, being a realist, I do not think that is going to happen in the near future, and therefore I would say that the next best thing is to give fair consideration to the measure.

Hon. Mr. Roebuck: Would the differences in cost of living not justify a difference in wages, according to locality?

Hon. Mr. Macdonald (Cape Breton): No. I would say that in many cases the cost of living does not justify the difference. For instance, the cost of living is higher in some parts of Nova Scotia than in large cities. The only reason a man would expect to receive lower wages is that he has not the economic strength to attempt to get higher wages. The standard of living is lower, and under this prevailing rate idea it is likely to remain lower. If we could get the federal Government to set a good example and lead the way in raising wages, we would be very happy.

Hon. Allister Grosart: Honourable senators, I join with those who would like to see this bill examined carefully in committee, if for no other reason than to delete from it one of the strangest statements I have seen in a bill introduced in this chamber since I have been here. I refer to subparagraph (ii) of paragraph (b) of clause 2, which sets forth certain exceptional circumstances in the operation of federal contracts under which the discretionary power of the minister may be exercised to greatly extend the hours of work provided for under the bill.

Subparagraph (ii), which is new, reads as follows:

> by the Minister in cases of exceptional circumstances including, without limiting the generality of the foregoing, the circumstance that the work concerned has to be completed or carried on in a short working season or in a remote area—

Both of which I think we would all agree are exceptional circumstances. However, the third is this:

> —or that the public interest requires an expeditious completion of the work.

I suggest that the committee might consider deleting those words, because surely it is not an exceptional circumstance when a public work is completed expeditiously in the public interest.

I note that this is part of the amendment introduced, and it may merely be carelessness on the part of the draftsman. However, as one honourable senator has said, the act has not been revised for 30 years, and the minister has said that this is a declaration to all Canada and the rest of the world of our intent in these matters. I would think that we should not enshrine in our statutes a declaration that it is a very exceptional circumstance when we require expeditious completion of work under a federal contract in the public interest.

In saying this, honourable senators, may I comment that the bill gives very wide powers of discretion to the Governor in Council and to the minister. I think this answers some of the objections to the bill raised in the other place and in the committee to which it was referred and examined thoroughly. The purpose of these wide powers is obviously to provide for the situations that have been brought to the attention of this house by honourable senators today, that is, exceptional circumstances such as when work is being

performed in the far North where a 60-hour week is not only understandable, but in most cases desired by the organized workers themselves.

However, I wonder about the wording. The bill, as it is before us, provides that there shall be an eight-hour day and a 40-hour week, except as the Governor in Council may otherwise prescribe. Then it goes on to say that in that situation the working hours of persons who are employed shall not exceed eight hours a day or 48 hours a week. That is understandable. The Governor in Council may issue a work permit—which is what has been done under the present regulations—to extend the 40-hour week to a 48-hour week.

Then there is another exception. This 48-hour week apparently may be extended in such cases as the Governor in Council may prescribe—and I do not understand why he needs the second authority at all—or by the minister in those exceptional cases that I mentioned.

It is obvious that the purpose of these discriminatory powers, particularly discriminatory power given to the minister, is to allow exceptions to the general principle of an 8-hour day and 40-hour week.

In view of the extensions which have been granted over the years in the regulations, I would hope that the committee would ask the appropriate officers of the department exactly what is intended.

Some of these matters have already been raised by honourable senators. Is it the intention of the department to allow averaging? Averaging is the principle where you multiply 40 hours by 50, which gives 2,000 hours, and as long as you do not work anybody over 2,000 hours in the year, you come within the act as extended by these particular regulations.

Does departmental policy include lower payments for people who are described as being in training or who are apprenticed—an exception that is being made now under the act?

Will this discretionary power be used to make deductions for meals and lodging, which are permissible now under the regulations?

In discussions on this bill, these matters have been raised. I do not think that comprehensive answers have been given by the officials. They have very wide powers. It would be a useful function of the committee to elicit from these officials just what they intend to do. How far will the regulations depart from the principle of this act?

It has been pointed out again today that the bill, as it is before us, was strongly objected to by a joint committee of the Canadian Construction Association and the International Brotherhood of Electrical Workers. At first, I was impressed by the fact that these objections had been made, and made as strongly as they were and over such a long period of time. I was concerned as to why the Government was not accepting those objections. It would be untrue to say that very careful consideration was not given to them.

Hon. Mr. Roebuck: The objections were all by the employers, were they not?

Hon. Mr. Grosart: No, sir. The objections were brought before the committee in the other place by the joint committee to which I referred. The spokesmen of that joint committee, if I may set the record straight, were Mr. Ladyman, who is General Vice-President of the Canadian Labour Congress and also International Vice-President of the International Brotherhood of Electrical Workers; and the spokesman for the Canadian Construction Association, which is the employers' association, was Mr. Peter Stevens, the Director of Labour Relations in that organization.

In their presentation they made a great deal of the fact that it was a joint presentation. As honourable Senator Hantyshyn remarked, it was quite an unusual thing and a fine example of labour-management co-operation. They came together, they agreed on the presentation they would make and, as far as their particular interests were concerned, they made their objections in much the same language.

However, honourable senators, I was shocked at one statement made by the representative of the workers. I am sure I do not have the reputation of being opposed to the union movement or the interests of the workers generally. However, I was shocked because I do not believe that this statement, which was made in committee, represents the true attitude of labour towards Government legislation seeking to protect the rights of labour. If I may, with leave, I would like to put the statement on the record. It is not long. It appears in the report of the proceedings of the Standing Committee on Labour

and Employment in the other place, May 24, 1966, at page 102. I do not propose to read the entire statement by Mr. Ladyman who, as I have said, is General Vice-President of the Canadian Labour Congress and International Vice-President of the International Brotherhood of Electrical Workers. He said this:

> Now it could be said that the minimum wage establishes some protection for the organized people.
>
> Now, I do not think this is correct. The establishing of fair wage acts or minimum wage acts actually has always worked to the detriment of the unions engaged in organizing, and very often over the years it has worked to the detriment of the people who requested these things in the beginning because why should I join a union if you, as a government, guarantees me what the union is going to get me. In Manitoba this has very definitely had a detrimental effect on the state of organization in that province. They have a fair wage act, and the day I sign an agreement for an electrician every electrician in the province will get that rate. Well, I do not bargain for all the electricians in that province; I bargain for the I.B.W. electricians and that is the rate that should be paid. As a consequence there are many people there who, as I say, say, "Why join a union; the government legislation guarantees me all this." Well, we are not ready to relinquish our field in collective bargaining as yet to the government. I do not think he wants us to. Yet, in effect, this is what we are intending to do here.

That last sentence is a reference to this bill.

Honourable senators, I trust that the first two matters I raised at least will have the consideration that I think they warrant in committee.

Hon. Mr. Burchill: Honourable senators, may I ask Senator Macdonald (Cape Breton), for whom I have the very highest possible respect, if I understood him correctly to say that the industries of Nova Scotia were in a position to pay the same rate of wages as the industries in Ontario?

Hon. Mr. Macdonald (Cape Breton): No, no; you wholly misunderstood me. I said I regret they are not in a position to do so, but I feel that the federal Government is in a position to make the same payments everywhere.

Hon. Arthur W. Roebuck: Honourable senators, I do not propose to discuss the detail of this bill. In a general way, minimum wage legislation has been in effect for a very long time. I am entirely in accord with Senator Hnatyshyn when he says that the bill should go to a committee where the detail may be studied. Here we are discussing the general principle of minimum wages and the general principle of this bill. In that regard, I would like to put myself on record as saying that I am wholeheartedly in favour of the principle.

Honourable senators, we in Canada are highly organized, thoroughly competent producers. Our power of production is marvelously great. The idea of the lower classes—and I am speaking of the wage rates—working for starvation wages is abhorrent to practically everybody in this country. I have held that view for a long time and I wish only to express it.

It may be of some interest to some honourable senators that I argued before the Privy Council the constitutionality of this very legislation. That was about 1936. I conceded, on the part of the Province of Ontario, that the jurisdiction over wages and hours of labour, in those industries under dominion control, comes under the jurisdiction of the dominion Government. That was an issue at that time, but it is no longer. Of course that is more than thirty years ago. Since then I have had some familiarity with the operation of the act and I am free to say it has been a genuinely good act. It has raised the standard of living in a general way everywhere.

It has been pointed out just now that at least some of the provincial minimum wage rates are lower than those provided in this bill. Is that very extraordinary? Is it not our duty and our privilege to set an example in this regard and to lead the way in providing a decent standard of wages and living conditions?

This bill will, of course, go to a committee where we can examine it in detail—with a microscope, if necessary. We can ask such questions as we feel should be asked and obtain whatever information is available. At this stage I simply want to place on the record the fact that I am thoroughly in accord with the general principle of a minimum wage which will guarantee to everybody, whether they have the economic power or not, a decent standard of living.

Hon. Mr. Choquette: Hear, hear.

Hon. Mr. Roebuck: I think we are all in agreement on that.

Hon. Donald Smith: Honourable senators—

The Hon. the Speaker: I must inform honourable senators that if the honourable Senator Smith (Queens-Shelburne) speaks now it will have the effect of closing the debate.

Hon. Mr. Smith (Queens-Shelburne): I do not intend to speak at great length. However, I wish to thank those honourable senators who have participated in this debate. I want to compliment them on having done their homework on this legislation. I can see that many have taken the trouble to wade through the great mass of material made available to us as a result of the discussions in the other place. It is obvious that the members who have spoken, and some have made very important contributions, have indeed done their homework very well.

Having done some little homework myself on rather short notice, I did prepare myself yesterday to cover in a general way the answers, if I may put it that way, to the proposals which were made over a year ago to the Minister of Labour of that time, and in more recent months to the new Minister of Labour, and also the briefs which were sent to honourable senators and members of Parliament in general. I realize, having regard to the time of day, that it was rather a lengthy note that I would have been compelled to put on the record with regard to the objections made by the construction industry and one of the labour unions involved in construction. I am glad now I did not attempt to cover them in detail. I realize the interest of honourable senators is particularly keen so far as this legislation is concerned, and I think the appropriate place to have a full discussion is in committee.

I hope that Senator Hnatyshyn, who followed me in the debate, will permit me to maintain my position that this is a simple bill. It is far simpler in its effect and in consideration of its impact on numbers of people than the Canada Labour Code legislation in which the federal Government has a much larger jurisdiction involving the transportation industry, railroads and steamships, the broadcasting industry and hotels operated by railways. They qualify as being under federal jurisdiction. I say that because I want to emphasize again that the benefits, if there are benefits, which flow from this particular legislation can only apply in a small part of this country and to people employed in 3 per cent of the construction industry in this country.

Perhaps I should not put this on a numerical basis but rather on a slightly more philosophical basis. But it was on that basis that I left the impression that I regarded this as a simple bill.

I do not wish to add extensively to what I have already said, but there is one answer which springs to my mind in connection with Senator Grosart's question as to the provisions in this bill which refer to the public interest being served when a construction project is required to be carried out most expeditiously, and therefore could qualify for a special permit.

I wish to mention a concrete example with which I am quite familiar. Such a situation does arise from time to time in the lobster fishing industry. The lobster fishermen are busy at certain seasons of the year. When that season is over these fishermen go herring fishing. In the meantime a contractor may have a public works contract in the harbour and he may have to clear out a wharf, or repair a slip or carry out dredging between the time the fishermen haul their nets after the herring fishing and prepare again to go lobster fishing. It has to be done at a time when the fishermen are not occupying the harbour. I am sure if Senator Grosart were as familiar with this situation as I am he would welcome any way the minister could find to assist a contractor to carry out such work as expeditiously as possible. I mention that at this stage because I doubt if any official would have that kind of concrete example to provide to my honourable friend.

Hon. Mr. Grosart: I should make it clear that my only suggestion was that all federal contracts should be carried out expeditiously. By that I do not mean suddenly or on an emergency basis, because provision is made for that. I wonder if my honourable friend is aware, for example, that almost every Expo contract, and they number over a hundred, has been given exemption on this ground.

Hon. Mr. Smith (Queens-Shelburne): I did not know they were all given exemption. I was, however, aware of the need for exemptions in certain cases. These exemptions are necessary so that everything may be made ready in time for the opening of Expo '67 in April next year.

It has been made perfectly clear to me and, I am sure, to all honourable senators, that this bill should go to a committee. It seems we have not employed our specially designated committees quite as often as we might have done in the past. Even if it should not be possible to get the committee into operation the very next time a committee room becomes available, because of prior legislation going before some other committee, I would certainly be glad to have the Standing Committee on Labour and Immigration headed by my friend on the other side, Senator Hnatyshyn, provide the Senate with a thorough examination of this bill. I know he is the kind of man who will see that the minister and all other witnesses get a fair hearing.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Smith (Queens-Shelburne), bill referred to the Standing Committee on Labour and Immigration.

PRIVATE BILL

THE EVANGELICAL COVENANT CHURCH OF CANADA—SECOND READING

Hon. John Hnatyshyn moved the second reading of Bill S-38, to incorporate The Evangelical Covenant Church of Canada.

He said: Honourable senators, this is a bill to incorporate another religious body. The Evangelical Covenant Church of Canada is closely connected with the Evangelical Covenant Church of America. Probably the American church would be called the parent church, although the Canadian group is absolutely independent.

It is not a very large group. This church now has 23 organized congregations in the prairie provinces: nine in Alberta, four in Manitoba, and ten in Saskatchewan. There is one congregation of this church in my home city of Saskatoon, and I know personally that the people who belong to it are held in very high regard by the other citizens of our city, and they are respected by all other religious bodies in Saskatoon. The bill seems to be in order, and if it receives second reading I will ask that it be referred to the Standing Committee on Miscellaneous Private Bills, where honourable senators will have an opportunity to ask questions on any section.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Hnatyshyn, bill referred to the Standing Committee on Miscellaneous Private Bills.

YUKON ACT

BILL TO AMEND—SECOND READING—DEBATE ADJOURNED

Hon. Norman A. MacKenzie moved the second reading of Bill C-147, to amend the Yukon Act.

He said: Honourable senators, since this is the first opportunity I have had of speaking in this chamber I felt it would be in order to say that I count it a great and rather unexpected honour to be with you and to be made a member of this distinguished body.

I count it a privilege, too, not only because of the honour attached to it but because it does provide me with a few more years of service to my country, Canada, for which I have a very high regard.

I am very grateful to the honourable Senator Walker and to the honourable Senator Connolly (Ottawa West) for the kind things they said about me a short time ago. I may say that one of the special pleasures I am enjoying here is the friendliness and helpfulness of all members of the Senate I have met and have been associated with. I welcome the opportunity of renewing association and friendship with many old friends, particularly with those who were my students many years ago and who have gone on to distinguished careers and are now members of the Senate and, incidentally, several who are members of the other place as well.

I have been asked to speak on this bill, C-147, an act to amend the Yukon Act. I do not profess to be an authority upon the Yukon. As we all realize and remember, it was and is a romantic part of Canada. We have memories of the Klondike, the "gold rush," and of the period in our history between 1898 and 1902, when it became, in a sense, the centre for adventure for people from all over the world. Its population grew very rapidly and a great deal of wealth was taken out of it. As you know, after the "gold rush" there was a rapid decline in its population, in the extraction of wealth and income.

I believe the next occasion on which I heard anything about it or became familiar with that part of the world was when, as a Nova Scotian youth, I was trying to grow

wheat on the prairies in Saskatchewan and I seriously considered going up to the Peace River to homestead and to see something of the Yukon. For better or for worse, I returned to the university, and from there I went off to World War I. But I have continued my interest in the Yukon. I have flown over it en route to Alaska. Mrs. Mackenzie has visited it and has seen quite a bit of it by car, by boat on the Yukon River, and by train down to Skagway. I have many friends who have been there. Incidentally, I would like to join with those in the other place in paying tribute to the Commissioner, not only because he, to my knowledge, has done excellent work—and it is a matter of great regret that he has recently resigned—but because he is a cousin of mine, and naturally I am pleased when members of my family, however remote, do good work.

During the thirties there was discussion in British Columbia about union between British Columbia and the Yukon. But the thirties were years of problems for everybody, and I think it is fair to say that those concerned at that time did not particularly relish the prospect of adding to their problems by increasing the areas of their responsibility. So, nothing came of that.

While there are suggestions, such as those we heard in connection with the bill to amend the Northwest Territories Act, that this area might very properly, and perhaps more efficiently from the point of view of administration, become part of the Province of British Columbia in the case of the Yukon Territory, and of Alberta and Saskatchewan in the case of Northwest Territories, I know that the people of that territory, the Yukon, are much more interested in obtaining what they would describe as representative and responsible government, and of becoming in due course a province in their own right, than they are in becoming attached to an existing province. However, I do not propose to enter into any discussion about the merits of these propositions.

This bill speaks for itself. It is very simple in scope. In respect of the desires of the people of the Yukon to bring about changes in their present status, I think it is accurate to indicate that the department responsible and the Commission have agreed upon an economic study of the Yukon Territory, and that pending the receipt of the report of the royal commission headed by another former student of mine, Dean Carrothers of the University of Western Ontario, a somewhat similar constitutional inquiry may well follow for the Yukon Territory. But, in the meantime, as I said, this bill that we are asked to study, review and, if we approve, in due course pass, is simple and modest in scope. Its main purpose is, first, to bring the financial arrangements for the members of the Yukon Council in line with present-day costs and practices followed by other legislative bodies; and, secondly, to provide the additional legislative authority needed to keep pace with the accelerated rate of the economic growth of the Yukon.

There are seven elected members of the council, I believe, who have what one might describe an advisory function rather than an executive or administrative function. It is proposed to increase their indemnity or remuneration, and bring it in line with that which has been proposed and agreed upon for similar individuals in the Northwest Territories. That is the first amendment.

In addition to the general increase in indemnity, there is a proposal for a special increase to the three members of the council who serve on an advisory committee on finance. That is a rather small indemnity or honorarium of some $300 a year. There are increases to, or changes in, the allowances for expenses as contrasted with the previous arrangements under the existing act.

Then there are certain changes which are designed to achieve a more efficient operation of the Government of the Yukon Territory because of increasing responsibility for matters of a local nature. They cover such areas as the authority to designate and make regulations for the operation of a new jail that is being built at Whitehorse. I understand that up to the present the Yukon Territory has relied on the facilities of other provinces in respect of prisoners and jails. Because of the increasing population and the necessity of having closer at hand a facility like this, a new jail is being built. This bill provides the authority to deal with it.

There is also authority to own and dispose of lands pursuant to tax sale proceedings. This was not possible under the existing legislation.

The bill also provides authority for the commissioner to lend money to individuals, and I believe to corporations as well, for the proper development of the territory, or for other purposes. At the moment the lending of

money is restricted to school districts and possibly municipalities.

There is a rather extended amendment that has to do with the examination and audit of the territorial accounts by the Auditor General. As this will make for greater efficiency and security it is an amendment which is appropriate, and one which we should approve.

Finally, there is a change in terminology in respect of treatment for those who are ill mentally. In the existing legislation they are described as insane, and in this bill they are described as mentally disordered persons. I gather there is less opprobrium attached to being mentally ill than to being insane, and that is a fair conclusion. Attached to that amendment there is also provision for some psychiatric treatment and help.

Honourable senators, in a general way these are the amendments that are proposed by this bill to the existing act. As will have been gathered from what I have said, or from an examination of the bill itself, it is simple in scope and is designed not to make fundamental changes in the economic affairs, financial affairs or the constitutional or political affairs of the Yukon Territory. Such changes may be desirable, but if so they will be brought about at a later time in more appropriate ways after thorough study. This bill, as I said before, is to provide for existing situations which need the kind of treatment provided by this bill. I feel that that is all that needs to be said in explanation of this bill at this time.

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

The Senate adjourned until Monday, June 13, at 8 p.m.

THE SENATE

Monday, June 13, 1966

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

Prayers.

PUBLIC SERVICE

JOINT COMMITTEE—CHANGE IN COMMONS MEMBERSHIP

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons to acquaint the Senate that the name of Mrs. Wadds has been substituted for that of Mr. Aiken on the list of members appointed to serve on the Special Joint Committee on the Public Service.

TRAINING ALLOWANCE BILL, 1966

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-186, respecting allowances to persons being trained under technical and vocational training programs.

Bill read first time.

Hon. John J. Connolly moved, with leave of the Senate, that the bill be placed on the Orders of the Day for second reading at the next sitting.

Motion agreed to.

DOCUMENTS TABLED

Hon. John J. Connolly tabled:

Final Communiqué issued by the North Atlantic Treaty Organization following the Ministerial Session held in Brussels, Belgium, June 7 and 8, 1966. (English and French texts).

Report on Activities under the Maritime Marshland Rehabilitation Act for the fiscal year ended March 31, 1965, pursuant to section 9 of the said Act, chapter 175, R.S.C., 1952. (English and French texts).

Report by the Tariff Board, dated June 3, 1966, relative to the Inquiry ordered by the Minister of Finance respecting Chemicals—Volume 1—Recommended Schedule —Reference No. 120 (English and French texts), together with a copy of the transcript of the evidence presented at public hearings (English text), pursuant to section 6 of the Tariff Board Act, chapter 261, R.S.C., 1952.

NEWFOUNDLAND

CLOSING OF WABANA MINES—DEVELOPMENT OF CHURCHILL FALLS—INQUIRY ANSWERED

Hon. Malcolm Hollett inquired of the Government, pursuant to notice:

1. What, if any progress has been made with regard to alleviating the serious situation in which several thousands of Canadians will find themselves on the close-down of operations at Wabana Mines, Bell Island, Newfoundland?

2. With regard to the development of the Churchill Falls power in Labrador, has the federal Government been made aware of the problems facing such development and, if so, what are these problems?

Hon. John J. Connolly: The answer to the honourable senator's inquiry is as follows:

1. The Government set up a committee of public servants under the chairmanship of Dr. Ernest Weeks, Executive Director of the Atlantic Development Board to work with an agency of the provincial Government to make plans for co-operative measures to meet the situation. The committee has been working actively with the provincial Government and is expected to make a formal report shortly.

2. The only problem respecting the development of Churchill Falls power in Labrador which has been brought officially to the attention of the Government of Canada relates to the discrimination arising because of the taxation of private developments as compared with the exemption from federal taxation of provincial agencies. The Government is proposing legislation at the present session of Parliament to remove this discrimination in respect of the generation and sale to the public of electrical energy or steam or gas.

UNIVERSITY FINANCES

NOTICE OF INQUIRY STANDS

On the notice of inquiry by Hon. Mr. MacKenzie:

That he will call the attention of the Senate to the question of university finances.

Hon. John J. Connolly: Honourable senators, I ask that this inquiry stand until Tuesday, June 21, 1966.

Order stands.

CONSERVATION OF WATER RESOURCES

DEBATE CONTINUED

The Senate resumed from Wednesday, June 1, the adjourned debate on the inquiry of the honourable Senator Gershaw, calling the attention of the Senate to the need for conserving Canada's water resources.

Hon. Arthur M. Pearson: Honourable senators, before proceeding may I mention the very enjoyable cocktail party put on by Mr. Speaker in honour of the visit of the Czechoslovakian parliamentary delegates. We had a very enjoyable time—I think some of our members may be still there.

I am very pleased Senator Gershaw proposed this inquiry into water conservation. Water is a very common resource and in fact is cheaper than dirt. It has been said that you can buy water in our cities delivered by tap to your bath or sink for about a nickel a ton, while just ordinary dirt fill costs from $1 up, and topsoil about $10 per ton. Yet, as the honourable senator has said, the whole of life depends upon adequate supplies of water. It is needed for domestic consumption, industrial output, agriculture, recreation, fish and wildlife, navigation and hydro power.

All our water comes from precipitation. There is a regular cycle; the sun draws the water from plant, lake and ocean into the atmosphere where it forms clouds, and then when the temperature is right it returns to the land once again and is stored in a number of ways. First, some is stored in the great lakes of our country; second, some by the topsoil; third, some of it works its way down to the rock strata to be retained in our ground water supply, and, fourth, some is retained in our forests.

A great deal of it, however, is run off into the rivers and eventually back into the sea. If we have a very heavy rain, the moisture will carry soil with it and may in some cases choke the river with mud or sand and at the same time destroy the land from which it flows. This happened when Hurricane Hazel, which many of you will remember, hit Ontario. Floods cause a great deal of damage to land, buildings, rivers and streams.

Canada has about half the total amount of fresh water in the world. It looks as though we have most of it when viewed from the air across northern Ontario, Manitoba, Saskatchewan, as I have done many times. Despite this, the only "raw water" safe for human consumption is that in our high mountains or inaccessible areas. Most of the other water in our country is polluted to some extent, and as it nears the great industrial cities it becomes more and more polluted, until it reaches the stage that is reported in the case of Lake Erie at this time, which lake is said to be almost beyond repair; at any rate, it will take many years of remedial treatment before it will be considered a good body of water for all purposes.

Man seems to have a perverse habit of destroying nature in trying to acquire an immediate living or wealth for himself. With our immense visible supply of water in our Great Lakes and large rivers it seems we have no problem, and until 1935 there had been no particular thought given to conserving our water supply.

I might say that in Ontario there are some 15,000 ponds, both private and public, which have been developed for conserving water. In Quebec there are some 2,000 ponds; and out on the prairies since 1935, through what we know as the P.F.R.A.—the Prairie Farm Rehabilitation Act—there have been some 85 major water conservation projects, and a total of 94,482 projects, including dugouts, irrigation and river dam projects, for a total cost of some $31,150,000.

The prime feature of water conservation is to intercept the run-off. The interception of the run-off can be effected in a number of ways. It can be done, first, by increasing the forest cover and by the better use of our forests. The forest is the most natural area for storing water. It prevents rapid run-offs; the snow in the open melts and runs off before the snow begins to melt in the forest.

The second method is the proper cultivation of the soil, to allow water to penetrate to a greater depth and to help prevent erosion. In many cases cultivation of the soil has been overdone so that it becomes almost a silt, in

which case it is difficult for rain to penetrate; then we experience soil erosion and the water running off into the streams or lakes.

The third way is to build dams and dikes at the headwaters of rivers to create reservoirs, and the fourth is to control the outflow of the lakes.

As I have said, there is considerable conservation of water in Ontario and the western provinces, under the various river authorities and the Prairie Farm Rehabilitation Act, respectively; and the only satisfactory solution to the problems of conserving and storing water is concerted control. This may be accomplished by an agreement between the federal, provincial and municipal or county authorities, all working together for the benefit of the whole. There is not much advantage in one county or industry spending a great deal of money to store water, if the water is destroyed by pollution or wasted farther downstream. Consequently, we must have some authority responsible for the storage of water and the prevention of pollution of that stored water.

At the present time we see numbers of lakeshores and river banks dotted with rotting bathhouses and bathing enclosures which were at one time beautiful beaches, surrounded by signs reading: "No swimming—Polluted water." Polluted water is dangerous to human life. It causes economic loss, and damage to recreational resources. The main causes of pollution are municipal sewage, industrial waste and land drainage. Adequate water is vital to the urban dweller, and to industry and agriculture, but polluted water is of no use to anyone.

In Ontario, for example, water is needed for the irrigation of land. There are some 70,000 acres in crop and under irrigation in Ontario now, and it is estimated that by 1975 this area will have increased to half a million acres which will need approximately two billion gallons of water per day. This will make for considerable competiton for water between urban and rural dwellers, and between industry and agriculture.

Such cities as Montreal and Toronto today need approximately 120 gallons of water per day for every man, woman and child. Along Lake Erie and Lake Ontario the United States uses 760 million gallons, and Ontario uses approximately 400 million gallons of water per day. From this you will understand that the demand for water at the present time is considerable, and it will become greater as our industrial areas expand and intensive farming calls for more irrigation.

In reading the ARDA catalogue of projects from 1962 to 1965 I note many listed there for the conservation of water. These are major projects, the financial arrangements for which are made between the federal and provincial governments. Prince Edward Island has five projects, Nova Scotia ten, New Brunswick four, Ontario seven, Alberta six, and British Columbia has twenty.

It amazes me to read that British Columbia, which has great rivers and plenty of water from the melting snow on the mountains, is working towards conserving its water to a greater degree than is any other province. The Maritime provinces, of course, have an abundance of rain and, consequently, have not the same need for the conservation of water as does the rest of Canada. Quebec, because of its type of soil and rainfall, has 102 projects under way which, however, are mostly of a drainage nature.

I was particularly interested in the fact, as recited by this report on the ARDA program, that the Province of Saskatchewan, which is considered a dry province and short of water, should have 31 drainage projects. The problem there, apparently, is one of containing the rivers and ensuring that they do not flood lands that can be used for agricultural purposes, and of storing the water for later use.

Alberta, which has the run-off from the mountain ranges along the west escarpment, has six water conservation projects underway. Manitoba has seven projects, and they are mostly for the control of the spring run-off and drainage. At the present time it is putting a large ditch or canal around the City of Winnipeg to assist in the carrying away of the spring run-off. The floods in Manitoba were caused by the ditching of the heavy flat lands in North Dakota and Manitoba which has forced the water to run off what was originally swamp country and good hay land, but which is now considered fine agricultural land suitable for all types of grain and vegetables. It is always difficult to decide whether more land or the retention of water is the most necessary for the country.

Honourable senators, although apparently there is a great surplus of water in our country at the present time, we shall need most of it.

In our western provinces, where water is somewhat short due to the shortage of total

rainfall per annum, we have a good potential of water, when it is needed, through the diversion of certain rivers such as the Peace River, the Red Deer River, and the Saskatchewan River. With proper control, I foresee ample water for many years to come in that area.

On the other hand, in Ontario and Quebec there is already a great industrial empire built up, and in a very few years water, especially clean water, will become less of a surplus commodity.

Western Canada is just on the threshold of becoming an industrialized area and will need all the water in that area in the not-too-distant future.

Our friends to the south of the border, especially along the Pacific area, are now scrambling among themselves for a share of the Columbia waters which were just recently diverted to the United States by the Province of British Columbia and the federal Government. Apparently they now have some scheme in hand by which they hope to divert waters from Northern British Columbia and Alberta down through the Saskatchewan-Qu'Appelle River system into the Assiniboine, and on down to the midwest states.

For my part, I think this would be a great mistake from the point of view of Western Canada. Up until now western Canada has been a great exporter of our raw material, and there is no reason why we in the west should not develop, in a very short time, into a great industrial empire. We have tremendous hydro-electric power potential. We have great oil and natural gas resources. We have one of the largest deposits of potash in the world. We have great copper and zinc and iron deposits. We have vast stretches of timber in the northern part of the provinces. There is no reason why Western Canada should not be a great manufacturing area such as the western coast of the United States and Eastern Canada. For that reason we would invite these American enterprises, if they need our water so badly, to move their industries to this country, to make use of our resources here to our and their advantage, rather than continuing to export our raw materials, which includes water.

Honourable senators, I think that the conservation of our water and all our resources is something that we should be very mindful of at this time and in the future.

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

AUTOMOTIVE PRODUCTS

CANADA-UNITED STATES AGREEMENT— MOTION FOR APPROVAL— ORDER STANDS

On the order:

Resuming the debate on the motion of the honourable Senator Aird:

> That it is expedient that the Houses of Parliament do approve the Agreement concerning Automotive Products between the Government of Canada and the Government of the United States of Amercia signed on January 16, 1965, and tabled in the Senate on March 3, 1965; and that this House do approve the same—(Honourable Senator Grosart).

Hon. Allister Grosart: Honourable senators, with leave of the house, may I be permitted to yield my place in the order of the debate to the honourable Senator Hugessen.

Hon. Mr. Connolly (Ottawa West): Stand.

The Hon. the Speaker: The order stands.

YUKON ACT

BILL TO AMEND—SECOND READING

The Senate resumed from Thursday, June 9, the adjourned debate on the motion of Hon. Mr. MacKenzie for the second reading of Bill C-147, to amend the Yukon Act.

Hon. John Hnatyshyn: Honourable senators, it is a real pleasure in this debate to follow such a distinguished member of the Senate as the sponsor of this bill, Senator MacKenzie. It was a delight to me, as I am sure it was to all senators in this house, to hear him speak on this bill—indeed, to speak for the first time in this house. I wish to congratulate him on the able manner in which he presented the bill.

A little over a week ago I had the honour to speak on the Northwest Territories bill. So far as development of the Northwest Territories and its resources are concerned, everything I said applies equally to the bill now before us, with this difference, that at one time the Yukon received notoriety when gold was discovered. After that the Yukon was forgotten for a while. However, since the discovery of gold many other resources have been discovered there, such as lead, zinc, iron and other minerals.

Another difference between the Yukon and the Northwest Territories is that the Yukon has a much longer history. I believe that it is some 68 years since the Yukon has had an active legislature. Today its government includes many men of experience.

The elected legislature of Yukon Territory may be similar to the legislatures of the provinces, but it has absolutely no executive power. For instance, its Legislative Assembly has no power to pass any money bills; it has no power to legislate in regard to any of its natural resources, nor to legislate in regard to the administration of justice.

As already stated by the honourable sponsor of the bill, the Yukon Territory will soon become our eleventh province. Today it is not asking that it be given complete jurisdiction so far as executive powers are concerned, but that gradually it be given executive powers in order to manage some of its own affairs. I know, from speaking to many people from the Yukon Territory, who visit our city, that they are most anxious for this program to come in progressive stages. They are not asking for it to happen tomorrow. However, there is a feeling that since they are 3,000 miles away, and after some 70 years of experience in government, they should gradually be given some of their executive powers.

Honourable senators, I am not going to oppose this bill, which raises the salaries of the legislators in the same manner as was done by the bill which was before us recently in regard to the Northwest Territories. There is nothing wrong with that. However, I want to repeat what I said when I spoke on the earlier measure, that although I am not in favour of giving complete autonomy overnight, I would like the federal Government to make it perfectly plain to the people of the Yukon that it is working toward the day when the Yukon Territory will be granted self-government, when it will have executive powers similar to all the provinces of this dominion. I agree with the sponsor of the bill (Hon. Mr. MacKenzie) that that day is coming, and may come in the near future.

I wish to impress upon honourable senators again that in the Yukon Territory today there are many men who have had long years of experience in the legislature and in the government. I say that they are quite capable of performing some of the executive duties now performed by a Commissioner. I am not criticizing the Commissioner, because I think that up to now a fairly good job has been done in the Yukon so far as the executive side of the government is concerned.

It has given the people from the south an opportunity to learn something from the north. Perhaps it has not been altogether bad that we have Ottawa 3,000 miles away do some of the work. But I say the time has come when we will gradually have to trust the people of that territory to do some of the executive work which they want passed on to them.

I mentioned when I spoke in connection with the Northwest Territories bill that the Province of Manitoba, for instance, was admitted into Confederation as a province when it had a population much less than there is today in the Yukon and in the Northwest Territories.

These northern countries are the hope of Canada for the future. Personally, I do not know if honourable senators appreciate the North as much as I do, having lived in an area bordering on these territories. I think they have the most romantic future in the history of our country. They have untold wealth. The population has been gradually increasing. Resources have been developing. A lot of wealth comes from these northern parts of our country.

Honourable senators, in another 25 years the Northwest Territories and the Yukon will be two of our leading provinces. I am firmly convinced that the Yukon will be the eleventh province and the Northwest Territories will be the twelfth province of this dominion.

As I said, I am not opposed to the principle of this bill. I want to repeat what I said in regard to the Minister of Northern Affairs and National Resources, that I think he has the welfare of the Northwest Territories and the Yukon at heart. He is making a splendid job of it. I know that his stand and his feelings are perhaps a little bit ahead of what the Government is willing to do. But I am glad he is there, and as long as he is minister I am convinced that the fate of those two territories in the north will be very bright and that soon we will have two new provinces in Canada.

Hon. Arthur W. Roebuck: Honourable senators, may I ask a few questions? I know very little about the Government of the Yukon, and I am asking for information.

How much money does the Government of the Yukon, such as it is, draw now from the federal treasury? This is my first question.

My second question refers to powers. The honourable senator has told us the powers that the local government does not enjoy. What are the powers that it does enjoy? And if we gave entire autonomy to the local Government of the Yukon, are the people there prepared to pay their own taxes as other provinces do?

I am not asking these questions to be nasty, but because I would like that information.

Hon. John J. Connolly: Honourable senators, perhaps on behalf of the Government I should intervene here. It is probably more than should be imposed upon Senator Hnatyshyn, whose speech we have enjoyed so much, to take on the burden of the answers.

I must say frankly that as I did not sponsor the bill, the information is not available to me here this evening. I can do one of two things. I can get the answers in so far as they are available. The financial figures would be readily available. Or, if honourable senators so desire, this bill can be sent to committee. It was originally thought that it need not go to committee, but perhaps the questions that Senator Roebuck has asked should impel us to reconsider, so that we can have the officials attend and answer the questions directly rather than give written answers.

Hon. Mr. Choquette: Personally, on this side I would appreciate much more if Senator Roebuck in future put questions of that type to the senator sponsoring the bill, especially when it comes from the Government.

Hon. Mr. Hnatyshyn: Honourable senators, I think I can give roughly the answers as far as the Northwest Territories are concerned, subject to any correction that the Government may make later.

I think that out of the $74 million that is spent in the Northwest Territories, only $14 million comes from the Northwest Territories and $60 million comes from the federal Government. But it is as a matter of principle that I spoke about giving the provincial status to these territories. Based on what the other provinces gets as a subsidy per capita, I do not think the Northwest Territories or the Yukon are far behind. They may not be able to finance themselves completely.

I am not saying provincial status should be given overnight. I think I made it perfectly clear that neither the Yukon nor the Northwest Territories are asking for autonomy overnight: they are asking that it be granted to them gradually. This is the proper way to grant autonomy. After all, today we have countries like the Congo and Rhodesia and others becoming independent entities. Surely the time has come in Canada when we should give to these two territories the rights that we gave to the other provinces years and years ago.

The people of the Yukon are just as capable as those of Southern Rhodesia or the Congo to carry on self-government. The people there have been very fair, they have never expressed abusive criticism of the federal Government. Everything they have said has been said in appreciation of what has been done. All that they are asking is: "Give us gradually some executive powers so that in a few years we will do what other provinces of Canada are doing today."

Motion agreed to and bill read second time.

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

On motion of Hon. Mr. Connolly (Ottawa West), bill placed on the Orders of the Day for third reading at the next sitting.

PRIVATE BILL

LUTHERAN CHURCH IN AMERICA—CANADA SECTION—SECOND READING

Hon. W. Ross Macdonald moved the second reading of Bill S-39, to incorporate Lutheran Church in America—Canada Section.

He said: Honourable senators, the purpose of this bill, as the title implies, is to incorporate a Christian body in Canada to be known as the Lutheran Church in America—Canada Section.

Honourable senators are quite aware that there are many thousands of people in Canada professing the Lutheran faith. They are in the Maritimes, in the district of Lunenburg with which Senator Kinley is very familiar; they are in the district of Waterloo, Ontario, and all through that area of Ontario up to Georgian Bay. Senators who come from Manitoba, Saskatchewan, and Alberta are familiar with Lutherans in those provinces. I hope honourable senators will agree with me that Lutherans are to be found generally

throughout Canada and have contributed much to Canada. They are industrious people with high ideals and over the years they have become indeed great Canadians.

Hon. Mr. Connolly (Ottawa West): They have also made great contributions to this chamber.

Hon. Mr. Macdonald (Brantford): Yes, they have. I am sure the honourable Leader is referring in particular to the late Senator Euler, a devout Lutheran who was at one time Chancellor of Waterloo Lutheran University. In fact, he was chancellor when he died. If he were here tonight I am sure he would be introducing this bill and it would not be my honour to do so.

Hon. Mr. Croll: May I ask who is the Chancellor now?

Hon. Mr. Hnatyshyn: Everybody knows that.

Hon. Mr. Macdonald (Brantford): I am sure that if honourable Senator Willis were here tonight he would tell you who is the Chancellor.

The incorporators come from various parts of Canada, one being from Nova Scotia, another from Winnipeg and yet another from Edmonton. The sponsor of the bill is from Ontario. The head office of the Church will be in Winnipeg.

At the present time, there are a number of sections of the Lutheran Church in Canada, three of them being main sections. The purpose of this bill is to incorporate these sections into one body in Canada to be known as the Lutheran Church in America—Canada Section.

The bill is drawn up in the terms usual for a bill of this nature. If it receives second reading, it is intended to send it to a committee where honourable senators will have the opportunity of asking any questions which they deem advisable, for example, with respect to the number of Lutherans in Canada. I am sure many of you will be surprised at the number of Lutherans and the extent of the Church throughout Canada.

Honourable senators, for the reasons I have given, I ask that the bill be given second reading now.

Hon. Mr. Pearson: Could the honourable senator tell us how many branches of the Lutheran Church there are in the United States at the present time, or is there just one body there?

Hon. Mr. Macdonald (Brantford): My information is that there is more than one body in the United States. I am sorry I do not have more detailed information, but I was brought up a Presbyterian, and I am now a member of the United Church and Chancellor of a Lutheran university.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Macdonald (Brantford) bill referred to Standing Committee on Miscellaneous Private Bills.

BUSINESS OF THE SENATE

Hon. John J. Connolly: Honourable senators, before moving the adjournment of the Senate, I wish to mention that this is going to be a particularly busy week in the Senate, although it may not appear so from *Hansard*.

As honourable senators are aware, many bills have been sent to committee and therefore the committees will be sitting long hours each day. Notice has already been circulated about the Standing Committee on Banking and Commerce meeting for tomorrow morning at 9.30. In making this announcement it is not my intention merely to apprise honourable senators of the situation, but rather to indicate that the work of the Senate is not confined to this chamber although sometimes it is judged entirely by the amount of time we spend here.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Tuesday, June 14, 1966

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

Prayers.

DOCUMENT TABLED

Hon. John J. Connolly tabled:

Consolidated Index and Table of Statutory Orders and Regulations published in the *Canada Gazette*, Part II, for the period January 1, 1955 to March 31, 1966. (English and French texts).

RURAL ECONOMIC DEVELOPMENT FUND BILL

AUTHORITY TO PRINT COMMITTEE PROCEEDINGS

Hon. Salter A. Hayden, Chairman of the Standing Committee on Banking and Commerce, presented the following report of the committee on Bill C-151, to provide for the establishment of a fund for the economic and social development of special rural development areas:

Your committee recommends that authority be granted for the printing of 800 copies in English and 300 copies in French of its proceedings on the said bill.

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

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

Report adopted.

REPORT OF COMMITTEE ADOPTED

Hon. Mr. Hayden, Chairman of the Standing Committee on Banking and Commerce, reported that the committee had considered Bill C-151, to provide for the establishment of a fund for the economic and social development of special rural development areas, and had directed that the bill be reported with the following amendment:

Clause 10, line 13: Immediately after "year", insert the following: "and in any event not later than six months after such termination and, if Parliament is not then sitting, within 15 days of its commencement,".

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

Hon. Mr. Hayden, with leave of the Senate, moved that the report be taken into consideration now.

He said: Honourable senators, the amendment applies to the provision in the bill for the minister reporting to Parliament. The language was very indefinite in that it provided that the minister shall report to Parliament as soon as possible after the termination of the fiscal year. We thought that was too indefinite, and we amended the provision that the minister shall report to Parliament as soon as possible after the termination of the fiscal year, by adding the words "and in any event not later than six months after such termination and, if Parliament is not then sitting, within fifteen days of its commencement,".

Report adopted.

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

Hon. Mr. Hayden moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

GOVERNMENT ORGANIZATION BILL, 1966

AUTHORITY TO PRINT COMMITTEE PROCEEDINGS

Hon. Salter A. Hayden, Chairman of the Standing Committee on Banking and Commerce, presented the following report of the committee on Bill C-178, respecting the organization of the Government of Canada and matters related or incidental thereto:

Your committee recommends that authority be granted for the printing of 800 copies in English and 300 copies in French of its proceedings on the said bill.

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

Hon. Mr. Hayden I move, with leave of the Senate, that the report be adopted now.

Report adopted.

REPORT OF COMMITTEE

Hon. Mr. Hayden, Chairman of the Standing Committee on Banking and Commerce, reported that the committee had considered Bill C-178, respecting the organization of the Government of Canada and matters related or incidental thereto, and had directed that the bill be reported without amendment.

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

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

Motion agreed to.

STANDING COMMITTEE ON BANKING AND COMMERCE

ADDITIONS TO MEMBERSHIP

Hon. Arthur L. Beaubien, with leave of the Senate, moved:

> That the names of the Honourable Senators Bourget, McDonald and Rattenbury be added to the list of senators serving on the Standing Committee on Banking and Commerce.

Motion agreed to.

STANDING COMMITTEE ON IMMIGRATION AND LABOUR

ADDITIONS TO MEMBERSHIP

Hon. Arthur L. Beaubien, with leave of the Senate, moved:

> That the names of the Honourable Senators Davey, McElman, Prowse and Urquhart be added to the list of senators serving on the Standing Committee on Immigration and Labour.

Motion agreed to.

YUKON ACT

BILL TO AMEND—THIRD READING

Hon. John J. Connolly, moved the third reading of Bill C-147, to amend the Yukon Act.

Motion agreed to and bill read third time and passed.

CONSERVATION OF WATER RESOURCES

DEBATE CONTINUED

The Senate resumed from yesterday the adjourned debate on the inquiry of the honourable Senator Gershaw, calling the attention of the Senate to the need for conserving Canada's water resources.

Hon. Jean-François Pouliot: Honourable senators, I have said often that it is a great honour to be a member of this chamber. It is my pleasure today to pay a special tribute to two of our colleagues for the learned and timely speeches they made with regard to the conservation of Canada's water resources. Senator Gershaw is a pioneer in that domain and many others, and he covered the whole subject in a speech which takes up only three pages of *Hansard* of June 1 last. Senator Pearson, who followed him, in a remarkable speech dealt with the matter from a different angle. Both dissertations would honour any academy of the world, and it is our great privilege to have such outstanding colleagues among us.

The matter of the conservation of water is vital. Some experiments have been made and some rumours have been spread to the effect that on account of the diversion of our waters to the United States, Lake Erie may dry up. No one has forgotten the difficulties with Chicago when its intake of water affected the level of the Great Lakes.

I have another most important document. It is a report of what a former President of the National Research Council, a former Chairman of the International Joint Commission and another savant, has said about the conservation of water. As it would take a few minutes to read, I ask leave to place it on *Hansard* to complete what has been said by Senators Gershaw and Pearson.

The Hon. the Speaker: Honourable senators, is it agreed that this newspaper report appears in *Hansard*?

Hon. Senators: Agreed.

Hon. Mr. Pouliot: Thank you. You will read it in *Hansard* tomorrow.

[*The report follows.*]

The Globe and Mail,
Thursday, June 9, 1966

NAWAPA DIVERSION SCHEME DEBATED BEFORE ROYAL SOCIETY

"YOU HAVE ENOUGH WATER IF YOU USE IT WELL," McNAUGHTON TELLS U.S. SENATOR

—By Susan Anderson
Globe and Mail Reporter

Sherbrooke—A U.S. senator's proposals for U.S. sharing of Canadian water were politely rebutted by General A. G. L. McNaughton yesterday.

Both Gen. McNaughton, chairman of the Canadian section of the International Joint Commission from 1950 to 1962, and the U.S. senator, Frank E. Moss (D, Utah), addressed the Royal Society of Canada at the University of Sherbrooke.

Gen. McNaughton told Senator Moss: "You've enough water in your domain if you use it well. You don't have to come to us."

In his address, Senator Moss reviewed the North American Water and Power Alliance, a plan that involves the collection of up to 18 per cent of the excess runoff from the high-precipitation, medium-elevation areas of Alaska and Western and Northern Canada. He stressed that this is surplus water, which would be diverted south and east through a system of canals and reservoirs.

"Such controlled distribution of the waters from the north, pooled with waters from the interconnected producing areas of both countries, would benefit one territory and seven provinces of Canada, 35 states of the U.S. and three states of Mexico," Senator Moss said.

Gen. McNaughton called NAWAPA "nothing more than an attempt by the Ralph M. Parsons Co. of Los Angeles, a private engineering firm, to drum up business for themselves." Senator Moss was instrumental in bringing the NAWAPA plan before the U.S. Senate committee on water resources. A subcommittee headed by the Utah senator concluded that the NAWAPA concept could deliver nearly twice as much water as could be provided by the large number of U.S. projects already under study.

"The NAWAPA scheme", Gen. McNaughton said, "seems to be based on the premise that there are large quantities of surplus water in Canada. The NAWAPA propagandists love to talk of great quantities of water spilling unused into the Arctic Ocean. But the major sources for the scheme are the rivers of the Canadian Cordillera which provide a great series of prime power sites, rivers which are the basis of the forest products industry, rivers which provide some of the finest salmon runs in the world."

Gen. McNaughton said that "the NAWAPA proposal contemplates that the complete jurisdiction and control will rest with the corporation which, although it might be nominally international, would in reality be dominated by Americans."

He added: "If we make a bargain to divert water to the U.S. we cannot ever discontinue or we will face force to compel compliance. There is nothing in our experience to date which indicates any change in the vigor with which our American friends pursue objectives which they deem in their national interest, however, much this may hurt a neighbour who has unwittingly made a careless bargain in other circumstances."

The solution that Gen. McNaughton proposed to Senator Moss was pollution control. What is scarce in the United States is not water but clean water, he said, and this could be provided at less cost by proper administration and pollution control than by importation from Canada.

"If Canada offered the United States our water at bargain prices, the attack on pollution might then be postponed until the problem was no longer soluble and at the very least the cost would be astronomical."

Senator Moss replied that even complete success in cleaning up polluted waters would still leave some areas with a water shortage. He noted that government and research agencies are working on desalinization projects and weather research in an attempt to induce precipitation.

In the exchange with Gen. McNaughton over the existence or non-existence of a Canadian water surplus, Senator Moss concluded: "If Canada decides it has not a surplus, it has not and that's the end of it."

Both Senator Moss and Gen. McNaughton refused to reply to a suggestion by Gordon Shrum, co-chairman of the B.C. Hydro and Power Authority, that Canada trade the flooding of the Rocky Mountain Trench, which would divert water into the United States, for Canadian ownership of the Alaska Panhandle.

MAYORS' GROUP WILL ESTABLISH POLLUTION BODY

Special to the Globe and Mail

Vancouver—A resolution to establish a standing committee to help combat pollution was approved yesterday by delegates to the conference of the Canadian Federation of Mayors and Municipalities.

The resolution was proposed by Alderman Michael Grayson of Toronto, who was not a voting delegate, and formally moved by Mayor Philip Givens, also of Toronto. It was approved unanimously.

Alderman Grayson said a large number of reports on pollution were available and a committee was needed to go through the material available and get on with the job of combatting pollution of all kinds.

The standing committee is to co-ordinate research material, study new plans and devices and advise senior governments and federation members on pollution matters. It also is to act with any international joint committee dealing with air and water pollution, including that caused by urbanization, industry and motor vehicles.

I shall not take up much more of your time, but there is one point to which I wish to draw your attention. It is about the diversion of the waters from the Arctic Ocean southwards. According to scientists, well-qualified men and women, that would change the temperature of Canada. It could be done, but with disastrous effects to our climate. You will read what General McNaughton with his qualified experience has said.

My conclusion is obvious. The Senate has accomplished excellent work in many domains. The matter of the conservation of water is now before this chamber. It is before the Canadian people, and we must have an outlook that will protect the most important resource of the country—water for future generations. It is the Senate that is able to make that study and to present a report that will be most useful to Canada, in the same way that it presented its report on manpower and on so many other matters.

Therefore, my suggestion is that the Government take the trouble to read what was said by Senator Gershaw on June 1, by Senator Pearson yesterday, and also by General McNaughton as reported in the Senate *Hansard* of today. Every member of the Government will then have the satisfaction of doing the right thing in asking the Senate to make a close study of this matter.

On motion of Hon. Mr. Gershaw, for Hon. Mr. Cameron, debate adjourned.

PRIVATE BILL

UNITED INVESTMENT LIFE ASSURANCE COMPANY—SECOND READING

Hon. Daniel A. Lang, for Hon. Mr Leonard, moved the second reading of Bill S-40, to incorporate United Investment Life Assurance Company.

He said: Honourable senators, Bill S-40 is an act to incorporate a life insurance company and comes before us in the standard form for such bills. The provisions of the bill are formal and set out the skeletal facts necessary for consideration on second reading.

Honourable senators will see from the bill that the company is sought to be incorporated under the name of United Investment Life Assurance Company, and, in French, La Compagnie d'Assurance Vie United Investment.

The provisional directors are named in the bill, and it is provided that the capital stock of the company shall be $2 million, divided into shares of $10 each.

The bill also provides that the amount to be subscribed and fully paid before the general meeting for the election of directors is called shall be $500,000.

The next section provides that the company shall not commence business until at least that amount of money is subscribed, together

with a contribution to surplus of $500,000. The head office of the company is to be in the City of Toronto, Province of Ontario.

Finally, the bill provides that the company may carry on the business of life insurance, personal accident insurance, and sickness insurance.

I am advised that the initial capital required before this company commences operations will be provided by a Canadian company known as United Funds Management Limited, which company will own 100 per cent of the shares of the proposed corporation, at least initially.

United Funds Management Limited is the proposed total shareholder of our corporation. It is an investment management company which manages the portfolio of another corporation known as United Accumulated Fund Ltd., a company with assets of approximately $250 million.

I should add that United Funds Management Limited is in turn a subsidiary of an American investment management company by the name of Waddell and Reed Inc. That company has management of a portfolio worth in excess of $2,250 million.

With regard to the Canadian parent company of the proposed corporation, I might say that 18 per cent of United Funds Management Limited shares are held by Canadian shareholders and the balance is held in the United States.

It is proposed that this corporation, in carrying out the business set out in the bill, will offer for sale, initially, term insurance and ordinary life insurance, stressing forms of such insurance which complement the investment requirements of the shareholders of the mutual fund, United Accumulative Fund Ltd., which fund is managed by the parent corporation.

It is also proposed that the sales force of the new corporation will operate out of the existing branch offices of United Investment Services Limited.

I think there is little else that I can add at this stage of the bill. If the bill receives second reading, I would propose that it be referred to the Standing Committee on Banking and Commerce, where honourable senators would have the opportunity of examining the promoters of the bill and hearing from the Superintendent of Insurance.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

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

On motion of Hon. Mr. Lang, bill referred to the Standing Committee on Banking and Commerce.

TRAINING ALLOWANCE BILL, 1966

SECOND READING

Hon. Earl W. Urquhart moved the second reading of Bill C-186, respecting allowances to persons being trained under technical and vocational training programs.

He said: Mr. Speaker and honourable senators, I must first of all thank the Leader of the Government for giving me the opportunity of moving the second reading of this bill. This also gives me my first chance to say something in this chamber since my appointment to this distinguished legislative body.

I wanted to say that I do not feel completely strange here, because I sat for 14 years in the House of Assembly of Nova Scotia. I have noticed, however, that different procedures are followed here, in some respects.

In the short time I have been a member of the Senate I have made many friends, and I certainly appreciate the kindness and the consideration that were shown to me, both inside and outside this chamber, by you Mr. Speaker, by the Leader of the Government, by the Leader of the Opposition and by honourable senators.

Having said the niceties which are part of the tradition of this house, I shall endeavour to explain as best I can the provisions of Bill C-186.

Honourable senators, this bill, which relates to the payment of increased allowances for persons being trained under provincial technical and vocational training programs, is one which gives increased importance to the paramount problems of retraining and further training of our labour force across Canada.

It is a truism widely acknowledged in this country and in other countries of the free world, that the skills of members of our labour force must be constantly improved. Our modern industrial society is moving so rapidly ahead that we are experiencing an industrial evolution from year to year. Industrial production techniques undergo

changes so frequently that our productivity becomes greatly increased.

Very often many people are affected by the improved production techniques because they were initially trained for an industry or for techniques which have become obsolete almost overnight. Thus they find themselves often at an early age without employment and without any bright prospects for future employment.

The Economic Council of Canada and other organizations in this country have constantly urged major efforts to improve the skills and upgrade the standards of our workmen. Skills and knowledge can become out of date rapidly, as new situations and new needs arise almost daily on the industrial and economic scenes. An extensive program of training for the unemployed and the under-employed appears to be a correct answer to the unemployment problems of a changing industrial society.

The importance of training must be recognized and appreciated if we are to keep pace with a buoyant economy and technical changes.

One of the reasons why existing training programs have not been used to a greater extent is the inadequacy or the low level of present training allowances. This has been an obvious weakness in the present system.

The bill, C-186, will go a long way to correct this weakness and assist the provincial governments in enlarging and extending their technical and vocational training programs. Bill C-186 makes provision for much higher training allowances for trainees in technical and vocational schools taking courses covered by federal-provincial agreements.

As honourable senators will see, this bill is short and it is also simple. I should think that its provisions will be beyond the tongue of dispute and will be commended by all concerned.

This bill has only two purposes, namely, first, to increase the allowances to employees who will take training or retraining courses in provincial technical and vocational training schools by agreement with the provinces; and, secondly, to amend certain provisions of the Unemployment Insurance Act.

The provisions of this bill were discussed by federal authorities with provincial ministers at the Federal-Provincial Conference last January and there was general agreement among provincial ministers as to the desirability of increasing the level of allowances for employees in training.

It was tentatively agreed that July 1 of this year would be the commencement date for the implementation of this new arrangement between the provinces and the federal Government. We must bear in mind that each province has to enter into an agreement with the federal Government respecting the new scale of training allowances.

With that background, let us examine the two provisions of this proposed legislation. Let us consider first the provisions of the Unemployment Insurance Act which are amended by this legislation.

The main purpose of this new arrangement is to sever the connection between training and unemployment. In the past, and as of now, unemployed workers who entered training courses continued to receive during their period of training unemployment insurance benefits. These benefits were deducted from the training allowances granted by the provinces so that the allowances are in effect at present merely a supplement to insurance benefits.

The main bad feature of this arrangement was that trainees had to use up their unemployment insurance benefits while training, with the result that their benefits could be depleted following training and before they could obtain work. Indeed, some persons could feel penalized for taking training and find themselves worse off immediately after taking a course.

This legislation breaks the dependence of training on unemployment insurance. It provides that any unemployed worker who enters a training course covered by a federal-provincial agreement will be entitled to a training allowance and will retain intact his unemployment insurance benefit and contribution rights during training. Let us clearly understand that the unemployed worker will not receive unemployment insurance benefits while in training. Instead, he will receive a training allowance. When he leaves the training course he will have exactly the same amount of unemployment insurance protection as when he entered, even if the training course is several months or over a year in duration.

To summarize this point, up to now the incomes of people in training have come in part from unemployment insurance if they

were entitled to such benefit, and the balance from training allowances. The unemployment insurance benefits are financed from the federal unemployment insurance fund. The training allowances are paid by provincial governments, but the federal Government reimburses 90 per cent of the expenditure which leaves only 10 per cent to be financed by the provinces in the final analysis. This is the picture as of now.

What change in that setup will be brought about by this legislation? When the connection between training and unemployment insurance is severed, a new financial arrangement must be implemented. The provisions of this bill will, in effect, substitute for unemployment insurance a basic training allowance of $35 a week, which will be paid in full by the federal Government at no cost to the provinces. The $35 per week is based on a 35-hour training week at $1 per hour. This is a basic or minimum allowance and we should not lose sight of that fact. It replaces unemployment insurance for trainees. It will be available to people in training courses if they have previously been self-employed in primary industries, such as farming, fishing or lumbering.

In addition to paying the basic allowance of $35 per week, the federal Government will reimburse the provinces for 90 per cent of training allowances in excess of the basic allowance of $35 per week up to a total allowance of $90 a week.

I want to make this point clear on the additional allowances to be paid above the basic allowance of $35. The amount of these additional allowances is a matter for each province to decide in accordance with its own needs, its own wage levels and its own priorities. Accordingly, the rules and regulations governing the supplementary allowances will be determined in the agreements negotiated with each province under the provisions of clause 3 of this bill.

The federal Government proposes to fix a maximum supplementary allowance of $55 a week which, with the basic allowance of $35, would mean a total allowance of $90 a week.

The maximum total allowance of $90 a week would be paid to trainees with a number of dependants living in the relatively high-wage areas of Canada. Accordingly, lower scales would be in effect where wage levels are lower, and we expect that the provinces would want variations written into the agreements relating to whether the trainee lives at home or has to be away from home to take the training course.

The federal Government is willing to enter into agreement with the provinces providing for variations according to family circumstances and living costs, provided the basic allowance is never less than $35 per week, which is paid 100 per cent by the federal Government, and that the supplementary allowance, of which 90 per cent is paid by the federal Government, does not exceed a maximum of a further $55 a week, for a maximum total allowance of $90 a week.

This legislation will go a long way in meeting the needs of modern technology and the requirements of a modern economy. It will provide an incentive to workers to achieve higher incomes, and better working careers will be the result for the trainees. This is but another step forward in making the most of the great human resources of Canada.

Hon. John M. Macdonald: Honourable senators, before saying a few words with regard to this bill, may I be permitted to extend to the sponsor, Senator Urquhart, a very warm and special welcome to this chamber.

He and I have been friends for many years. We were in the Legislature of Nova Scotia together for a time. He was successful in remaining a member of the Legislature for 14 years, which is no mean achievement in Nova Scotia when one considers that I made it for only four years.

I am also pleased to have him here because now I have some assistance in representing the Island of Cape Breton, which I know you will all agree is a very heavy responsibility. Indeed, there is a vacancy in the Senate at the moment for a representative from Nova Scotia, and I am sure Senator Urquhart will agree with me that that vacancy should be filled by someone from the Island of Cape Breton.

An Hon. Senator: How many do you want?

Hon. Mr. Macdonald (Cape Breton): The more the better.

While Senator Urquhart is still a young man, he has already had a distinguished career in the Province of Nova Scotia. He did not mention that he was first elected to the Legislature while a student at Dalhousie Law School. He rose rapidly in the Legislature;

indeed, he rose to the highest rank in the councils of his party, and while a member he earned for himself the respect and indeed the admiration of the people of Nova Scotia. I can assure you that he is a man of ability and of excellent judgment, one who has already served his province well. He will also serve it well in this chamber and, I hope, for many years to come. I congratulate him upon the excellent presentation he has made this afternoon.

Hon. Senators: Hear, hear.

Hon. Mr. Macdonald (Cape Breton): Speaking to this bill, I believe it is a good addition to our existing legislation regarding technical and vocational training. Indeed, I feel it is a logical development of existing legislation, because such legislation must develop as the years go by and this bill is a part of that continuing development. It is also a sign that we are making progress; it is a forward step; but we must also remember that we have a long way to go before our system can be called complete.

As has been mentioned, this bill separates Unemployment Insurance payments from the allowances paid to unemployed persons taking training courses. By so doing it is recognizing that these are separate and distinct matters. It is recognition, or at least a partial recognition, that workers may well have to take training, retraining or further training courses as a normal condition of their working lives, and that receiving such courses will not be regarded as being participated in by the unemployed but by the employed. In other words, I think that training being taken under these technical and vocational programs, in so far as adult workers are concerned—persons who have been employed—will have to be regarded and treated as ordinary, regular employment. Such persons would not be classified as being unemployed, but it would mean that they would be classified, treated and paid just as if they were in any other type of employment, and there would be a relationship of employer and employee between the authority giving the training course and the worker taking such a course.

Hon. Mr. Roebuck: May I ask, will his contributions continue to the Unemployment Insurance Fund during this period?

Hon. Mr. Macdonald (Cape Breton): As far as I know, no; but I shall deal with that matter in a moment.

Hon. Mr. McCutcheon: What about his pension contributions?

Hon. Mr. Macdonald (Cape Breton): Up until now a worker taking a training course was, in effect, using his Unemployment Insurance benefits. Apart from that, the only allowance he received was the amount over and above such benefits and, as has been stated, of this amount the federal Government reimbursed the provinces for 90 per cent. This bill is breaking the connection between Unemployment Insurance and the training programs in so far as the financial allowance to be paid is concerned. As I understand it, any Unemployment Insurance benefits a worker is entitled to when beginning a course are held in abeyance, as it were, so they are available to him on completion of the course.

In passing, may I add that sections 45, 47 and 48 of the Unemployment Insurance Act and clauses 5 and 6 of this bill are not easy to follow or understand. However, I take it from clause 5 of the bill that an unemployed worker taking a training course does not, while taking such training, pay Unemployment Insurance premiums, nor does the training authority make any such contributions. If this is so, then this bill does not fully recognize that these training courses are to be considered as employment.

In my opinion, the time is rapidly approaching, if it is not already here, to consider these training courses for unemployed workers—or for employed workers who require retraining or further training—as regular, normal employment, and, as such, contributions would be deducted for Unemployment Insurance premiums, for the Canada Pension Plan and for any other purpose that usually accompanies the relationship of employer and employee. Of course, in order to do this a somewhat higher scale of allowance would have to be paid.

The present bill makes some changes in such payments, but further changes should not be difficult. It may be too late to do anything about it this year, as I understand the agreements with the provinces are expected to come into effect on July 1 next. However, I hope that further study and consideration will be given to this suggestion before the agreements are renegotiated or changed.

Under the terms of the Technical and Vocational Training Act the federal Gov-

ernment has made agreements with the provinces to pay 90 per cent of the allowances being paid to unemployed workers taking these training courses; and, as has been stated, under this bill the federal Government will be able to make agreements with the provinces to pay 100 per cent of a basic training allowance of $35 a week and 90 per cent of any allowance paid over that sum.

When the Minister of Labour was explaining this bill he stated, in effect, that the $35 a week would be roughly $1 an hour which the trainee would receive. He further stated that this rate would probably come to $1.25 an hour or more, with the amount contributed by the provinces, and so would be at least up to the minimum wage paid by the federal Government. As a matter of principle, I would like to see the federal authority contribute a basic training allowance of $43.75 a week on the basis of a 35-hour week. In other words, the federal authority would then be making a basic contribution equal to the federal minimum wage law. This would be another recognition of the employment feature of this type of training. The extra cost involved would not be great, as, of the extra $8.75 involved, the federal authority would in any event be paying $7.87, if the province brought the allowance up to that amount.

In the course of his remarks when explaining this bill in the House of Commons, the minister mentioned that in the agreements made or to be made with the provinces these training courses will be available not only to unemployed persons but also to persons who have previously been self-employed in primary industry, as Senator Urquhart pointed out. I think this is a wise provision and it should be helpful. I hope it will not be too long before these training courses will be available to all unemployed persons. I understand from the remarks of the minister that they are to be restricted, so far as the provisions of this bill are concerned, to workers who are the heads of families and must maintain a certain standard of living. I hope it will not be long before these training programs are broadened and enlarged. I think they are necessary and will become more necessary as time goes on.

As may be concluded from my remarks, I am in favour of this legislation. I do not think it is necessary to refer it to committee. The sponsor made an excellent and detailed explanation and, so far as I am concerned, we need no further information on it.

Hon. David A. Croll: Honourable senators, I think this bill should go to a committee. The honourable Senator Macdonald spoke of this undertaking as providing employment, but nothing I have read in the debates so far indicates that from now on the recipients of these allowances will be part of the statistics on employment in this country. Their status lacks some of the ingredients of employment. We ought to have an explanation of this. In the first place, they will not be subject to Unemployment Insurance payments and, in the second place, what they receive will not be subject to deductions.

Hon. Mr. McCutcheon: Will there be no deductions for income tax?

Hon. Mr. Croll: They will not be subject to deductions for income tax. They are not subject to any deductions.

All honourable senators seem to be in favour of the bill, but we ought to have a clear understanding of what it is about. Therefore, in my opinion, it should be sent to a committee so that we may obtain explanations.

Hon. Arthur W. Roebuck: Honourable senators, there is further information I should like to have. It is obvious that there must be amendments to other acts. If these people are not to contribute to the Canada Pension Plan, then I think an amendment to the appropriate legislation will be necessary. If they are not to contribute to the Unemployment Insurance Fund, then that statute will have to be amended, as will other statutes that are affected. There are many questions that come to my mind with respect to the carrying out of the purpose of this bill, for which I am all in favour, which questions I shall not direct to the honourable sponsor (Hon. Mr. Urquhart) because I do not think he would be prepared to answer them.

I should like to know why the federal Government is paying 100 per cent of the amount of $35. Surely, the provinces are interested to some extent in this matter. Why should they not bear at least a portion of the expense? I am not quarreling with the federal Government's paying 100 per cent, but it does seem to me to be fair at least to ask why it should pay it all and the provinces pay nothing. In the second division the federal Government is paying up to 90 per cent and the provinces only 10 per cent.

The bill before us is not sufficiently clear as to why these payments will be made to the provinces which will then make them to the individuals. If this bill contained explanatory notes perhaps it could be understood, but a first reading of it does not convey to the reader a complete knowledge of what is under way.

Unquestionably, the bill should go to a committee for further discussion with those who drew it and who know how it will operate and can answer the questions I have raised.

Hon. John J. Connolly: Honourable senators, if it is the desire of any honourable senator to have this bill sent to committee, I am sure the sponsor and also Senator Macdonald would agree that that is the proper course. I would urge the sponsor to take that course at the conclusion of the debate on second reading.

I would point out that some of the suggestions made by Senator Macdonald from Cape Breton involve procedures in the other place which require a resolution. The same applies to some of the suggestions made by Senator Roebuck. These matters are beyond our power in this house to change because they entail a further charge upon the Treasury. However, I think everyone will agree, as both of the honourable gentlemen who have spoken so well have put it, that this is an attempt to walk before we run. The principle of the bill, in that it provides the beginning of a remedy, commends itself to the entire house.

I am sure that we can look upon this afternoon as being somewhat of a Cape Breton afternoon, and this is understandable. I remember having the distinct honour and privilege of being invited to address the members of the Legislature of Nova Scotia a few years ago at their annual dinner party. The present Premier, Mr. Stanfield, in introducing me said that I had been "appointed" to the Senate on such and such a date. There were rumours in the air at the time that the honourable Senator Macdonald from Cape Breton was about to be—may I use the word? —"appointed" to the Senate. It was a rather convivial evening, and Senator Macdonald rose in his place and said: "May I correct the Premier by saying that the proper word is 'summoned'?" It was generally agreed that perhaps he had more of an interest in the precise language that should be used on such an occasion than any other member of the Legislature. He will remember that occasion, I am sure.

Hon. Mr. Macdonald (Cape Breton): I do.

Hon. Mr. Connolly (Ottawa West): Last fall when Senator Welch, Mrs. Welch and I were in New Zealand we had, quite by accident, a talk with the Minister of Health, the Honourable Donald Mackay who represents a district in New Zealand called Waipu. I got talking to him about an exodus of Cape Bretoners over 100 years ago under the leadership of a Presbyterian minister, the Reverend Norman Macleod. These people had come from Scotland with him, and had settled in Cape Breton. They found conditions were not quite what they expected, and they decided to re-emigrate. They built their own ships and, taking their animals and household equipment, went to New Zealand where they settled in a district called Waipu. The Honourable Donald Mackay, the Minister of Health in the Government of New Zealand, was a descendant of one of those people who left Cape Breton. Since that time I have received many pieces of literature dealing with this emigration from Cape Breton to New Zealand, and I have sent it to people in Nova Scotia. I am given to understand it will probably wind up in the Gaelic centre at St. Anns, the place where they hold the Mod.

Honourable senators, for the purpose of putting myself in order, and having told that story, I should say we are very glad that the progenitors of our two colleagues from Cape Breton remained in Canada, and that today these two gentlemen are members of the Senate of Canada and not the members for Waipu in the New Zealand house. If legislation of this kind had been available to their ancestors, no doubt some of those people who are doing so well in New Zealand would still be in Cape Breton.

What I do want to add is that we are very pleased with the performance of these two honourable gentlemen, and I especially commend Senator Urquhart on his maiden speech. It was a delight to listen to him. He has proved that in his presence here we have a fine addition to the Senate.

Motion agreed to, and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Urquhart, bill referred to the Standing Committee on Banking and Commerce.

STANDING COMMITTEE ON TRANSPORT AND COMMUNICATIONS

NOTICE OF MEETING

Hon. A. K. Hugessen: Honourable senators, some of you have received a notice of a meeting of the Standing Committee on Transport and Communications at 11 o'clock tomorrow morning. I must apologize for the fact that that notice does not state the business of the meeting. The bill to be considered is Bill S-35, respecting the Canada Labour (Safety) Code.

The committee will be meeting again on Thursday morning, at which time it will consider Bill S-36, to incorporate Commercial Solids Pipe Line Company.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, June 15, 1966

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

Prayers.

STATUTE LAW (SUPERANNUATION) AMENDMENT BILL, 1966

REFERRED BY COMMONS TO JOINT COMMITTEE ON PUBLIC SERVICE

The Hon. the Speaker informed the Senate that the following message had been received from the House of Commons:

> Ordered: That a message be sent to the Senate to acquaint Their Honours that Bill C-193, An Act to amend the Public Service Superannuation Act, Canadian Forces Superannuation Act, the Defence Services Pension Continuation Act, the Royal Canadian Mounted Police Superannuation Act, the Diplomatic Service (Special) Superannuation Act, the Intercolonial Prince Edward Island Railways Employees' Provident Fund Act and the Canadian Corporation for the 1967 World Exhibition Act be referred to the Special Joint Committee on the Public Service; and
>
> That the said committee report the bill back to the House on or before Thursday, June 23rd next.
>
> Attest
>
> Léon J. Raymond
>
> The Clerk of the House of Commons

DOCUMENTS TABLED

Hon. John J. Connolly tabled:

> Copy of answer to question asked June 1, 1966, in the Senate, by the Honourable Alfred J. Brooks, Leader of the Opposition, re work of the Great Lakes Fishery Commission on lamprey control and lamprey research. (English text).
>
> Copy of answer to question asked June 1, 1966, in the Senate, by the Honourable Malcolm Hollett, re implementation of the 12-mile limit. (English text).
>
> Copy of answer to question asked June 1, 1966, in the Senate by the Honourable G. P. Burchill re Atlantic Provinces Power Development Act. (English text).
>
> Copy of Ordinances, Chapters 1 to 9 inclusive, made by the Council of the Yukon Territory, assented to December 14, 1965, pursuant to section 20 of the Yukon Act, chapter 53, Statutes of Canada, 1952-53, together with a copy of Order in Council P.C. 1966-983, dated May 26, 1966, approving same. (English text).
>
> Report of Operations under the Civil Service Insurance Act for the fiscal year ended March 31, 1966, pursuant to section 21(2) of the said Act, chapter 49, R.S.C., 1952. (English and French texts).
>
> Report on the Operations of the Exchange Fund Account for the year ended December 31, 1965, together with the Financial Statement for the said year, pursuant to section 26 of the Currency, Mint and Exchange Fund Act, chapter 315, R.S.C., 1952. (English and French texts).
>
> Report of temporary loans made out of the Consolidated Revenue Fund to the St. Lawrence Seaway Authority, pursuant to section 26(4) of the St. Lawrence Seaway Authority Act, chapter 242, R.S.C., 1952. (English and French texts).

CANADA LABOUR (SAFETY) CODE BILL

AUTHORITY TO PRINT COMMITTEE PROCEEDINGS

Hon. A. K. Hugessen, Chairman of the Standing Committee on Transport and Communications, presented the following report of the committee on Bill S-35, respecting the prevention of employment injury in federal works, undertakings and businesses:

> Your committee recommends that authority be granted for the printing of 800 copies in English and 300 copies in French of their proceedings on the said bill.

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

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

Report adopted.

TRAINING ALLOWANCE BILL, 1966

AUTHORITY TO PRINT COMMITTEE PROCEEDINGS

Hon. Salter A. Hayden, Chairman of the Standing Committee on Banking and Commerce, presented the following report of the

committee on Bill C-186, respecting allowances to persons being trained under technical and vocational training programs:

> Your committee recommends that authority be granted for the printing of 800 copies in English and 300 copies in French of its proceedings on the said bill.

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

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

Report adopted.

REPORT OF COMMITTEE

Hon. Mr. Hayden, Chairman of the Standing Committee on Banking and Commerce, reported that the committee had considered Bill C-186, respecting allowances to persons being trained under technical and vocational training programs, and had directed that the bill be reported without amendment.

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

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

Motion agreed to.

ELECTORAL BOUNDARIES

INQUIRY

On the Orders of the Day:

Hon. Jean-François Pouliot: Honourable senators, I should like to ask a question which, if possible, may be answered tomorrow.

When will the corrected maps and descriptions of the constituencies that were, according to the newspapers, prepared recently, be made available to the members of the Senate?

I might add that I have telephoned the Distribution Office many times and have been informed that it has not yet received them.

RURAL ECONOMIC DEVELOPMENT FUND BILL

THIRD READING

Hon. John J. Connolly moved the third reading of Bill C-151, to provide for the establishment of a fund for the economic and social development of special rural development areas, as amended.

Hon. Jacques Flynn: Honourable senators, I do not want to delay or oppose this bill, but I want to put on record that I am not entirely satisfied with the reasons obtained in the Committee on Banking and Commerce why the program for which this fund is created is not integrated with the ARDA program.

The consequence of this different status for the fund is that there is no apportionment between the provinces of the sum of $50 million which is set aside for this program. Consequently, the amount can be spent anywhere, even in a single area in Canada.

Moreover, the bill does not provide any fiscal compensation for a province which would like to opt out of this program. We have had a vague assurance that this program was approved in principle by the provinces. I am not satisfied with the assurance that we received in this connection, and I suspect that we may face opposition to this distinct setup for this fund, which we would not have had to face if it had been integrated in the ARDA program. I feel that I need to draw these facts to the attention of the house.

Hon. Jean-François Pouliot: Honourable senators, I wish to convey my thanks to the Chairman of the Banking and Commerce Committee for having supplied me with the information that I asked for regarding urban and rural populations. The first year given is 1914, that is, the first year of World War I; the second is 1920, the second year after World War I; the next is 1939, the first year of World War II; and 1945, the last year of World War II.

The information given confirms what was said here in the Senate to the effect that in 1914 the urban population was 3,690,000 and the rural population, 4,190,000, while in 1945 the urban population was 6,690,000 and the rural population 5,380,000.

These figures prove that the rural population decreased after the war. During the war many people left the country to live in towns. That is one of the reasons why some members of the House of Commons fought against conscription of the sons of farmers who were uprooted from the farms and did not return there afterwards. It is a long time afterwards to get confirmation of what we were saying at that time, when we were given the cold shoulder by the so-called enthusiasts for the war.

May I point out now that the farmers are the most useful of all citizens, because they continue to feed us. I regret that the only witness who appeared before the committee, and who was a nice fellow—I do not object to that—came from the western part of Canada and knew nothing of the problems of the east. We should have had another witness who is more familiar with our own problems in the east.

That is all I have to say for the moment. There will be other occasions to speak about it.

Motion agreed to and bill as amended read third time and passed.

GOVERNMENT ORGANIZATION BILL 1966

THIRD READING

Hon. John J. Connolly moved the third reading of Bill C-178, respecting the organization of the Government of Canada and matters related or incidental thereto.

Hon. Jean-François Pouliot: Honourable senators, before this bill is read a third time may I be permitted to make a few remarks.

This bill could be called an omnibus bill because it refers to the new arrangement that will exist in many departments. Some branches are transferred from one department to another. It leaves one at a loss to know with whom we should deal when we have any matters to discuss.

I have asked the minister in charge who was responsible for the drafting of this bill and he answered that they were the draftsmen of the Department of Justice. I continued to insist, and finally I found that that bill had been drafted by the Treasury Board in co-operation with the draftsmen of the Department of Justice.

Before these changes come into force I must say that the first reform should be in the Department of Justice itself. I regret to have to say that, but I have been here long enough to express my free opinion about matters of such importance.

I remember the great Ministers of Justice. The first one that I knew well personally, and who used to add always words of French in the letters he sent to me, was Sir Allen Bristol Aylesworth who was Minister of Justice in the Laurier Government and was one of the secretaries of the Government at the time of Confederation. He was the one who appeared before the Privy Council for the Ontario Government—whose Premier and Attorney General was then Sir Oliver Mowat—and he won the battle of equal rights for Ontario. He was a learned jurist; he also knew the Bible by heart—which is remarkable for a lawyer. I think the only one who could be compared to him in that respect is our friend Senator Roebuck who is very familiar with Holy Writ. Perhaps there are others, I do not know.

Another Minister of Justice who was very impressive was the Honourable Hugh Guthrie. He was tall and had an impressive demeanour. When a question was asked of him, he used to answer in his capacity of Minister of Justice: "This is the law", and it ended there.

Another one whom I knew very well also, and whose name I mentioned recently, was the Honourable Ernest Lapointe who was a giant mentally and physically and who had a high sense of duty.

Honourable senators, if you will permit me, I will mention to you what I said before the committee the other day, quoting Mr. Ray Brown of the Canadian Press, who has set down his recollections in a book entitled *From Where I Sat.* One of those recollections was that once he called at the office of Mr. Lapointe in the East Block and he saw three women there. He wondered who they were, and he was told that they were the wives of three men sentenced to be hanged the following day. One woman got into the office of the minister and came out at once; the second one did the same; and the third one entered into the office of Mr. Lapointe but did not return at once. Then the bell rang and everybody went to the minister's office and found the woman lying on the floor because the minister had told her he could not change his decision regarding the hanging of her husband. The three men were hanged the following day.

I knew Mr. Lapointe well enough; I used to meet him every day during the summer, and I saw him often here in Ottawa. When he had a case of capital punishment to decide he could not sleep for two or three weeks, but he said, "This is my duty; I have to do it although it is hard to do." That was the way the minister acted until a change occurred under the previous administration.

I told the then Minister of Justice that it was a grave error to change the definition of murder. Until that time we had murder and manslaughter. He changed the definition into

capital murder and non-capital murder, which confused the minds of the juries to a certain extent.

The trouble came in the Department of Justice when an order in council was passed last summer to decide that there would be no executions until the vote was taken in the House of Commons as to whether capital punishment should continue or not. The vote was taken and the majority of the house voted to maintain capital punishment, but nevertheless criminals are not hanged when they have been sentenced to be hanged.

There is no sense of proportion, and I regret this very much. I cannot understand why the Department of Justice was so hard on a few young men of various departments for peccadilloes when others like Santa Claus Marcotte can write novels and paint landscapes in jail. Then you have the case of the sinister Dion who survived the assassination of several young boys. That is due to the fact that the recommendation in the files signed by the judge not to let him out of jail was disregarded completely by the remission commission which looks after the commutation of sentences. The president of that commission said that he had shed tears of blood. But shedding tears of blood did not give life back to the young men assassinated by that murderer. He was not punished; he is still there on the advice of those responsible for advising the department on the commutation of sentences. And it goes on like that.

I find that the Government has been unfair to the Solicitor General in putting into his lap the whole matter of capital punishment. He was a new minister. The Minister of Justice must keep his own responsibility instead of putting it into the hands of another colleague. I regret the attitude of the Government in this matter of utmost importance. I say that without rancour, without fear and without favour: I say it because I believe society must be protected.

Last year or the year before a child in the City of Quebec was wounded to death by a lioness. The constables came and shot the animal to get rid of it. For me, when a man is dangerous to society, society should get rid of him, because one never knows whether his children or grandchildren will become the victims of those who have been dealt with too leniently.

I wonder what will be done about the situation. At the present time some of those bad characters are scot free. According to the press someone said the other day—it was not said to me but I read it—"I will be in jail for 10 years; my sentence will be commuted and then I will have my pension and I will live happily until the end of my days." They call that humanity. They call that being humane. They are afraid to get rid of one who has been found guilty of murder by his peers, and they do that for the sake of humanity. For me, humanity consists of the protection of the whole population of the country against dangerous characters.

There is another item which also interests me. It is one of those things that have been changed by the act. Before last year the Chief Electoral Officer had to report to Mr. Speaker of the House of Commons, and he was a servant of Parliament. At the present time he is the master of the House of Commons. It is quite strange. It is the same thing as it is with capital punishment. No one dared to assume the responsibility of entrusting to a parliamentary committee the defining of the boundaries of the various constituencies of Canada. This is very unfortunate. The members themselves have placed a rope around their necks. Who holds the rope? There are two who hold the rope—the first is the Chief Electoral Officer and the other is the gentleman who will define the boundaries of the constituencies.

Do you not believe, honourable colleagues, this is an abjuration of Parliament, that Parliament has been vesting in public servants the authority that it had to accomplish certain matters that concerned itself? This is why in withdrawing my bill I have to reveal the legislation concerning the redistribution of constituencies by civil servants, and I must pay a special tribute to Mr. Real Caouette, Mr. Fane of Vegreville, Mr. Bell the member for Carleton, Mr. Gérard Duquet for Quebec East, Mr. Neveau of Shefford and others, who made excellent speeches. Some of them have spoken very well about this matter, and others have spoken very well about the Senate too, but it is unfortunate that the majority of the members of the House of Commons have swallowed that legislation and have permitted outsiders to run their own business. This is why I withdraw my bill, but I could not do so without paying a special tribute to those who have fought hard, although unsuccessfully, for the respect of the rights of Parliament.

There is another matter I want to mention. I have some copies of a motion which was unanimously adopted by the Senate six years ago, to the effect that there are correlative responsibilities attached to liberty and freedom. I wonder if you remember that. Some honourable senators now present were not here at that time, but that motion, which was unanimously adopted by the Senate six years ago, means you cannot speak of liberty and freedom of human rights without speaking of the responsibilities attached to them. My liberty ends when yours starts, and vice versa, so that there is order in society.

I remember when I was at college we had to write a line at the top of our copybooks. It was: *Ordo ducepe ad Deum*—"Order leads to God". Then we continued to write our exercises.

I believe in order, and I regret at the present time that we are passing through a crisis of authority where nobody seems to assume the responsibility for his own actions. I believe we must respect the Bench, but the Bench should start by respecting itself. It was pitiful to see in the press that the probe that is going on is more for the insecurity of a couch than for the security of the state. Our lady colleagues will excuse me, but the conclusion is whether a lady's man dreamed over a Beautyrest or snored under it. It does not seem to be serious, and the people of Canada do not appreciate it at all. I have talked to people from the west and from the east, and they say, "What are they doing over there discussing matters like that, which are of no importance to the state?" I know very well that if there had been some kind of treason it would be different, but what has been reported by the press are rather matters that are dealt with at the Old Bailey in London, the police courts in the city.

There is something else I want to tell you. I have no grudge, as I have said already, against anyone who makes money. My confreres at the Bar can charge as much as can be declared acceptable or reasonable, and they may be happy; but I insist again, and I want to be understood clearly, that the lawyers who receive legal fees from any government are not entitled to speak for the Bar and they should resign from the Bar or resign from the cases they are engaged in for any government because they cease to be free. We need freedom in this country; we need freedom of opinion, freedom in accordance with the law of the land, freedom to protect the minorities and freedom to act normally and as you are expected to act.

I wonder what you think of it, but I will send you the whole brief that was crowned by your unanimous approval of the statement that there are responsibilities which are correlative to liberties. My conclusion is that fortunately, or unfortunately, the Senate is the only body in Canada which could be independent, if you want it to be; and you could render an immense service to the country by doing that. Moreover, the people are watching you; they are looking to you over the House of Commons, all of you without any exception and without any political party consideration. They say, "What will the Senate do in such an occurrence?" The answer is in your hands.

Honourable senators, I have no lesson to teach you; I am not preaching a sermon; but I repeat what I have heard in many places from many people, who have respect for you. They say that they expect you to make a decision that you can justify in the minds of all those who will see the reports of the Senate.

I said to the minister in charge in committee that I did not believe in the opportunity or efficiency of the changes. That is one opinion. I may be wrong about it, but I have expressed my sincere opinion. Now it is for you to decide what you have to do. I will speak on it again because I do not wish to be boresome at this time, but these are liberties, these are things that deserve every consideration. I respect you, and I expect you to keep the respect the people have for you and not to lose it as the House of Commons has lost it to a great degree, although the members are nice fellows and respectable people. The demeanour of the House of Commons in certain matters has been obnoxious to the prestige of Parliament as a whole, and I want the Senate to survive.

I hope I have been clear enough. I could have spoken at much greater length, but it is enough and you understand me. I hope I have not spoken in vain.

Motion agreed to and bill read third time and passed.

SPEECH FROM THE THRONE

ADDRESS IN REPLY ADOPTED

The Senate resumed from Wednesday, June 8, consideration of His Excellency the Governor General's speech at the opening of the

session, and the motion of Hon. Mr. McDonald, seconded by Hon. Mr. Gouin, for an address in reply thereto.

Hon. Hazen Argue: Honourable senators, this is the first opportunity I have had of speaking in the chamber with His Honour the Speaker in the Chair. Even at this late date I hope that I may extend my congratulations to him on his being appointed to his high office, and to say that he has always conducted himself in a fair, judicial and responsible manner. It is certainly a pleasure for me to work with Mr. Speaker even more intimately now than in the days when I was in the Commons.

Honourable senators, this afternoon I should like in the main to discuss what I believe to be an important grievance felt by the producers of western Canada. We all agree that our nation today is going through a period of very great prosperity. We recognize, no matter what is our political faith, that our country is prosperous, our economy is buoyant, and the two houses of Parliament of Canada, together under the leadership of the Government are making progress in very many important fields such as medicare, social security generally, the Canada Assistance Plan and the Canada Pension Plan. As a Parliament, under the leadership of the Government, we are also making important progress in the field of education.

Although I am a new member of this chamber, in the short time I have been here I have heard very distinguished members say that in their opinion both major political parties require at this time a change in leadership. I intend to make no remarks about the leadership of the other major political party of which I am not a member, but I do believe, and believe sincerely, that the Liberal party is most fortunate, and Canada is most fortunate, to have as its leader the Right Honourable L. B. Pearson, who is doing a good job for this nation and who I hope will continue to do the same job for many years to come.

It is very easy to write articles in the newspapers about the leadership of the country. It is very easy to write articles in the newspapers about the incompetency of members of Parliament or anybody else. But the great leaders of democratic nations have always gone through a period or periods in which they are unpopular, and in which there is a strong hue and cry for a change of leadership.

I was fairly young during most of the time when the Right Honourable W. L. Mackenzie King was the Prime Minister of this country, but from reading the newspapers I did not think he had a friend. Yet, he won many elections, gave great leadership, and has gone down in history as one of the great Prime Ministers of this country.

Winston Churchill after the war was unpopular. He was the great leader who had brought Britain through the war and who had led the democracies in the fight against totalitarianism, and yet he became unpopular. The hue and cry was to change his leadership, but his leadership was not changed. He vindicated himself in peacetime in the same commendable way that he vindicated himself in wartime. He, of course, has gone down in history as the greatest Englishman of all time.

So, I am not impressed by the articles and statements I read criticizing leadership of the Liberal party.

Hon. Mr. Choquette: Good boy.

Hon. Mr. Argue: The proof of the pudding is in the eating, and I think the people of this country are doing very well under the leadership of the Prime Minister. But there is, I think, a very serious problem in our democracy, and it lies in the fact that the Government does not have a majority in the House of Commons. One can say it is because of this or that reason—because the people were fed up, or because not enough seats were delivered by the Province of Quebec, the Province of Ontario or the Maritime Provinces. I think the real reason is pretty clear. It is because the Government did not get support in the three Prairie Provinces. It had three members in the House of Commons from the Prairie Provinces before the election, and in the election it lost two.

Apart entirely from political considerations, this is not good for Canada. It is not good for democracy. It is not good that a great part of the nation is not adequately represented in the Government, no matter whether it be a Liberal or a Conservative government. It is good for the nation that all provinces have a reasonable representation on both sides of the house.

The present Leader of the Conservative party became the Prime Minister of this country in 1957. Not many people remember that he became Prime Minister of the country

with almost no support from his own province of Saskatchewan. He had three seats from Saskatchewan and I think only three from Alberta. But within a year he had vast support in that area, and that support he and his party has continued to receive.

There are many reasons why this has happened, but the central one is that the people on the Prairies felt, rightly or wrongly, that the Conservative Government had their interests at heart and was thinking about them and doing some things on their behalf.

It is my opinion that some of the things that register as most important from time to time are not necessarily the big or the costly items. One of the things that that Government did, and which was given widespread support, was to provide a system of cash advances on farm-stored grain. This is used by a relatively small minority of farmers, but the farmers who need it have it there and they do use it. It has cost the treasury of this country a very small sum of money relative to the cost of many other items. This action was greatly appreciated.

The Government on three different occasions decided to make acreage payments. The farmers from western Canada had come down to Ottawa en masse asking for deficiency payments, for something fundamental and permanent, for something that would compensate them for the increasing costs of production. They did not get what they wanted. They got only a small proportion of what they asked for, but they were very grateful for the relatively small consideration they received, and they have given their support to that party ever since.

The Government needs the support of the Prairies for the good of the country, and I think it can get that support. It does not need all the seats on the prairies, and it would be a mistake if it were given them. It can get support on the Prairies if it will consider doing some of the things that are being requested of it from time to time. The members of the Senate can help correct this imbalance in Parliament by giving understanding consideration to the problems that exist on the Prairies.

The Liberal party had an agricultural program of many parts. Many of its features have been implemented. There has been a great expansion of credit under the Farm Credit Corporation Act, and there is the provision of crop insurance. These things are important and are appreciated. There have been even greater sales of wheat in the last three years than there were under the previous administration, and this fact is also appreciated. But I think the western farmer believes that these things have been done as a kind of routine, without any real basic understanding of, or basic sympathy with, the central problem.

When the Government was elected in 1963 it received very little support from the Prairies. There was a feeling among some at least that the Liberal party could get along without widespread and substantial support on the prairies. Some people reasoned: What did they do for us this time? We have no great responsibility to do anything for them. There was a feeling that the Prairies had repudiated the agricultural program with which the Liberal party had gone to the country, and that therefore there was no need to implement that program for the people of the Prairies.

There has been some prejudice in Parliament during all the years since 1945, when I first came here, with regard to the people on the Prairies. It can be heard almost every day. It is said that the people there drive big cars and take long winter holidays in California and Florida, and that, therefore, it must be pretty easy to operate a farm out there when there is so little to be done.

Well, through no fault of mine and through no request of mine, in the last three years I have had the opportunity of seeing how easy it is for the farmers on the prairies to produce wheat, and just what work there is for them to do. I can tell you that there is a great deal of work to grain growing. First, the farmer must get the seed cleaned, and if he is smart he does that early. When it comes time to plant the crop he has to rise early in the morning. I had a couple of men working for me, and they were very good. Without any request on my part, they volunteered when the weather was good—and you cannot farm when the weather is not good—to work until midnight, night after night, and we were in the field at 7 o'clock in the morning. During all this time I started at 4 o'clock in the morning because I liked to start early and quit at dark. As soon as I could see by the early daylight I was on the tractor.

The farmers are out in the fields on the prairies now and are working very hard. In the wintertime a few of them get a holiday. A small percentage, maybe one per cent or a

half of one per cent, can go to the southern United States. Is that any great crime? If ten per cent could go that would mean a holiday only once in ten years. What is wrong with prairie farmers getting a holiday? These farmers do more than produce grain; they also produce a lot of livestock.

I am sure that members in this chamber realize that people on the prairies, as do people in any part of Canada, make a great productive contribution to the economy of this nation.

When wheat markets were difficult to obtain, there was perhaps not the measure of appreciation of the economic value of wheat production that there is now. However, if our exports had gone according to plan we would have exported in this present crop year over $1,200 million worth of wheat. Certainly that is a major item in Canada's balance of payments.

These grain producers also produce large numbers of cattle and hogs. I have in my hand the latest quarterly bulletin of agricultural statistics, published by D.B.S., which shows that just over a million farm people in Quebec and Ontario keep a little more than five million head of cattle—that is, five head of cattle per person. On the Prairies some three quarters of a million farm people keep 6.7 million head of cattle, or about nine head of cattle per person. Here in the east there are, admittedly, more milk cows, and there are special reasons for that. However, the prairie people are definitely large cattle producers.

Using the same yardstick, there are three hogs produced on the Prairies and three hogs in the provinces of Ontario and Quebec for each person living on farms.

It will be seen, therefore, that the farmers on the prairies are doing everything they can to produce and to make their own economic contribution to the welfare of the country.

In the election before the last one, the Liberal party went to the country with an agricultural program, and so far as the people on the Prairies are concerned, I think it had two main points. I have in my hand a pamphlet headed, "Wheat, Oats and Barley", and I shall quote from the pertinent sections.

> A new Liberal government will immediately provide a floor price of $2.00 per bushel for wheat, basis No. 1 Northern at Fort William, with appropriate differentials for other grades. This will apply over the life of the present International Wheat Agreement.
>
> Further, legislation will be provided for a two-price system for wheat on the basis of the unit quota. Farmers will be paid a price for wheat used in domestic human consumption which reflects the fact that they buy production requirements in a tariff-protected market and sell in world markets.

Here was the program, a floor price guaranteed at $2 per bushel for wheat, basis No. 1 Northern, and an unstated additional price per bushel on 300 bushels of wheat, that is, the unit quota.

Admittedly, the farmers did not flock to the support of the Liberal Party, but I do not think it was because they opposed this section of the program. I think it was because they were reasonably satisfied with the government in office, and they were not prepared at that time to switch their support to another political party.

Here was a program to give some guarantee of income, to increase incomes to a small degree, and to make the payments in such a way as to give a relatively greater support for the smaller farmer.

The Canadian Federation of Agriculture came to Ottawa this spring and presented a brief to the Government. I quote only a couple of sentences from page 9 of that brief:

> We believe strongly that by some means the government must as a matter of public policy recognize its responsibility for protection of the income of the (wheat) producer, and adopt concrete measures to give effect to this responsibility. There is a need not only for a clear statement of intent at a very early date, but also for action to be taken in the near future.

They go on to urge a studying of the problem, and then they outline seven possible measures that the Government might take, any one or two of which might be adequate to deal with this question. The Canadian Federation of Agriculture pointed out that they had interviewed the Government on a number of occasions to emphasize this very thing.

I ask honourable senators whether they feel the people on the prairies are justified in asking for an income guarantee or a floor price on wheat or something by way of a subsidy to provide a larger measure of assistance to smaller farmers. I think they have a very good case indeed.

The Wheat Board has been handling the marketing of Canadian wheat for a great number of years, and it is easy to find out the payments that have been made and the price received by farmers over the years.

The price of wheat generally speaking has not changed in the last 20 years. The price farmers received per bushel of wheat produced in 1945 was almost identical with the price they received for a similar bushel of wheat produced just one year ago. How many other industries have not had an increase in their prices in the last 20 years? Although the price of wheat has remained the same, the index of farmers' costs of production, on the basis that 1939 equals 100, in 1945 was 152, and in August 1965, the last month for which statistics are available, it was 326.8. So the index of the cost of production has doubled over this period of 20 years while the price of wheat has remained almost the same.

We as a Liberal party said to the farmers of Western Canada that they should be given a support of $2 per bushel for wheat. I have in my hand the report of the Canadian Wheat Board for the crop year 1949-50, and I wish to read a couple of sentences from page 2:

> The domestic price of wheat in Canada was established by the Government at $2.00 per bushel for No. 1 Northern Wheat basis in store Fort William/Port Arthur or Vancouver, plus a carrying charge.

And the carrying charge was an additional return to the Canadian Wheat Board. So the price that was established in 1949 is the price that I am suggesting as an established minimum guarantee at this time.

I have stated that farmers have been receiving approximately the same price over the last 20 years. However, they do not know that they are going to get even that price, and this is part of the trouble. They have a feeling of complete insecurity, that at any time they might become victims of United States' policy, which may be to bring prices down; and they have a feeling that if the price is not good now, it could be worse almost overnight. A year ago in January, within a period of five days, the Canadian Wheat Board became the target of world competition, and it had to drop its selling price for wheat on the various grades from 12 to 20 cents a bushel. Surely this is a very difficult position for any industry to be in, to have to face this kind of a substantial, precipitous cut over which they have no control.

I feel the farmers of western Canada are doing a good job for the country and earning dollars for Canada. In spite of rumours—and that is all these statements are—they have not been raiding the Canadian treasury; they have been standing on their own feet. They have been standing in competition with the United States treasury. They have been standing against the competition from the treasuries of every major exporting country in the world.

In 1964-65—and this is from the last Canadian Wheat Board Report, 1964-65—the United States exported 728 million bushels of wheat. Of that quantity, only 162 million bushels were sold for cash. Therefore, the American farmer received 22 cents out of his dollar from the cash sales of wheat, and he received 78 cents out of the dollar from his government that had provided wheat on the export market—yes, and some on the domestic market—at subsidized prices. That is, 78 cents of the dollar the American wheat producer receives comes from the federal treasury of the United States.

In this country, on the same basis, how much of the Canadian farmer's dollar came from the federal treasury? We exported in that same year almost exactly 400 million bushels of wheat. The total gifts of Canadian wheat—the gifts, the provision of wheat outside of a cash market—amounted to just under 12 million bushels. So 97 cents out of every dollar paid to the Canadian farmer is cash, earned by him, and only 3 cents comes from the treasury of this country by way of provision of wheat for Colombo Plan countries and similar measures.

On the basis of the fact that the price of wheat has not increased for 20 years, on the basis of the commitments that have been made by the party that is in power in this country today, on the basis of the requests of farm organizations, I think that the Government, under its present leadership, should take action even now to implement this program.

What would $2-wheat cost? The year before last the farmers received $1.97, without a guarantee. So it would have cost 3 cents a bushel. In the past year the farmer received $1.87 a bushel, plus a fraction. So it would have cost just over 12 cents a bushel.

I told honourable senators of the great drop in the price of wheat a year ago January. The price of wheat has slowly been coming up

since. After a long period of time it has now recovered the majority of that drop.

A guarantee of $2 wheat today might cost the treasury of this country very little. If the price of wheat continues to go up even another few cents a bushel it will cost the treasury of this country nothing. But it would still be of real value to the producer to know that his wheat in the bin, that the wheat growing out in the field, when it is harvested, can be sold and will be sold at a return to him of not less than this certain price.

I think this is something that can be defended in this country and with other countries who are subsidizing their producers by a much more handsome amount. This action could be defended as a sensible and reasonable thing. From any standpoint, I wish it had been done a couple of years ago.

The farmers' unions have come to Ottawa in the last few weeks and they did not request $2-wheat—they want $2.50 a bushel. Of course this would mean a very large sum of money.

As for $2-wheat, I must confess I had something to do with getting it in the liberal program, but I tell you I had absolutely nothing to do with the program calling for a two-price system. I think that some day, before long, a two-price system will be provided for, because it is sensible. It just means that a somewhat higher average price will be paid on a small quantity of wheat to each wheat producer. This is a transfer of money within the economy. It gives a little encouragement to the smaller wheat producer.

Having gone from one farmers' meeting to another, I can tell you that I found that all of them, whether small farmers or big farmers, have at heart the interests of their neighbour who may be a smaller farmer, and they support this kind of a small transfer payment.

An additional dollar a bushel on the unit quota—that was not my figure, I had nothing to do with this when it was talked about—could cost the treasury of this country close to $60 million in a year. Well, is that really too big an item to consider, for an industry that has been producing well over a billion dollars of hard currency for Canada through its exports on the markets of the world? Would this be too big an item to consider, when Parliament, very rightly, provided $100 million by way of grants and other assistance last year for the development of the Atlantic provinces? Is this out of the way from a Parliament that has supported the provision of some $143 million for the building of a bridge and a causeway to Prince Edward Island?

I am sure the prairie grain producers would support the recent dairy policy which I think is a good policy. In one fell swoop, by an announcement of the Government, the price on manufacturing milk across this country—which will be reflected in the returns of milk producers for the cheese market and for butter fat—is raised to $4 a hundredweight, at a projected cost to the national treasury of $90 million per year. If that is good for the dairy producers of this country—and I am sure it is—I see no reason why the great wheat-producing industry should not have some sympathetic consideration for its modest request, and for especially sympathetic consideration, because for a period of 20 years there has been no increase in the price of wheat.

I think the people on the prairies would like to have representation on the government side of the house, whether it be a Liberal Government or a Conservative Government. I think they are ready to give support, that they are basically and naturally inclined to give support to the Government in office. They recognize that the Government has done many things of great advantage to them and to the country—crop insurance, loans under the Farm Credit Corporation, and other things for the general advantage of this country—but they want consideration for this key item about which I have been speaking. They want consideration of some other things, too, such as unemployment insurance for farm labourers, adequate railway services, continuation of fiscal agreements with equalization grants, and other matters.

The key thing is whether or not the Government will do something to assure the stability of income on the prairies, to bring about a very modest increase in incomes at this time and to provide some small transfer of income in order to give the small farmer a bit of a break.

A prairie conference is being held at Saskatoon, sponsored by the Liberal Party on the prairies. There will be people coming to this conference from all parts of the prairies. I expect that it will be a productive conference. I would say that if the conference becomes anti-anything or anti-anybody it will be a failure.

This conference, to be of value, must be positive and must come out with positive action. I believe that if this is done, the general policy conference of the Liberal Party in Ottawa in October will bear real fruit.

The people on the prairies are just good Canadian citizens, as are people in all parts of the country. I do not think they object in any way to assistance being given in other parts of the nation. Because of recent strikes, they have not had it easy in the last few weeks and they may not have it easy in the next few weeks. The country is being plagued by many strikes. It is admitted that wheat exports will be down at least 35 million bushels. That means a loss of close to $70 million income this year. They may recover it next year if they get the breaks, but there is a risk of loss, and certainly for this year a $70 million loss of income is serious.

Farmers see that to settle the strike the workers were granted a 34 per cent increase in wages. They see that the dairy producers, by this new policy, by one announcement, get a 26 per cent subsidy. They read in the press that the farmers of Quebec, who were hard-pressed and were finding it difficult to get feed grains at the time of the strike will be compensated by the Government in amounts ranging from $2 to $7 per ton because of the increased cost of the longer freight haul from the lake parts. In other words, the cost of this strike is not to be borne in this instance by the feeders and farmers of the Province of Quebec.

I am glad that the Government undertook that action, but I say that when the prairie farmers already know they have lost $70 million income this year, and when they know their prices have not changed for such a long period of time, I think their request also deserves sympathetic consideration. I think their request can be met by a modest contribution from the rest of the people of this country. Prairie farmers would like the opportunity to go on producing larger and larger quantities of foodstuffs to feed needy people in countries all over the world, and they want to play their part in obtaining large export markets, thus helping Canada maintain a stable balance in her international payments.

Hon. Mr. Vaillancourt: Will you permit me a question? Do you know that in Quebec we pay higher prices for feed than do European people? Can you explain that?

Hon. Mr. Argue: I am not sure that I can explain it, but I believe it is correct. I believe it has to do with the higher domestic freight rates in Canada as compared with the lower export rates. I cannot speak for anyone else, but from memory I gather this is what the Government intends to deal with in its feed grains program. I hope they will deal with it, and I as an individual in this place would certainly give that kind of policy my support.

Motion agreed to, and the address in reply to the Speech from the Throne adopted.

The Hon. the Speaker: Ordered that the address be engrossed and presented to His Excellency the Governor General by such members of this house as are members of the Privy Council.

AUTOMOTIVE PRODUCTS

CANADA-UNITED STATES AGREEMENT—MOTION FOR APPROVAL—DEBATE CONTINUED

The Senate resumed from Wednesday, June 1, the adjourned debate on the motion of Hon. Mr. Aird:

> That it is expedient that the Houses of Parliament do approve the Agreement concerning Automotive Products between the Government of Canada and the Government of the United States of America signed on January 16, 1965, and tabled in the Senate on March 3, 1965; and that this House do approve the same.

Hon. A. K. Hugessen: Honourable senators, I am very grateful to my friend Senator Grosart for giving me the privilege of speaking at this time. I understand that we are going to have the advantage of hearing Senator Grosart on this subject either immediately following me or at a later stage in this debate. There was an excellent debate on this subject of the agreement on June 1. It was explained at considerable length and very clearly by Senator Aird, and there followed two very able speeches by Senator Walker and Senator Willis from the other side of the chamber.

I am afraid I am not competent to discuss the merits or demerits to the Canadian economy of this particular agreement and so I am going to limit myself this afternoon to discussing certain criticisms of the manner in which this matter was brought before this

house, as expressed by Senator Walker and Senator Willis in their speeches.

What we are discussing and what we are asked to approve is an international agreement between Canada and the United States respecting automotive products. The agreement was dated 16th January 1965 and is now in effect. Now Senator Walker in his excellent speech made the following remarks:

> In effect, Parliament is being asked, and I am sure my honourable and reasonable friend will agree, to rubber-stamp the executive action of the cabinet, to endorse an agreement now operating for over a year.
>
> What are we debating? Why have a debate at all? What is the use of it? In so acting after this sixteen months' delay, the Government, I suggest, is really flouting the sovereignty of Parliament.

And on the same subject Senator Willis said:

> ...but why on earth would a resolution like this, affecting the fiscal policy of Canada, be passed and become law in Canada without reference to Parliament and the representatives of the Canadian people. It is noteworthy that in the United States it was considered by both Congress and the Senate. It was examined thoroughly and hotly debated before it was passed in the United States.

That brings up the whole question of the manner in which this Parliament deals with international treaties and agreements. I emphasize that what we are doing here is what we normally do in matters of this kind. We have before us an agreement between our Government and the Government of some other country, an agreement signed, entered into and now in effect. All we are asked to do and all we can do in the circumstances is to express our approval or our disapproval.

Now why is that the case here? The answer to that question is that we follow the British system under which treaties and foreign agreements are the prerogative of the Crown, and they require no parliamentary sanction of any kind. I have here what is perhaps the best authority on the British Constitution, and widely recognized as such—Professor A. Berriedale Keith on *Constitutional Law*. I am reading from the seventh edition, 1939, at page 342. This is what he says about the treaty powers of the Sovereign:

> The constitutional law of many European and American States require the consent of the Parliament to the validity of most treaties, but this is not English law. A treaty can be concluded and ratified without reference to the legislature, and is internationally binding, thus obviating the difficult question of the effect of a treaty concluded without sufficient constitutional authority by the officers entrusted with the conduct of foreign affairs. But this international validity must be distinguished from the effect of a treaty made by the Crown on the law of England. International law is part of English law only so far as it is adopted by usage, judicial decision, or legislation.

What he is saying is that the Crown can make any agreement it likes with a foreign country without any reference to Parliament, but if that agreement requires any change in the local law of England, that change must be approved and adopted by Parliament.

Hon. Mr. Roebuck: That is what I have been saying for the last 20 years.

Hon. Mr. Hugessen: That is the English system, and in Canada it works in this way.

In Canada today the Sovereign does not play any direct role in respect of the treaty-making power which is exercised by the Governor General in Council acting normally on the advice of the Secretary of State for External Affairs who is the responsible minister under the Department of External Affairs Act. The negotiation and conclusion of a treaty is therefore in law in Canada an act of the executive power which unquestionably possesses the authority to enter into legally binding agreements with foreign states and international organizations. Moreover, there is no statutory rule imposing an obligation on the Government to refer to Parliament agreements prior to their conclusion. Indeed, the signature and ratification of such international agreements are completely within the prerogative of the Crown and no parliamentary approval is in fact required to make such agreements binding upon Canada in international Law.

That is the legal situation as regards the power of the executive to make treaties.

There is, of course, the practice which has grown up under which all important treaties and international agreements are in fact referred to Parliament for their approval after they have been signed and after they have

come into force. That is what we are being asked to do today. That practice came into effect in, I think, the year 1925 as a result of a resolution proposed by Mr. Mackenzie King and passed by the House of Commons in that year, to which Senator Willis referred in his speech. As I say, since that time it has been the habit of the Government of the day to submit for parliamentary approval all international treaties and agreements that are of an important character.

That came into force in the year 1925, but the question of how Parliament should treat treaties was discussed in our Parliament long before that.

The other day I happened to be reading the autobiography of Sir Robert Borden dealing with the time when he was Leader of the Opposition in the House of Commons before the first war. Honourable senators will perhaps recall that in the year 1908 the Government of Canada made an extremely important waterways agreement with the United States which is still in effect and under which the International Waterways Commission was set up and still operates. The only way in which the Parliament of the day came to know about that was when that treaty was tabled in the House of Commons. This is a quotation from what Sir Robert Borden said when this treaty was tabled in the House of Commons on January 26, 1909:

> A treaty which we make with the United States is not valid or binding upon them until it is ratified by their Senate. It might be worth considering whether or not our treaties dealing with important subjects should not have a clause to the effect that they should not become binding on His Majesty until they have been ratified by the Parliament of Canada. I hope my right hon. friend—

He is referring to Sir Wilfrid Laurier, the Leader of the Government.

> —will take that into consideration. It seems to me that it might very well be taken into consideration, and it might possibly lead to a different mode of conducting these treaties from that which has prevailed in the past.

It is interesting to observe that, in fact, in some of these treaties this suggestion by Sir Robert Borden—that they should not become effective until they have been ratified by the Parliament of Canada—has been followed. Honourable senators will recall that practically every year we have one or more international income tax treaties with one or more governments. We had one this session in Bill C-154, an act to implement an agreement between Canada and the United Kingdom for the avoidance of double taxation. That agreement was made. It was submitted to us, but it would involve a slight change in the income tax law of this country, and the bill placed before us contained the clause that:

> In the event of any inconsistency between the provisions of this Part, or the Agreement, and the operation of any other law, the provisions of this Part and the Agreement prevail to the extent of the inconsistency.

In other words, this act would override the income tax law. I think my honourable friend who sits next to me (Hon. Mr. Roebuck) objected very strongly to that section.

That is all very well, but when you come to look at the agreement itself, in Article X it says that:

> This Agreement shall come into force on the date on which the last of all such things shall have been done in the United Kingdom and Canada as are necessary to give the Agreement the force of law in the United Kingdom and Canada respectively...

In other words, this agreement did not come into force until we had passed this bill, and to that extent, and to the extent there are other tax treaties which follow the same principle as this—and I think there is quite a number of them—the idea of Sir Robert Borden has been carried out.

Hon. Mr. Aseltine: The treaty we are discussing does not contain that clause, does it?

Hon. Mr. Hugessen: It has a similar one which I will come to in a moment.

As I said, that is the English constitutional doctrine. The executive has the right to make treaties with foreign powers without any reference to Parliament, if it so wishes; but if it wishes to change the local law in respect of any such agreement it has to go to Parliament for that purpose.

It is rather interesting to compare the system in the United States with that English system. The system in the United States is completely different. I have the United States Constitution before me. In section 2 of Article

II, dealing with the powers of the President, it says:

> He—

That is the President.

> —shall have Power, by and with the Advice and Consent of the Senate, to make Treaties, provided two thirds of the Senators present concur . . .

Then as to the effect of a treaty made in that way, you look at Article VI, which says:

> —and all Treaties made, or which shall be made, under the Authority of the United States, shall be the supreme Law of the Land; and the Judges in every State shall be bound thereby, any Thing in the Constitution or Laws of any State to the Contrary notwithstanding.

So in the United States the situation is completely different. Once you get the consent of two-thirds of the senators to a treaty then that treaty, in so far as it affects the local law of the United States, is binding and overrides any local law to the contrary.

The question always arises in connection with agreements with the United States as to what is the meaning of the word "treaty" in the section I have just read to the house. In diplomacy, as all senators know, nations speak to one another in all kinds of different ways: they have treaties; they have exchanges of notes; they have protocols; they have agreements and conventions. And in the United States the question always arises as to which of these documents are treaties under the Constitution requiring the approval of two-thirds of the members of the Senate.

In the case of this automotive trade agreement between Canada and the United States of January 16, 1966, which we are discussing at the moment, this document has been treated not as a treaty but as an executive agreement. Therefore, it did not require the approval of two-thirds of the senators, but it did require action by both branches of the United States Congress—the Senate and the House of Representatives—for reasons that I will explain in a moment.

I want to turn now to the agreement itself, which is fairly short. It begins with a preamble which contains certain general observations on the importance of stimulating trade and reducing trade barriers, and so on. Article I reads:

> The Governments of Canada and the United States, pursuant to the above principles, shall seek early achievement of the following objectives:
>
> (a) The creation of a broader market for automotive products within which the full benefits of specialization and large-scale production can be achieved;
>
> (b) The liberalization of the United States and Canadian automotive trade in respect of tariff barriers and other factors tending to impede it, with a view to enabling the industries of both countries to participate on a fair and equitable basis in the expanding total market of the two countries. . .

That is the vital clause as far as Canada is concerned. The United States is agreed that Canada should have its fair share of the enormous and increasing trade in automobiles and automotive products on the North American continent. That is a very valuable concession for the United States to make.

I come now to Article II, which is most important. This is what the two governments undertake to do:

> (a) the Government of Canada, not later than the entry into force of the legislation contemplated in paragraph (b) of this Article, shall accord duty-free treatment to imports of the products of the United States described in Annex A.

Annex A contains a long list of automobiles and automobile parts which Canada undertakes to admit free into Canada from the United States.

> (b) the Government of the United States, during the session of the United States Congress commencing on January 4, 1965, shall seek enactment of legislation authorizing duty-free treatment of imports of the products of Canada described in Annex B.

Annex B is also a long enumeration of automobiles and automobile parts to be built in Canada and imported free into the United States. Paragraph (b) continues:

> In seeking such legislation, the Government of the United States shall also seek authority permitting the implementation of such duty-free treatment retroactively to the earliest date administratively possible following the date upon which the Government of Canada has accorded duty-free treatment.

To discuss those things one after the other I shall mention what we undertook to do. We undertook to eliminate the duties on a large number of automobiles and automotive products coming from the United States. The authority to do that is contained in Section 10 of the Customs Tariff, which provides:

> The Governor in Council may by Order in Council make such reductions of duties on goods imported into Canada from any other country or countries as may be deemed reasonable by way of compensation for concessions granted by any such country or countries.

The Government has the right to do that without reference to Parliament.

That action of our Government in reducing those duties was severely criticized. Senator Walker called it a flouting of the sovereignty of Parliament, and Senator Willis said it was unconstitutional because it was done without the authority of the House of Commons. I say that that action was neither the one nor the other. It was an action taken by order in council under the authority specifically conferred by this Parliament on the Government by section 10 of the Customs Tariff for this very purpose.

The Congress of the United States then took action. Apparently, the executive of the United States has no such discretionary power as that conferred upon our Government by the Customs Tariff to which I have referred, and as this agreement involves the reduction of United States customs tariffs on a great many articles it needed the consent not only of the Senate but of the House of Representatives as well. As Senator Willis said, there was much discussion in the United States Congress, and action was finally taken by it on October 21, 1965, at which time Congress passed an act called the Automotive Products Trade Act, 1965, and on the same day the President proclaimed the removal of the duties.

The Congress of the United States concluded its action on October 21 of last year and I want to emphasize that fact in view of the criticism made by Senator Walker as reported in *Hansard* of June 1, second column, page 622:

> In so acting after this sixteen months' delay, the Government, I suggest, is really flouting the sovereignty of Parliament.

It is true that the agreement was signed on January 16, 1965, but what in the world would be the use of submitting this agreement to Parliament before the Congress of the United States had taken the action necessary to make the agreement effective? In view of the fact that the Congress of the United States finished its proceedings on the matter as late as October 21 last, and in view of the demands on parliamentary time since that date which we all know about, I say that the Government in submitting this agreement to Parliament for its approval in the following May did act within a reasonable time. I have no sympathy with the idea that the Government was flouting Parliament by waiting until the Congress of the United States concluded its action.

Hon. Mr. Aseltine: When did the agreement go into operation?

Hon. Mr. Hugessen: As of January 16, I think.

My honourable friend asked whether there was anything in this agreement which makes it inoperative until Parliament has passed upon it. There is not, but I draw his attention to Article VI, which reads:

> This Agreement shall enter into force provisionally on the date of signature—

That is, January 16, 1965.

> —and definitively on the date upon which notes are exchanged between the two Governments giving notice that appropriate action in their respective legislatures has been completed.

The agreement is provisionally in force now. There has not yet been an exchange of notes between the two governments advising that their respective legislatures have taken the necessary action, and I understand that the Government of Canada does not propose to give such notice until this agreement has been approved by this house, as it was approved by the House of Commons on May 4 last.

I do not know what comfort any of us can take from the fact that the agreement is only provisionally in effect, and that it will not become definitively in effect until some future date, but that is, to some extent, an indication of the rightness of Sir Robert Borden's suggestion of this sort of action in connection with treaties.

Hon. Mr. Aseltine: What would happen if we do not approve it? What happens to the agreement?

Hon. Mr. Hugessen: Well, that depends—

Hon. Mr. Aseltine: It has been in force all these months and deals have been made back and forth. What would be the result if we do not approve it?

Hon. Mr. Hugessen: That is a theoretical question. The first result, I suppose, would be that the Government would feel it had lost the confidence of the house, and it might ask for the treaty to be renegotiated or cancelled.

Hon. Mr. Roebuck: It would not have any effect at all.

Hon. Mr. Connolly (Ottawa West): No, because of section 10 of the Customs Tariff.

Hon. Mr. Hugessen: The points I have tried to make clear in answer to the objections of Senators Walker and Willis are, first of all, that the Government constitutionally was perfectly entitled to sign this agreement without the consent of Parliament; secondly, that following the practice of the last 30 years, the Government has submitted this agreement for approval by Parliament within a reasonable delay after the United States Congress had taken the necessary action; thirdly, the agreement is not definitively in force until approved by Parliament; and, fourthly, that the Governor in Council was specifically authorized to reduce the Canadian duties called for by the agreement without approval of Parliament under the provisions of the Customs Tariff.

There is one other section of the agreement to which I direct the attention of the house, namely, Article IV (c), which says:

> No later than January 1, 1968, the two Governments shall jointly undertake a comprehensive review of the progress made towards achieving the objectives set forth in Article I. During this review the Government shall consider such further steps as may be necessary or desirable for the full achievement of these objectives.

In other words, we have until January 1, 1968 to look at this agreement in every respect, see how it affects us and our industries and to find out in what way we think perhaps it should be amended or altered.

Senator Willis made the suggestion, which I think was an excellent one, that the subject matter of this resolution should be submitted to a committee of this house, to which the Minister of Industry would explain just exactly what has been done under the agreements so far and what he expects the future will bring, and to which I suppose other persons interested in the agreement may make their observations, if they wish to do so. I understand that the leader has agreed to that being done.

I think that is a very valuable thing to do, particularly in view of Article IV, which says the two governments have got to review their thinking by January 1, 1968.

It may be that the committee to which this matter is submitted, may have a great deal of interesting information to obtain with a view to helping us to know the Government's attitude and what it is doing by January, 1968.

In that connection, I want to refer for a moment to one suggestion made by Senator Walker, that this was an exercise in futility. It may very well be that an approval of some of these agreements or treaties which are not susceptible of change in any way, and which exist for ever, may be an exercise in futility; but with this agreement, having in mind this particular requirement, I do not think you can say this is an exercise in futility.

There is just one other thing I should say. I do not want to appear political, but the observation I am about to make is induced by something said by Senator Willis. I mentioned a few minutes ago the actions of Sir Robert Borden in 1909. Senator Willis mentioned the reciprocity election of 1911. Well, I was very young at that time. I did not have the vote. However, I do remember most distinctly the cry that went up from my honourable friends on the other side, a cry that went from one end of the country to the other: "No truck nor trade with the Yankees."

Hon. Mr. Hayden: Does that apply to a motor car as well as a truck?

Hon. Mr. Hugessen: After 55 years of experience since 1911, I think our honourable friends on the other side would agree with me that although that may have been an effective election cry at the time, our relations with the United States today are such as to render it a complete cry of nonsense. We have had these 55 years of experience

both in war and peace in our relations with the United States—for instance, the Ogdensburg Agreement, between Roosevelt and King. Even later, take the Columbia River Treaty, which honourable senators may remember I endeavoured to explain to this house in a speech of inordinate length about two years ago. That is an indication of the sort of treatment we can expect in our relations with the United States. As I tried to explain at the time, the Columbia River Treaty will confer enormous benefits in power and flood control both on the United States and on Canada, particularly in the Province of British Columbia. That was only two years ago.

Now we have this automotive treaty, which says, in so many words, that Canada is to have its fair share of the trade on this North American continent. That is a fairly generous statement on behalf of the Americans.

No truck nor trade with the Yankees, forsooth! I would say, thank God we have truck and trade with the generous and understanding people of the United States.

Hon. Mr. Hollett: May I ask the honourable senator if there is any constitutional argument whatsoever in Canada that it is expedient that this should be passed by the Houses of Parliament?

Hon. Mr. Hugessen: No constitutional argument of any kind. It has simply been the practice. Mr. King said he did not think that under the circumstances Canada should enter into important obligations by way of treaties or agreements without Parliament having to consider them, and that is what we have done.

Hon. Mr. Choquette: I believe it was Senator Willis who claimed that we had lost some $10 million by this agreement so far. I have not heard my friend tell us whether that was so or not, or whether the figures were correct or not.

Hon. Mr. Hugessen: I started off by saying that I was not in a position to state what the economic advantages or disadvantages would be. I did not hear Senator Willis mention $10 million. I think I heard Senator Walker say we had given the American manufacturers $50 million by reducing duties. However, those are subjects on which I am not in a position to speak.

Hon. Arthur W. Roebuck: Honourable senators, first I wish to congratulate my friend (Hon. Mr. Hugessen) on his erudite and wonderfully well arranged and sound dissertation on the constitutional features of this agreement. What he has been doing and has said wins my complete admiration.

He has stated much more fully as an authority something I have been declaring in this house in protest over the past twenty years. He has submitted, as I have said many times, that the Crown—now the executive—has a perfect right to enter into an agreement with a foreign state and that that agreement may contain clauses requiring a change of the law of the land, but that in doing so it must take its chances on Parliament passing the necessary legislation.

I have said that over and over again, but then I have said that the executive is all wrong in asking Parliament to make an agreement the law of the land. I would like to call attention to the fact that there does not appear in this resolution before us, and upon which we will vote, any such statement that the agreement is the law of the land. What is being done at this time is, in my judgment, the proper way to handle agreements of this nature.

All we are asked to do today is to approve the agreement. What the Government has done is to rely upon an act of Parliament which is already in existence and which gives that Government the power to change the law of the land in accordance with the agreement. If it had not been for the clause in the Customs Tariff Act giving the executive the power to change the tariffs in accordance with the agreement, then the Government would have had to come to us and ask us to pass an act changing the tariff law.

Hon. Mr. Hugessen: Just as the United States Congress does.

Hon. Mr. Roebuck: Exactly. That is the proper way to carry out an agreement of this kind.

My protest from time to time has been against the custom of the governments of both parties over a long time, of bringing to us long and complicated agreements, full of verbiage, and ask us to declare that to be the law of the land. So today, if you want to know the law with respect to agreements between ourselves and other countries on the application of income tax you have to read all that bulk of agreements to find the law. It

is not scientific; it is not in accordance with good parliamentary practice; it has not got the sanction of precedent of other governments such as those of the United Kingdom or the United States. This, on the contrary, is sound procedure.

Hon. Mr. Hollett: But it is not expedient.

Hon. Mr. Roebuck: The honourable senator is talking about the agreement, as to whether it is expedient. I am not talking about that at all. I say that this method is sound parliamentary procedure, and that the procedure in those other cases that have been before us is not sound.

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

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, June 16, 1966

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

Prayers.

ROYAL ASSENT

NOTICE

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

GOVERNMENT HOUSE

Ottawa, 16th June 1966

Sir,

I have the honour to inform you that the Hon. Robert Taschereau, P.C., Chief Justice of Canada, acting as Deputy to His Excellency the Governor General, will proceed to the Senate Chamber today, the 16th June, at 9.45 p.m., for the purpose of giving Royal Assent to certain bills.

I have the honour to be,
Sir,
Your obedient servant,
A. G. Cherrier
Assistant Secretary
to the Governor General.

The Honourable
The Speaker of the Senate,
Ottawa.

DOCUMENT TABLED

Hon. John J. Connolly tabled:

Copy of Ordinances, chapters 1 to 16 inclusive, made by the Council of the Yukon Territory, assented to March 18, April 22 and May 12, 1966, pursuant to section 20 of the Yukon Act, chapter 53, Statutes of Canada, 1952-53, together with a copy of Order in Council P.C. 1966-1044, dated June 2, 1966, approving same. (English text).

PRIVATE BILL

COMMERCIAL SOLIDS PIPE LINE COMPANY—AUTHORITY TO PRINT COMMITTEE PROCEEDINGS

Hon. A. K. Hugessen, Chairman of the Standing Committee on Transport and Communications, presented the following report of the committee on Bill S-36, to incorporate Commercial Solids Pipe Line Company:

Your committee recommends that authority be granted for the printing of 800 copies in English and 300 copies in French of its proceedings on the said bill.

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

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

Report adopted.

REPORT OF COMMITTEE ADOPTED

Hon. Mr. Hugessen, Chairman of the Standing Committee on Transport and Communications, reported that the committee had considered Bill S-36, to incorporate Commercial Solids Pipe Line Company, and had directed that the bill be reported with the following amendment:

Page 3: Strike out clause 7 and substitue the following:

7. The provisions of subsections (7), (8), (9), (10), (10a), (11), (12), and (13) of section 12, and subsection (2) of section 14, and sections 15 and 19, and subsection (1) of section 20, and subsection (2) of section 22, and sections 35, 36, 37, 39, 40, 62, 63, 64, 65, 83(3), 84, 87, 91 and 94, and paragraphs (a) and (b) of subsection (1) of section 103, section 105, and subsection (6) of section 108, and sections 110, 130, 134, 135, 136 and 137 of Part I of the Canada Corporations Act apply to the Company: Provided that wherever in the said sections and subsections the words "letters patent" or "supplementary letters patent" appear, the words "Special Act" shall be substituted therefor.

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

Hon. Mr. Hugessen, with leave of the Senate, moved that this report be taken into consideration now.

He said: Honourable senators, this is a measure which we considered in committee this morning, an act to incorporate Commercial Solids Pipe Line Company. I think it is the first measure that we have dealt with of a pipe line company which proposes to transport solid materials through a pipe line. In effect, it is proposed to transport sulphur

from the Alberta oil fields through to Vancouver for shipment to the Far East.

The only amendment we made to the bill was in section 7, which is a purely technical one. Section 7 provides—as is done in many pipe line bills—that the company shall have the advantage of certain sections of the Canada Corporations Act, and it was found that these sections had been to some extent misnumbered. The only change effected is the renumbering of the sections of the Canada Corporations Act mentioned in section 7 of the bill. It is a matter of little consequence and has no import of any kind to the principle of the bill.

With that explanation, I move concurrence in the report.

Report adopted.

THIRD READING

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

Hon. Mr. Connolly (Ottawa West): Honourable senators, with leave of the Senate, I move that this bill be read the third time now.

Motion agreed to and bill, as amended, read third time and passed.

PUBLIC SERVICE

FIRST REPORT OF JOINT COMMITTEE ADOPTED

Hon. Maurice Bourget, Joint Chairman of the Special Joint Committee of the Senate and House of Commons on the Public Service, presented the first report of the committee:

> Your committee recommend that its quorum be fixed at ten (10) members, provided that both houses are represented, during inquiry into Bill C-193, intituled: "Statute Law (Superannuation) Amendment Act, 1966."

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

Hon. Mr. Bourget: Honourable senators, I move, with leave of the Senate, that the report be adopted now.

Report adopted.

FAIR WAGES AND HOURS OF LABOUR ACT

BILL TO AMEND—AUTHORITY TO PRINT COMMITTEE PROCEEDINGS

Hon. John Hnatyshyn, Chairman of the Standing Committee on Immigration and Labour, presented the following report of the committee on Bill C-2, to amend the Fair Wages and Hours of Labour Act:

> Your committee recommends that authority be granted for the printing of 800 copies in English and 300 copies in French of their proceedings on the said bill.

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

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

Report adopted.

REPORT OF COMMITTEE

Hon. Mr. Hnatyshyn, Chairman of the Standing Committee on Immigration and Labour, reported that the committee had considered Bill C-2, to amend the Fair Wages and Hours of Labour Act, and had directed that the bill be reported without amendment.

THIRD READING

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

Hon. Mr. Connolly (Ottawa West) moved, with leave of the Senate, that the bill be read the third time now.

He said: Honourable senators, I have had reports about this morning's committee meeting. I understand it is the first time during the present session that the committee has sat. The chairman, Senator Hnatyshyn, tells me they had a very successful meeting and that the committee members were pleased about the work done. I am very grateful to him for the expeditious way in which he has handled the meeting.

Motion agreed to and bill read third time and passed.

DIVORCE

REPORTS OF COMMITTEE PRESENTED

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the committee's reports Nos. 671 to 710, inclusive, and moved that the said reports be taken into consideration at the next sitting.

Motion agreed to.

PAN-AMERICAN GAMES

INTERNATIONAL EVENT IN WINNIPEG, 1967

Hon. J. Campbell Haig rose pursuant to notice:

> That he will call the attention of the Senate to the holding of the Pan-American Games in Winnipeg from July 22 to August 7, 1967.

He said: Honourable senators, as indicated on the Routine Proceedings I wish to draw the attention of the Senate to the largest sporting event to take place in the Western Hemisphere in 1967. I refer to what is known as the Pan-American Games, which will be held at Winnipeg from July 22 to August 7 next year.

These games are staged every four years, one year prior to the Summer Olympics, and are considered among the sporting fraternity to be the prelude to the Summer Olympics.

During the past few years we have heard, and read and seen much about the Centennial celebrations which will be taking place in towns and cities and provinces across the country. We have also heard much about Expo '67, and senators and members of the House of Commons who have visited the site have told us about the progress that is taking place there.

The Pan-American Games in Winnipeg will be the fifth occasion on which the games have been held. The first occasion was in 1953 in Buenos Aires, Argentina, when there were 2,500 entrants; the second took place in 1955 in Mexico City with 2,500 entrants; the third took place in 1959 in Chicago with 2,200 contestants; and the fourth was in 1963 in Brazil with 1,700 contestants. The director of the games, Mr. Jim Daly, told me last week that we already have 3,200 entrants listed for the games in Winnipeg and it is expected the number will go upwards to approximately 3,500.

As I have said, these games are held every four years, in the year prior to the Summer Olympics. Next year we will have the largest number of participants ever in these events and also the largest number of sporting events ever to take place. There will be some 23 sporting events, ranging from athletics to yachting.

Some of my confreres have mentioned that they did not know exactly where Winnipeg was. Winnipeg is the provincial capital of the keystone province of our dominion. There are some 500,000 people in the metro area; and we have in the city and its environs a large number of sporting facilities which we are going to use. We have a stadium which will seat 24,000 people, an auditorium with a capacity of 8,000, and we will have track and field events at the University of Manitoba where there is seating capacity for 5,000. We will build a velodrome which, in case the uninitiated do not understand or cannot hear me, is a cycling track which encloses a football field. We are also going to build an Olympic-size swimming pool.

An Olympic-size swimming pool has to be a certain length and width and at least six feet deep at the shallow end. This new pool we are going to build will be 50 metres long plus another 20 yards; and at the end of the 50 metres there will be a bulkhead where the water will be six feet deep so that the swimmers will have this depth in which to turn. We are hoping to put in seats at either side of the pool at a cost of $750,000 and we are going to put up walls which will cost $500,000. We are now debating where we can find the money to put a roof on the pool. In Winnipeg we have a certain amount of winter weather when the pool cannot be used without a roof. So the provincial Government under Premier Duff Roblin, who is contesting an election on Thursday next, has offered to put up dollar for dollar with the federal Government to put the roof on the pool.

The second big sporting facility that is going to be provided is a track and field stadium at the University of Manitoba. This is going to be a regular 400-metre track with seating on both sides, running north and south, and all the usual facilities, such as locker rooms. A synthetic composition called "Tartan," which has been developed by the 3M Company of Minneapolis, is going to be used on the track for the first time in an athletic competition. This will provide an all-weather track which can be used in the winter and wet weather, and for the track man it has the advantage that the inside lane does not get pockmarked after a few races.

The rowing and canoe races are going to be heldon a thre-mile stretch of our $67 million floodway constructed to save the City of Winnipeg from periodic floods. This will contain 700 million gallons of water to a uniform

depth of 10 feet, and the rowing and canoe races will not experience wind resistance and current. So, between the track composition and this floodway it is going to be one of the best facilities for these two events in the history of the games.

I have already mentioned there are some 3,500 unpaid workers preparing for these games, and the total staff at the moment consists of three office clerks, a public relations official, an executive director and a director.

You may ask what is the advantage to Canada of hosting these games. This event is going to bring to the sporting fraternity in various ways a desire for competition. The games will mainly attract world champions. They will lead to increased participation in sporting events. Another factor, of which I was not aware, is that there will be a larger number of trained and competent officials. When I discussed this with the executive director, Jim Daly, I asked him if at any of the earlier games he had ever had any rows or rhubarbs develop which caused international tension. He replied, "No."

In connection with the track events, the Omega watch company is prepared to present for the use of the games a timing device that takes photographs and shows the first four runners in their exact positions when the first competitor crosses the tape. So there will never be a judgment call and there should be no row about that.

In fencing, which involves a judgment call, the foils or swords are going to be electrically tied in some way so that when a competitor has made a touch, it will be recorded on a timing device so that the first person who hits will be recorded. So there will be no question of a dispute in that connection.

Honourable senators, I suggest this is going to be a welcome addition to our birthday year. After you and your friends have enjoyed your own centennial celebrations and have visited Expo or are on your way to Expo, I invite you to drop in to Winnipeg, the capital city of the Province of Manitoba, sometime between July 22 and August 7 and witness the largest sporting event held in the Western Hemisphere next year.

Hon. John J. Connolly: Honourable senators, I am sure we are all most grateful to the honourable Senator Haig for bringing to the attention of the Senate—and, I hope, more widely to the attention of the Canadian public—the fact that the Pan-American Games are going to be held not only in Canada but in the City of Winnipeg in our centennial year.

These games have been the subject of negotiation for some considerable time, and there has been splendid co-operation shown by all parties concerned. On the financial side, the federal Government will bear five-elevenths of the estimated cost of these games, the province will bear four-elevenths, and the City of Winnipeg two-elevenths. If the aggregate of the estimated net expenses of the sponsor of the games, the society which is to run them, exceed the sum of $2,710,000, a formula has been worked out which will increase the amount to be expended by the federal and provincial governments equally, but the maximum contribution of the federal Government will not exceed $1½ million.

It is anticipated that the federal Government, in addition to its financial contribution, will provide extensive facilities and services through the Department of National Defence, to the extent that that department's facilities and personnel based in the Winnipeg area will be able to participate. This participation is now being negotiated with the Department of National Defence.

Speaking as a very young man myself and on behalf of a lot of other young men to whom I am addressing my remarks, I must say that I am more than delighted, as I am sure we all are, that this significant sporting event will be held in Canada at this time. Sometimes we forget we are part of a great segment of the world known as The Americas, and that we are Americans as much as those who live in the United States. I must say that the people of South America rather resent the idea that they are not called Americans. They would like to be called Americans because they feel they are.

I think, too, the holding of games of this kind—which will enable young athletes of both sexes from all countries of The Americas to come together for the purpose of athletic competition—is a most salutary kind of promotion that any country or part thereof can undertake. Last fall, as President of the Commonwealth Parliamentary Association, I had the privilege of making an official visit to the capital of Malaysia, Kuala Lumpur, and there I had the pleasure of attending the South-East Asia Games.

South-East Asia is not a part of the world where everything is peaceful and quiet, and at that time the confrontation between Malaysia and Indonesia, and indeed to an extent between Singapore and Malaysia, was not as easy as one would have liked. Yet there were large groups of athletes there from all countries in the South-East Asian group, except Indonesia. Had the games been held now I think Indonesia would have been represented. It seemed to me to be a great demonstration of the possibility of bringing these countries together for a peaceful and profitable purpose by holding athletic events of the character of the Olympics and the Pan-American Games, such as will be held in Winnipeg in 1967.

I believe it is a splendid undertaking. I am sure the very active committee—which I think has some national representation on it as well—will do fine work to the great advantage of Canada. On behalf of the Senate, I hope that Senator Haig will convey to the president of the society, to the committee and to all who are actively engaged in it, our best wishes for its outstanding success.

Hon. Senators: Hear, hear.

TRAINING ALLOWANCE BILL, 1966

THIRD READING

Hon. John J. Connolly moved the third reading of Bill C-186, respecting allowances to persons being trained under technical and vocational training programs.

Motion agreed to and bill read third time and passed.

AUTOMOTIVE PRODUCTS

CANADA-UNITED STATES AGREEMENT—MOTION FOR APPROVAL—DEBATE CONTINUED

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Aird:

> That it is expedient that the Houses of Parliament do approve the Agreement concerning Automotive Products between the Government of Canada and the Government of the United States of America signed on January 16, 1965, and tabled in the Senate on March 3, 1965; and that this House do approve the same.

Hon. Allister Grosart: Honourable senatros, I listened with great interest and a good deal of admiration yesterday to Senator Hugessen's excellent dissertation on the resolution before us. He asserted with a considerable degree of vigour and learning that the Government had the legal power to sign the Canada-United States Agreement concerning automotive products, and to implement it by order in council without in either case any reference to Parliament before or after signature.

I understood that he based the first power on the ancient prerogative of the Crown under English law. I note, only in passing, that the prerogative of the Crown has not yet been invoked, because this is not an agreement between heads of states. It is an agreement signed by the head of one state and the Prime Minister of another. Just what its nature may be in international law is not for me to say, but I would suggest that there is considerable doubt among the authorities about the kinds of compacts between nations that are subject, under our law, to the prerogative of the Crown. This question is thoroughly discussed in Oppenheim's *International Law*, one of the outstanding authorities on the subject, particularly in more recent editions. There is also an interesting discussion of it in a book written by Mr. J.-G. Castel, the title of which is *International Law: Chiefly as Applied and Interpreted in Canada*, and published last year. I commend it to all honourable senators who are interested in the subject. It is an excellent book, and it discusses thoroughly the question that I am raising now.

The second power that the Government asserted in making and implementing this agreement is based, as Senator Hugessen said, on section 10 of the Customs Tariff. He read that section to us and, as I am going to comment on it, perhaps I should read it again. Section 10 reads:

> The Governor in Council may by Order in Council make such reductions of duties on goods imported into Canada from any other country or countries as may be deemed reasonable by way of compensation for concessions granted by any such country or countries.

The language there is quite specific, but I would note—again, merely in passing—that the power asserted here may very well be doubtful.

I point out that if the power exists under this section, then it must be by way of

compensation for concessions granted. The verb is in the past tense. I would point out also that at the time the order in council was issued no such concession had been granted by the United States. It was not, in fact, granted for nine months. I will leave the unravelling of that to my learned friends, but I hope it will not be asserted seriously that because the President said he would ask Congress to grant these concessions, they had been granted. Section 10 of the Customs Tariff does not say "in anticipation of such concessions"; it says "for concessions granted".

This fact points up, as many other aspects of the Government's handling of this situation do, the very grave danger of any government rushing into the implementation of an international agreement without consulting Parliament, because there is no doubt in my mind, honourable senators, that there was unseemly and unconstitutional haste on the part of the Government in this matter. We are entitled to probe into the circumstances, and ask ourselves if we can find any reason for this haste. We can find such a reason, in my opinion, in the fact that within less than six months after the order in council was made effective we had an election—an election in which the Government party made a great deal of this agreement. Indeed, I will go so far as to say that it was very helpful to them in the determination of the result.

I am sorry that Senator Davey has had to leave. I thank him for writing me a very nice note indicating that he would not be listening to me this afternoon. I mention this, because I am saying that the timing of the order in council for the purpose that I have suggested could hardly have been improved upon. There was just enough time for the apparent benefits of the agreement to achieve the apparent majority the Government was seeking. I use the word "apparent" in both cases, because in the first the appearance proved illusionary, and in the second, as I hope to indicate to the Senate today, the benefits to Canada from this agreement may prove in the future to be every bit as illusionary.

In its haste, the Government appears to have brushed aside all serious consideration of constitutional usage in its use of this authority under the Customs Tariff, and what many would consider its clear, moral obligation to consult Parliament before implementing a measure that reverses a fundamental national policy of this country of long standing. The fact of the matter is that the Government could not wait for Congress or Parliament.

I must say, honourable senators, that I for one believe that the written constitutional guarantee to the American people that this kind of thing cannot happen in their country is something which could well be adopted in Canada, as I thought Senator Hugessen suggested, so that the Canadian public and Parliament might have a similar written guarantee that this will not happen again.

Apart from that, I shall not be too much concerned this afternoon with what Senator Hugessen said in attempting to reply to the views of other honourable senators. I shall be more concerned with what he did not say. He did not tell us to what extent the treaty-making power of the executive is or should have been limited by constitutional usage. He did not tell us the extent to which the incidental power of adjusting the tariff rates—because that is all it is, if you examine the Customs Tariff—has been actually used to tear down an important part of the tariff structure which has been created by Parliament over many years. I would suggest to him, and more particularly to the members of the executive who carried out this arbitrary action, that it is not enough to say of any exercise of power that it is legal. The important question, surely, is whether it is right.

We all know, for example, that the Parliament of Great Britain has the legal power arbitrarily to amend or repeal the British North America Act and the Statute of Westminster. The Governor General has the legal power to dissolve Parliament tonight without consulting anyone.

The Queen as Commander in Chief has the legal authority—I say this on the authority of Professor Dawson—to send our armed forces to Vietnam tomorrow. The Governor General has the legal authority to refuse his assent to any act of Parliament, or even to reserve it for consideration by the Queen in Council in Great Britain. But we all know that these powers are not exercised, and it would be utter folly for the British Parliament, the Queen or the Governor General to argue that because they have these legal powers, they have the right to exercise them if, when and as they please without the consent of the Canadian Parliament.

What then are the limitations of such powers? In saying that, I include each and every

power claimed by any government of Canada or by any other democratic government under a system of parliamentary democracy. There are many limitations, of course, the first being established constitutional usage, and second, the consent of the people in Parliament assembled.

It could be that in the legal sense the Government had the power to sign this agreement and implement it by order in council, but in spite of what Senator Hugessen has said I find myself in agreement with Senator Walker and Senator Willis that the Government did not have the constitutional right to exercise the power the way it did, and that it was an affront to Parliament. They may have had the power on paper, but they did not have the right in reason. I think that is what Senator Walker and Senator Willis meant. They were criticized by Senator Hugessen for calling the Government action unconstitutional, that is to say, in breach of constitutional usage and in contempt of Parliament.

As I read the authorities, the plain fact of the matter is that all prerogative power—and it is prerogative power that has been claimed in one aspect of this matter—dies a little bit every day, and on some days it dies a lot. It dies most when it is abused, and I would say that this particular use of the prerogative power is of the kind that deals it its most mortal blows.

I would say that if the discretionary power that we here so often grant to the Governor in Council in our statutes is to be used to bring about major changes contrary to the general intent and purpose of statutes, then it is time we began to limit that discretionary power which we seem to give so freely to the Governor in Council.

I have said that this whole proceeding was done in unseemly haste. What are the facts? It is perhaps too much to say that this action by the Government was implemented by press release. But the facts are, honourable senators, that on the night of Friday, January 15, 1965 it was officially announced for the first time to the Canadian people by a press release bearing the insignia and on the letterhead of the Department of Industry that:

> A new and far-reaching program for the Canadian automotive industry is being introduced to take effect on Monday . . .

Some reference is then made to the agreement which makes effective "a new and far-reaching program."

Well, one would assume, of course, that this was an agreement that had been signed at the time of that press release. As a matter of fact, it was not signed. It was signed the next day, as I read from the signature page of the document—"Done in duplicate at Johnson City, Texas, this 16th day of January 1965." It is signed on behalf of the Government of Canada by L. B. Pearson and Paul Martin—we all know the high offices they hold—and on behalf of the United States by Lyndon Johnson and Dean Rusk—and I do not need to say who they are.

I would say, when thinking of this unseemly haste, that apart from the affront to our constitutional usage, the government negotiators should have remembered the adage long current south of the line: "The President proposes—Congress disposes."

It is a hard lesson that we Canadians have had to learn over long years of history. One wonders if we are going to have to learn it all over again in the working out of this agreement. As I shall indicate, I believe there is some evidence that we may have to do so.

Honourable senators, Congress might have declined to implement the agreement—they have done it before and they could very easily have done it in this instance. Indeed, Congress did not fully implement the recommendation of the President as to how the United States should carry out its part of this agreement. That recommendation to Congress represented, I am sure, the attitude of the executive in the United States as to what had to be done, yet there was a fundamental reservation on the part of the Congress of the United States, and one that is extremely dangerous to Canada.

If Congress had declined, we would have been in the position of allowing the free import of American autos, commercial vehicles and buses, their original parts and accessories, for nine months, and finding our automotive industry in a state of disruption from which it might not have fully recovered for many years.

I think it is for reasons such as these, and examples such as this one that the wisdom of the nations over long years has concluded that important contracts between nations are neither operative nor binding until it has

been established that they are within the authority of those who negotiate them and that their implementation is in accordance with the constitutional usage of the countries concerned.

Perhaps I should say at this time that I do not deny that there is some apparent evidence of benefits to Canada which I am certain we all hope are not of a temporary nature. Senator Aird, the sponsor of the measure, gave us some facts, and I do not for one moment dispute them. He told us there had been substantial apparent increases—I would say actual increases—in production, export and employment. He also told us, unfortunately, that there had also been increases in imports of automotive products and parts from the United States. There had been between 1964 and 1965 a 27 per cent increase in production, a 51 per cent increase in parts and accessories, a 61 per cent increase in employment, and a 133⅓ per cent increase in exports to the United States. He did not, however, give us the comparable percentage increase in imports from the United States, but he did say that "the balance of payments deficit widened considerably in 1965."

There are at the moment real benefits to Canadians from this agreement and its implementation, but, honourable senators, all the evidence that I can find in statements made by senior United States officials, and particularly in the information given on the amendment in the United States Congress, raises the distinct possibility that the interests of Canada and Canadians in that quick trip to Texas may well have been bartered down a well-known fast-flowing river that does not flow in the direction of Canada.

I have said that the subject matter of the agreement implemented by order in council brings about a major change in our long-established Canadian and parliamentary national policy.

I am not going to argue at this time the merits of protection versus free trade in our over-all economy or in any particular Canadian context. However, there can be no doubt that we are dealing with a major change in our national policy. Perhaps I need only to quote what the United States Secretary of Commerce said in this connection:

> ...through this agreement Canada has operated to move in the direction of a single North American automotive industry and away from the maintenance of a separate industry protected by tariffs...

Hon. Mr. Roebuck: That is a fine thing.

Hon. Mr. McCutcheon: Wait until we see the results.

Hon. Mr. Roebuck: We have already seen the results.

Hon. Mr. Grosart: Senator Roebuck says that is a fine thing, and I am sure that is exactly the remark we would expect to hear from him. He has long been an advocate, I believe, of unrestricted free trade for all persons between all nations everywhere throughout the world.

Hon. Mr. Flynn: That is mildly put.

Hon. Mr. Grosart: What I have said is that free trade has not been the national policy of Canada over the years. The industrial plant and productivity that we have in Canada, whatever may be the merits of free trade, can hardly be said to be the product of free trade.

In that connection, I would like also to quote another statement from the report of the committee. This is the committee which has carefully examined this whole agreement —as it has not been carefully examined in Canada—and it is reported in the Senate report on the bill. It says:

> This represents the joint decision of our two great nations to allow the development of a single unified North American automobile industry uninhibited by tariffs.

I think Senator Roebuck will agree with that, but perhaps he will not agree with the rest of the quotation. It says:

> No longer will they—

That is, U.S. vehicle and parts manufacturers.

> —need to build duplicate facilities in Canada.

We were also told, particularly during the election campaign, that one of the great effects of this agreement would be to decrease our very large balance of payments deficit with the United States on our automotive account.

Government spokesmen have shied away from that a great deal lately. It is quite obvious now that there is no substance whatsoever to the claim that this is going to help our balance of payments problems.

Honourable senators, it is not merely that unforeseen factors have intervened to bring in new situations that were not considered at the time the Canadian people were told about those possible benefits. On the contrary, there never was the slightest possibility or intention by our American friends of allowing this agreement to narrow the gap between Canada's automotive exports and imports from the United States.

In support of that, may I quote the Assistant United States Secretary of the Treasury, again before the congressional committee. He said:

> From a balance of payments viewpoint then, the automotive agreement simply means this. Under it, we—

The United States.

> —stand to maintain our sizeable surplus with Canada in automotive trade.

And this is most significant. The Assistant United States Secretary of the Treasury said:

> Without the agreement, we stood to lose a large part of our surplus.

Hon. Mr. McCutcheon: That is the beneficial effect in the agreement.

Hon. Mr. Grosart: I was about to say that that is the effect, according to a very outstanding authority, of the agreement we are asked to approve.

The Assistant Secretary documented that statement with facts and figures, and the committee reported its findings on the matter and said this:

> This (agreement) will lead to increasing sales for United States parts manufacturers.

They were dealing only with parts at that time, but they have the same conclusion for vehicles. He continued:

> —sales which would have been impossible without the agreement.

Again, this is the agreement we are asked to approve.

Now, in fairness, the minister has said there would have been a much greater imbalance had this agreement not been made. But again this is not the judgment of the experts in the United States. I do not know what is the amount of the imbalance, the increased imbalance, in the first year of the operation of this agreement.

Hon. Mr. McCutcheon: About $100 million.

Hon. Mr. Grosart: The minister said, if I read his remarks aright, that the increase was $19 million. I am not questioning the minister's sources of information. I may be wrong in attributing that statement to him. But I feel obliged, in any event, in discussing the matter here, to bring to the attention of honourable senators the statement made on the same subject by another authority, Mr. Robert L. McNeil, Deputy Assistant Secretary of Commerce, of the United States, as reported in the *Globe and Mail* of April 18 of this year. The report is datelined Washington, by Bruce MacDonald. With leave, I quote:

> Canada's automotive trade deficit with the United States increased by nearly $100 million—

As usual, Senator McCutcheon is right in his figures. It continues:

> —to a total of $674 million last year, Robert L. McNeil, Deputy Assistant Secretary of Commerce estimated yesterday.
>
> Mr. McNeil, in a speech prepared for the general conference of the Pacific Northwest Trade Association in Vancouver, said preliminary Administration figures indicated that Canadian automotive exports to the United States had more than doubled in 1965, rising from $76,000,000 the year before to $164,000,000, under the influence of the conditional auto free-trade agreement between the two countries.
>
> But although Canadian sales south of the border rose relatively far more sharply than U.S. sales in Canada, the absolute increase in U.S. exports far outstripped Canada's, the total increasing by $184,000,000 to $838,000,000 in 1965.
>
> The net result was that Canada's net automotive trade deficit with the United States rose from $578,000,000 in 1964 to $674,000,000 in 1965, an increase of $96,000,000 despite any Canadian benefits derived from the auto-trade pact.
>
> While authorities in Ottawa originally argued that the new continental marketing scheme was intended to cut back Canada's chronically heavy automotive deficit with the United States, a result that was disputed by Administration officials, they have since switched to the argument that the agreement has helped to prevent the deficit from increasing

even more sharply than otherwise would be the case.

I now come to the amendment brought forward in Congress to the bill proposed by the administration. I think it is fair to presume that the bill presented by the administration to Congress represented the American Government's understanding of the legislation necessary to implement the agreement.

I suggest that this amendment is of such far-reaching importance that it amounts, in effect, to an amendment of the agreement itself. As far as I know, the fact and the effect of this amendment on this agreement has not to this day been communicated to the Canadian Parliament.

The amendment is rather technical. It deals with the basic requirements under which vehicles and parts may be imported free into Canada. The minister, in his own statement on the resolution in the other house put it this way:

> These requirements are set out in a tariff item which forms part of the Canada-U.S. agreement and in the letters of commitment to the Canadian Government signed by each of the vehicle producers.

The commitments refer to: the ratio of vehicle production in Canada to vehicle sales; the maintenance of Canadian value added at least equal to that of model year 1964; the increase of Canadian value added equal to 60 per cent of increased sales.

The vehicle producers must also by this commitment increase total production or purchases in Canada by $260 million annually. This is to be over and above the increase of production and purchases due to the growth of the market.

I hardly need say that I agree with the minister and others that these requirements are the very heart of the benefits that Canada should obtain from this agreement, because they represent the protection of Canadian content in increased sales assured by these letters of commitment from Canadian vehicle producers.

So, granting the importance of those letters of commitment as an almost integral part of the entire agreement, I read without further comment from the amendment proceedings in the United States Congress, as described in the Senate report No. 782 and reported in the United States *Code Congressional (and Administrative) News,* 1965, volume 2, page 3670.

Honourable senators, I am sorry to say that this quote will be rather long, but I ask leave to place it on the record because I think it is of the utmost importance.

Hon. Mr. Connolly (Ottawa West): Agreed.

Hon. Mr. Grosart: At page 3676, I read, under the heading, Letters of Undertaking:

> One of the novel features of the solution embodied in the arrangement is the ancillary undertaking by the Canadian automobile companies.

This is the amount of Canadian value added to a product by reason of Canadian industry or services.

> By their undertakings the Canadian subsidiaries of U.S. auto companies have expressed to the Canadian Government their intention of expanding their Canadian operations in such a way that the "Canadian value added" (that is, the amount of value added to a product by reason of Canadian industry or services) would be heightened by the end of model year 1968. The total of the additional Canadian value added in the undertakings stated by all the Canadian companies is to be approximately $241 million plus 60 per cent of increased Canadian sales, measured in terms of production costs.

I think we would all agree that is an excellent provision and something which, if it lasts, would be of great benefit to Canada. Now we will see if it is going to last.

> These undertakings ... were made by the Canadian subsidiaries in order to reassure the Canadian Government that in agreeing to reciprocal elimination of duties the Canadian part of the automotive industry would not be submerged. The Canadians also wished to be sure that the U.S. parent companies would treat the Canadian plants equally and would not overlook the advantages of production and procurement in Canada. Moreover, Canada wished to be sure that Canadian production and employment would participate in the anticipated rapid growth of the Canadian automobile market.

Then it goes on:

> The undertakings of the Canadian companies are subject to necessary

qualifications about market conditions and other factors beyond the control of individual companies.

In the view of the committee, although these letters limit the free trade character of the new arrangements, they do not derogate in any significant degree from the objectives of the agreement.

Now, I would ask honourable senators to note this very carefully.

Moreover, the committee has been informed that undertakings for increased production stated in the letters end in 1968, that the administration does not approve their renewal or extension.

What did the committee do about it? On page 3683, subheading 6, I read this from the same authority, that is to say the report of the Senate Committee:

Section 205 of the bill was added by the Committee on Finance. It provides for an investigation by the President to determine whether any manufacturer which is owned or controlled by a U.S. corporation has undertaken by reason of governmental action to increase the Canadian value added of motor vehicles or original equipment parts after August 31, 1968. This is generally the expiration date for the letters of undertaking by the Canadian subsidiaries of U.S. corporations providing for increase in Canadian value added of 60 per cent of increased Canadian sales (measured in terms of production costs) after 1964 plus $241 million. (This $241 million increase is to be achieved by the end of model year 1968.)

Now we come to the amendment.

Under this committee amendment, if the President determines that such a manufacturer has undertaken by reason of governmental action to increase the Canadian value added after August 31, 1968, he shall suspend the duty-free importation of autos and parts from Canada unless (1) the Congress authorizes continued duty-free treatment by approving legislation in effect endorsing the new undertaking, or (2) the President finds that the undertaking to increase Canadian value added no longer is operative.

This agreement does nothing to add to the Canadian content of vehicles and parts manufactured in Canada after 1968, and the U.S. Congress magnanimously says to the President, "If it does not help Canada, you don't have to do anything about it."

Surely the effect of these quotations is clear. It is that the parent companies of Canadian subsidiaries give these undertakings for increased Canadian production, as stated in the letter, and they will be in effect only until 1968, and that the administration does not approve their renewal or extension—

...if the President determines that such a manufacturer has undertaken by reason of governmental action to increase the Canadian value added after August 31, 1968, he shall suspend...

Again I say, honourable senators, this is the agreement we are asked to approve.

I raise these questions for three main reasons. First, it has been suggested that this type of agreement may be the precedent for others in other segments of our industry. Well, I think we would all hope that if that is to happen there would be some opportunity to find out the real effect this agreement is going to have on the Canadian economy.

Secondly, the Government's handling of this does raise the important question as to whether this is just one more example of the unchecked growth of the executive power, the examination and checking of which, if necessary, has been said by many authorities to be an important function to which this chamber should address itself.

In the third place, I have also suggested that this may be regarded by this Government, if they are allowed to get away with it, as the precedent for using the incidental powers given the Governor in Council for the purpose of bringing some flexibility into a statute and to use that power to make sweeping changes far and away beyond the intent of the fact, or anything that could possibly have been anticipated by Parliament when it gave that power.

Now I have raised the question of constitutional usage, as did Senator Hugessen and Senator Roebuck. I am sorry my speech is as long as it is, but I think these matters are of some importance. Senator Willis quoted Mr. Mackenzie King as an indication of what in his view was the proper constitutional usage in the matter of international compacts made by Canada. He quoted Mr. Mackenzie King on June 21, 1926 on a resolution moved by Mr. King and passed by the house.

> This house...considers further that before His Majesty's Canadian ministers advise ratification of a treaty or convention affecting Canada, or signify acceptance—

A very important phrase, "or signify acceptance."

> —of any treaty convention or agreement involving military or economic sanctions, the approval of the Parliament of Canada should be secured.

Later, Mr. Mackenzie King removed that qualification. On April 12, 1928, as again quoted by Senator Willis, he said:

> I submit that the day has passed when any government or executive should feel that they should take it upon themselves without the approval of Parliament, to commit a country to obligations involving any considerable financial outlays or active undertakings.

He went further than that. He went on to say, and this is applicable to the contention that the Government had the power constitutionally in this matter:

> In all cases where obligations of such a character are being assumed internationally, parliament itself should be assured of having the full right of approving what is done before binding commitments are made. I would not confine parliamentary approval only to those matters which involve military sanctions and the like. I feel that parliamentary approval should apply where there are involved matters of large expenditure or political considerations of a far-reaching character.

It is interesting to note, honourable senators, that the phrase "far-reaching" was the first phrase used in the press release which began the strange implementation of this agreement.

Mr. Mackenzie King lumped treaties, conventions and agreements all together and made no distinction. That, I need hardly say, is very much in line with the authorities, but it is opposed to the view of the Minister of Industry who said that if this had been a treaty "it would not become operative until satisfaction had been sought and approved." This statement can be found in the House of Commons *Hansard* of 1965, page 4815.

There have been other recent comments on this matter. Let me refer to what the present Prime Minister, when he was in Opposition, had to say—and I find it very interesting in view of the refusal of the Government to send this matter to committee in the other place. It is true that the amendment to that bill was ruled out of order by the Speaker, but the minister, as I shall indicate, went to great pains to give his views as to why it should not go to committee. When Mr. Pearson was in Opposition he told the then Prime Minister, for his good, for his example, the way he should conduct his affairs, as reported in *Hansard* of April 9, 1962:

> —the committee on External Affairs considered every important treaty while we were in office.

I presume he was referring to those long years when the Liberal Government was in power. Mr. Pearson was not using "treaty" in any narrow sense, I am sure. With his great diplomatic experience he would, I think, use "treaty" in the sense that has been accepted by the authorities.

So that there will be no doubt about that, I shall quote one or two authorities. *Oppenheim's International Law*, which is in its seventh edition and is probably the standard authority today on international law, at page 898 has this to say:

> International compacts which take the form of written contracts are sometimes termed not only agreements or treaties but also conventions, declarations, protocols and the like. But there is no essential difference between them, and their binding force upon the contracting parties is the same whatever be their name.

Again, he says:

> It has been asserted that "apart from those compacts which bear the title of treaty or convention, ratification is only required where it is provided for"; but this assertion is too sweeping. Since all international compacts are contracts, and therefore treaties in the widest sense of the term, the title which a particular compact bears cannot decide the question whether it does, or does not, require ratification.

I could give you a similar quotation from a book by Mr. Castel, which I mentioned earlier. I will merely observe that he agrees with Oppenheim and rather interestingly points out that if documents of this nature are to be

called agreements, they should deal with purely technical and administrative matters and be signed by representatives of government departments.

Mr. Pickersgill had some comment to make on this question of constitutionality. In speaking to a point of order, he said:

> We all know that under the strict interpretation of the Constitution these agreements are ratified by the Crown and they do not in fact require—though it is a constitutional practice—to ask for approval of the house.

That is the position taken by Senator Hugessen, and I personally would not object to it. Then Mr. Pickersgill went on to say:

> If what has become a constitutional practice is followed, the agreement would not be ratified by any future Government without the consent of the house, if it came forward again. If the ordinary constitutional practice which we now have is followed, any agreement of this sort is brought by the Government to both houses before there is ratification.

In that I agree entirely with Mr. Pickersgill, although it leaves open the question of what is "ratification."

I am sorry to say, honourable senators, that as I look over the Government's record in this matter, I see a clearly detectable tendency in their handling of this matter towards that strange kind of arrogance that Shakespeare called "the insolence of office." For example, the minister who sponsored the bill brushed off all protests about the long delay of 17 months between implementation of the treaty and the time it was placed before Parliament, by calling these protests, "some coy suggestions about eventually giving approval." This, in spite of the fact that he had declined over and over again to give information on the agreement sought by members of Parliament. Over a long period of time members asked and asked, and they were always faced with the reply, "This is not the time to bring it up. Don't bother with this on a supply motion. Wait until we bring in the resolution; that is the time to discuss it; that is the time when the Government will tell you about it; that is the time you will get some information." Members waited a long time, almost one-and-a-half years from the time of the hasty implementation of the agreement.

It is tempting to say that all this is reminiscent of ten years ago. I remember a display of that same kind of unseemly haste, that same kind of political temper, and I wonder if the Government's handling of this matter portends the revival of that political temper. If so, I sincerely hope it is attended by the same fate. I am sure that all honourable senators around me, if not all on this side, would agree with me in that. Senator Hugessen told us this is merely a procedural motion, and that was the attitude taken by the minister. He said, "It is only here for discussion." We are told this is just a matter of form. We cannot reject it; we cannot change it; and Senator Walker said that it is probably all just an exercise in futility because the agreement was made 17 months ago and has been in operation and has affected our whole economy.

If we have to turn back the clock after August 31, 1958, I need hardly even attempt to draw in words the picture of the chaos that will result in our Canadian economy.

Hon. Mr. Pearson: You mean August 31, 1968.

Hon. Mr. Grosart: Yes, August 31, 1968. Our American friends tell us that that is the date when these commitments given in the letters will have no effect whatsoever. On the authority of their own executive the date is August 31, 1968, and we are finding out about it now, when we are half-way through that first three-year period. We have had a year-and-a-half, and in another year-and-a-half we will be faced with the possibility of this tremendous problem confronting us.

The sponsor of the bill has been good enough to say that it will go to the appropriate committee. I would be inclined to suggest to the honourable Leader of the Government that perhaps it should go to the Standing Committee on External Relations, as obviously it is an agreement between Canada and another country, and I hope that he will give very careful consideration to that suggestion. The chairman of that committee is Senator Thorvaldson who sits in this section of the house, but I think there would be no doubt as to the impartiality with which he would deal with the matter.

I was pleased to hear the tribute the Leader of the Government paid to another senator on this side, Senator Hnatyshyn, for his chairing of the Standing Committee on

Immigration and Labour this morning. I was at the meeting, and I should like to add my tribute to the honourable senator for the excellent way in which he conducted the hearing.

No matter to what committee this bill is referred, I suggest that we invite the minister and the officials concerned to explain the things that have not been explained; to explain the authority under which they regard this action as constitutional; to explain what they think section 10 of the Customs Tariff means; to explain their future policy in regard to the use of the incidental power given the Governor in Council when they are faced with the desire to make these far-reaching changes in our economy. The officials should appear before the committee to state exactly what kind of subjects come within what kind of compact, and what kind of agreements require ratification, before or after, by Parliament.

I have suggested that we adopt a procedure comparable to that of the United States. If this action of the Government is constitutional, then it would appear to be deficient in many ways. We are told that this agreement is an administrative act—something between departmental officials. If this is so, then, of course, they are again asserting the power of the Governor in Council. The officials should be asked to tell us how much authority they believe these orders in council give them to make that kind of change.

There are other questions the committee might discuss. I am sure the Canadian public is not yet satisfied that the agreement has achieved or is achieving the results claimed of it. This is certainly so in the area of balance of payments. The committee should ascertain whether this agreement is bringing down or ever will bring down the prices of Canadian automobiles compared to those of the same automobiles in the United States, and even more importantly, it should ascertain whether it will place Canadian production in a position of being able to sell to the Canadian consumer a Canadian-made car at the same price that the American consumer can buy that car. I am told that the difference between what a Canadian pays for a Canadian-made automobile and what an American pays for that same Canadian-made automobile is approximately $615. Yet we are told that this is a free trade agreement.

Honourable senators, this is not a free trade agreement. This is an agreement which allows certain manufacturers to import and certain manufacturers to export. It gives the Canadian consumer no rights whatever. It does not give the Canadian consumer the right to buy a Canadian-made car in Canada at the same price that his neighbour across the line can buy that same car. This is a good deal for a group of automobile companies, and if that is free trade then I do not believe in it.

Another question has been raised with respect to the tariff on certain production machinery that is required by some Canadian firms who are tooling up in an endeavour to fit themselves into the conditions brought about by this agreement. The assertion has been made that there is a tariff of 22.5 per cent, and that most of that is subject to draw-back. I have not investigated the matter to the point where I can be at all definitive, but I suggest that the committee should question that matter.

Honourable senators, there has been a very serious complaint made to the effect that some Canadian auto firms have told smaller Canadian firms that they will not accept any tenders from them. The names of firms have been mentioned, so I am not indulging in gossip. The reason given by the automobile manufacturers for their refusal to accept tenders is that they have across the border in the United States their own subsidiaries making those parts. I suggest that the committee should at least obtain information as to whether that situation prevails, and discover the reason for it. If that is the case, then it should ascertain whether this agreement is the cause of it.

There has been serious objection taken also to this agreement because of the fact that it is bringing about a shift in our automotive labour force. Some of those who study these matters carefully believe that one of the end results of this agreement, if it continues in force, will be a great increase in the number of unskilled workers in our automobile industry at the expense of the number of skilled workers. The committee should ask the minister and officials and others if this is so.

Another of the conditions attached to this agreement is that it applies only to original parts for automobiles. It is well known that there are many small Canadian companies which manufacture replacement parts and accessories. They, of course, would like to share in any benefits that may be available to

them from this agreement, and in view of the fact that this agreement is subject to revision in a short year and a half the committee might like to hear from those manufacturers.

Honourable senators, I raise these matters because I can find no evidence that they have been adequately examined and adequately replied to. This is largely due to the refusal of the minister to allow this matter to go before a committee of the other place. The importance of our committees here is that such questions as this may be submitted to them. In this particular instance the work of the committee will be doubly important because of the refusal of the Government to match the kind of investigation that was given in the—if I may use the word—Parliament of the United States.

What were the reasons given for the refusal to send this agreement to a committee of the other place? I do not think I said there was arrogance in that refusal, but that there was a detectable tendency to arrogance. The minister gave three reasons which were, first, the committees were having difficulties in obtaining quorums; second, if this resolution went to a committee it would indicate a "lightheartedness and disregard" for other matters of more urgent business; and, third—and here I shall quote the minister directly because honourable senators might not credit the accuracy of a paraphrase—the minister said:

> To refer this matter to a Committee on the grounds that somebody might be interested does not seem to me to be a very practical or businesslike way of conducting the business of Parliament.

I hope what I have said, honourable senators, has persuaded you that some clarification needs to be made of many matters in connection with this agreement. In closing I would make one observation, and even presume to give a piece of advice to the Government. It is my opinion that the Government made a mistake. It was a mistake of haste; a mistake, perhaps, of political expediency. It was a mistake which raises serious questions about the rights of Parliament. It was a mistake which may seriously affect our economy for a long time to come. I think we would all think more than we do—and some of us more than others—of our Government if they admitted the mistake and assured us that to the best of their ability this kind of thing will not happen again.

23031—61½

On motion of Hon. Mr. Beaubien (Provencher) for Hon. Mr. Hayden, debate adjourned.

The Senate adjourned during pleasure.

At 9.45 p.m. the sitting was resumed.

ADJOURNMENT

Hon. John J. Connolly: Honourable senators, I move, with leave of the Senate, that when the Senate adjourns today it do stand adjourned until Monday, June 27, at 8 p.m. The Friday following that date will be July 1, a holiday. Between those dates I think we can expect interim supply and a number of other measures to come from the lower house. We should, therefore, have a fairly busy week, and of course committees will also convene during that week.

An adjournment of this kind is of course always subject to the possibility that the Senate might have to be recalled earlier. If that should be the case, it will then be my duty to inform His Honour the Speaker and to have the honourable senators notified.

Motion agreed to.

PUBLIC SERVICE

JOINT COMMITTEE—CHANGE IN SENATE MEMBERSHIP

Hon. John M. Macdonald, with leave of the Senate, moved:

> That the names of the Honourable Senators O'Leary (Antigonish-Guysborough) and Quart be substituted for those of the Honourable Senators Blois and Yuzyk on the list of senators appointed to serve on the Special Joint Committee of the Senate and the House of Commons on the Public Service; and
>
> That a message be sent to the House of Commons accordingly.

Motion agreed to.

The Senate adjourned during pleasure.

ROYAL ASSENT

The Honourable Robert Taschereau, P.C., Chief Justice of Canada, Deputy of His Excellency the Governor General, having come and being seated at the foot of the Throne, and the House of Commons having been summoned and being come with their Speaker, the Honourable the Deputy of His

Excellency the Governor General was pleased to give Royal Assent to the following bills:

An Act to amend an Act to amend the Combines Investigation Act and the Criminal Code.

An Act to amend the Research Council Act.

An Act to amend the Yukon Act.

An Act respecting the organization of the Government of Canada and matters related or incidental thereto.

An Act respecting allowances to persons being trained under technical and vocational training programs.

An Act to amend the Fair Wages and Hours of Labour Act.

The House of Commons withdrew.

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

The sitting of the Senate was resumed.

The Senate adjourned until Monday, June 27, at 8 p.m.

THE SENATE

Monday, June 27, 1966

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

Prayers.

PENITENTIARIES

JOINT COMMITTEE—CHANGE IN COMMONS MEMBERSHIP

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons to acquaint the Senate that the name of Mrs. MacInnis has been substituted for that of Mr. Winch on the Joint Committee on Penitentiaries.

PUBLIC SERVICE

JOINT COMMITTEE—CHANGES IN COMMONS MEMBERSHIP

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons to acquaint the Senate that the name of Mr. Fairweather has been substituted for that of Mr. MacRae on the list of members appointed to serve on the Special Joint Committee on the Public Service;

And that a further message had been received from the House of Commons to acquaint the Senate that the names of Messrs. Simard and Langlois (Chicoutimi) have been substituted for those of Messrs. Rinfret and Émard on the list of members appointed to serve on the Special Joint Committee on the Public Service.

BANKRUPTCY ACT

BILL TO AMEND—COMMONS AMENDMENTS

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons returning Bill S-17, to amend the Bankruptcy Act, and acquainting the Senate that they had passed the bill with certain amendments to which they desire the concurrence of the Senate:

1. Page 5, Line 31. Strike out subsection (8)...

Hon. Mr. Connolly (Ottawa West): Dispense.

For text of amendments see Appendix p. 777.

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

Hon. Mr. Connolly (Ottawa West): Honourable senators, with leave of the Senate, I move that these amendments be referred to the Standing Committee on Banking and Commerce for consideration and report.

Hon. Salter A. Hayden: Honourable senators, I think I should say a word before we pass this motion for reference to committee.

There are but five amendments, and the only significant or substantial one is that which deletes a provision which we inserted in the bill in committee dealing with solicitor and client privilege. As the members of the committee will recall, this was done after very long and earnest consideration, and after quite a number of conferences with the Minister and the Deputy Minister of Justice and with the Superintendent of Bankruptcy. All those hearings are reported in our printed report of the proceedings of the committee, and honourable senators can read and see what was said.

In the representations which the minister made in the other place supporting his motion to delete this particular subsection, he repeated, in some cases almost word for word, the objections which were made by the minister and his deputy before our committee in the Senate. There is no new ground put forward. This raises a very important question in the opinion of the committee, and I think the members of the Senate should know the real meat of the amendments proposed.

The amendments, other than the solicitor and client privilege, are of no particular significance. The solicitor and client privilege is a provision which we inserted in the bill. It presently exists in the Income Tax Act and has been there for quite a number of years. It has worked out, one would judge, very satisfactorily so far as income tax authorities are concerned. They have not sought to have it struck out, nor have we heard any statements made in Parliament or elsewhere in public complaining that this particular provision in the Income Tax Act impedes or inhibits the operations of the departmental officers—and it would have particular application, of course, to their investigations and gathering of documents in relation to possible offences under the Income Tax Act.

Inherent in the amendments which we dealt with in the Bankruptcy Act was exactly the

same purpose, giving authority to the Superintendent of Bankruptcy, on obtaining an *ex parte* order from the court, to go into premises—and we had cut down the scope to examine records, etc., relating to possible offences under the Bankruptcy Act or related acts—and to make copies of documents. We insisted that this particular amendment in relation to examination of documents and making copies should go in, and it was concurred in by the Minister of Justice and by his deputy. It varied the form but not the substance of what the committee had proposed. We felt that it should not be possible when dealing with a third party, and not with the bankrupt, to be able to go in and take all records from his premises—in the case of a solicitor, thus removing the tools of his trade for an indefinite period. Therefore we felt the purpose would be served by examining the documents and making copies, and we suggested that documents should not be removed until copies had been provided.

Now, the actual words used in the draft dealing with the making and supplying of copies were suggested by the deputy minister, and therefore we considered we were on safe ground in the event of any objections thereto being taken in the other place. The deputy minister did object, however, to the solicitor and client privileges being included. One of the reasons for this was the length of time that would be involved. We said that under the provisions of the Income Tax Act certain time limits were provided and that we would provide one-third of that time limit for making a submission before a judge who would hear the motion, and we were prepared to say that the judge's decision should be final and that there should be no appeal. We said to the deputy minister that if this did not shorten the time enough, he could tell us by how much we should shorten it. The deputy minister told us that the time factor was not the most important one, and that they were opposed to the provision.

Their representations were repeated in the Commons. It was said that if you cannot get at these documents in a solicitor's office—and that is the only area to which this provision relates—and examine them immediately, but you first have to settle the question of whether it is a privileged document between solicitor and client, in the meantime news might get around to other people tied in with the matter who could, if they wished, destroy the documents.

One answer we gave to this situation, which seemed reasonable, was that we think—and we have no corner on life, business or even on crime—the grapevine might start to work the moment the superintendent went into the lawyer's office, and if any steps were to be taken to destroy documents, they could be taken right away. Notwithstanding the fact that our views were in print, it was stated that we had overlooked how serious the situation was, and it was suggested that we were impeding the proper functioning of the Superintendent in his investigation. This inference of failure to appreciate the situation is serious and the committee, since it was practically unanimous in its recommendations, feels strongly that they should examine more particularly this amendment to the bill, and report its conclusions to this chamber.

For that reason we are glad the amendments are going to committee.

Hon. David Walker: Honourable senators, I join with the honourable chairman of the Standing Committee on Banking and Commerce in what he has said.

To delete subclause 8 of clause 3 of this bill is to encroach on the common law right of privilege pertaining to solicitor and client. This right has come down to us through generations, and it is one of the fundamental bastions of our common law. To chip away at this by way of statutes, taking away that privileged relationship between solicitor and client, is most unusual, and under the circumstances it is unnecessary because if it is thought that there is a conspiracy to defraud and that the solicitor is part of this conspiracy, then the Superintendent has his remedy in the Criminal Code and may immediately take out a search warrant and go into the solicitor's office. But to leave it willy-nilly, the way the other place has now amended the act, so that the bankruptcy officials can go into a lawyer's office and destroy that relationship pertaining to a solicitor and client, when they have a remedy elsewhere in the event of any possible crime or conspiracy, I suggest the other place has badly dealt with this measure which has been gone into painstakingly by our Standing Committee on Banking and Commerce. It has been carefully considered by us, and through our experience with the Income Tax Act, where the privilege as between solicitor and client is maintained, we know of no instance where justice has been aborted or frustrated.

Therefore, I join with the leader of the House and the chairman of the Banking and

Commerce Committee and support the motion that this matter should be referred to the Standing Committee on Banking and Commerce.

Hon. G. Percival Burchill: Honourable senators, with great respect and as one who cannot claim to have the privilege of belonging to the legal fraternity, I was one of the members of the Banking and Commerce Committee who agreed with the representations made by the Minister of Justice and his officials that the amendment which the members of the committee inserted would destroy to some degree the force of the teeth the department was endeavouring to put into the Bankruptcy Act.

As one of those who had been concerned with a fraudulent bankruptcy and on behalf of people I know who have been ruined by such bankruptcies, I felt the department was entitled to every possible support in putting teeth into the act whereby they might protect those who have been defrauded.

As I say, I was one of the members of the committee who supported the Minister of Justice, and I do not think there were many others. I think most of the members were lawyers, but as a layman I objected to and voted against the committee's amendment. I am still a member of the Banking and Commerce Committee, and when this amendment comes before it again, I want the honourable chairman and his supporter, Senator Walker, to know that I am still going to vote against it.

Hon. Mr. Walker: I am not a supporter of his—I am a supporter of his amendment tonight.

Hon. Mr. Hayden: Would the honourable senator permit a question? Does the honourable senator know whether the privilege which he talks about as a lawyer's privilege is a lawyer's privilege or a client's privilege which the lawyer cannot give up without his client's consent?

Hon. David A. Croll: Honourable senators, this is not quite as black and white as you may have been led to believe so far. I was very ardent in my support of the chairman and Senator Walker, as I thought it was an appropriate solution.

I have read the reports of the proceedings in the other place and, as I understand the question, the reason it was struck out was that the curtailing of fraudulent bankruptcies is a matter of great urgency and one in which there should be no limitations placed on the department, at least for a while. The minister gave a quite clear undertaking, as I read it, that in the further amendments that are being proposed to the Bankruptcy Act, and which will be forthcoming at the first of the year, the subject matter of this amendment will be given a great deal of consideration. When he appeared before the committee he told us that for the time being they wanted a free hand to operate among these people who have been doing such things as my friend Senator Burchill and others have mentioned. It seems not unreasonable that the matter be put off for a period of five or six months.

Although I supported ardently the committee's decision, I can see reason for going along with the House of Commons for a further period of five or six months or until such time as they have an opportunity for taking another look at it, and seeing what the result has been in handling these fraudulent situations which have even now become more aggravated.

Hon. M. Grattan O'Leary: Honourable senators, I do not want to get into this dispute among lawyers, but it does seem to me to be a clash between bureaucratic convenience and the rights of the individual. I submit to you that the place of the Senate should be as far as possible on the side of the rights of the individual. Certainly I shall go back to the committee and oppose these amendments with all the earnestness I can command.

Hon. Mr. Walker: May I ask Senator Croll a question? Has he changed his mind on the principle of this bill, or is he making this statement tonight to enable the Government to get this legislation through and to convenience his friends in the other place?

Hon. Mr. Croll: I have not changed my mind on the principle of the bill. I believed in it the other day, and I believe it is a proper principle that should be there. But in the circumstances they want an act that is operative immediately; and, rather than get into a hassle with the Commons at the present time I think it would be wise to go along with them, provided they deal with it again in another bill which they promise by the end of the year.

Hon. Mr. O'Leary (Carleton): That is always the excuse given for an encroachment upon the rights of the individual.

Motion agreed to.

CUSTOMS TARIFF

BILL TO AMEND—FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-200, to amend the Customs Tariff.

Bill read first time.

SECOND READING—DEBATE ADJOURNED

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

Hon. Salter A. Hayden, with leave of the Senate, moved the second reading of the bill.

He said: Honourable senators, this bill proposes certain changes in the Customs Tariff. As you know, such a measure has become almost an annual event.

There are three main schedules in the Customs Tariff. The first is Schedule A which is concerned with the classification of goods and rates. Schedule B deals with drawback, and Schedule C deals with the lists of prohibited goods. The first three clauses of this bill provide for certain changes in each of these schedules, but the majority of the changes are with respect to Schedule A.

Schedule A on pages 2 and 3 of the bill contains 17 items. Unfortunately, the bill does not incorporate the wording of the items as it now appears in the Customs Tariff. In other years there was opportunity of having these items printed in the *Minutes of the Proceedings*. At the appropriate time I think there will be a motion to do that this year, so that they will appear in tomorrow's issue of the *Minutes of the Proceedings*. For those of you who want this information at this time I would refer you to the Budget debate in the *House of Commons Debates* for March 29 last, starting at page 3391 and continuing for three pages. You will find in this Budget Resolution the items to be dealt with and which were not changed in any particular in their course through the other place. There you are given the tariff items changes as they are proposed by this bill, and immediately after on each page you are given the tariff items as they stand now.

I can tell honourable senators that in connection with Schedule A there are 17 items, seven of which involve only an extension of time within which the particular rates of duty that appear in the schedule will remain in force. In respect of five of the seven the benefit of the particular rate of duty that appears in the schedule is extended for a period of one year, and in relation to the other two it is extended for a period of two years. Most of these items, if not all of them, have been subject to this procedure over a period of time, going back as far as 1960 or 1961.

I would call your attention to those items, which you can see quite readily in the bill. The items in respect of which there is provision for an extension of one year or two years, without any change in the rate of duty, are to be found at the top of page 2; they are Items 945-1, 20925-1, 21045-1, 23705-1, 24100-1, 26325-1, and the top two items on the next page, namely, 44043-1 and 44047-1.

There is an historical reason for the occurrence of some of them, which I think has been stated by me in previous years. I am sure you will not want me to indulge in repetition. I should like to deal with the six items in respect of which there is some addition or deletion.

There are two items which might be called new items, which I shall deal with first. One of them is to be found on page 3, Item 57210-1, oriental rugs or carpets with pile hooked or knotted by hand. That item has a percentage rate and also a duty per square foot. The purpose of this, as has been stated frankly by the minister, is to encourage the further development of this industry in Canada.

The other new item is 44725-1. This has to do, as is evident from the description, with well points, well screens, well strainers and—this is the new item—pitless well heads, "all the foregoing of a class or kind not made in Canada, parts thereof." These are various pieces of equipment that are used in the sinking of a well, and the equipping of the well so that it may produce and deliver water. This item is new because it has been lifted out of another more general item in Schedule A and accorded special treatment, and in addition pitless well heads are set out.

As to some of the other items I should tell you, for instance, about Item 7905-1, carnation cuttings in their first year of introduction. That item used to read "rooted carnations," on the basis that cut carnations just could not stand the trip coming into Canada and they used to be detoured, I understand, from other parts of the States and were rooted and brought in in that form. It is a free entry item. However, now the word "rooted" has been removed, and they can come in rooted or unrooted. I am sure some senators will be happy to know that they will not have to acquire the rooted carnation and

then do the trimming themselves in order to make an acceptable presentation somewhere.

Item 23505-1, as it reads now, is "Liquorice blocks, granules, paste or powder, not sweetened." This item has been in the tariff for some time but the additional words are "blocks," "granules," "or powder," Heretofore, the item simply covered liquorice paste, which is used in the confectionery business. This item is a raw material of the confectionery business, in tobacco products and in some pharmaceuticals. Apparently, the only place it can be produced successfully is in subtropical countries, and it has been requested by the Confectionery Association that the additional words be included.

Next is item 24100-1, "Litharge and mixtures or combinations of litharge with other materials . . . " Apparently the word "litharge" means lead oxide. This item, which is a free item, was originally limited to free entries when imported by manufacturers of batteries. Now that restriction has been removed so that any person who is in any phase of the battery business or engaged in the making of any part of that operation is in the same position as a battery manufacturer himself to import this item.

In connection with item 41105-1, there has been one addition and one word dropped. The words "captive balloons having a volume of 150,000 cubic feet or more," is additional to this particular tariff item. The word "complete" has been dropped because heretofore, when they were dealing with parts the item read "complete parts," and you could not bring in unfinished parts on which further work was to be done.

Hon. Mr. Connolly (Ottawa West): Can the honourable senator tell us what "captive balloons" are used for?

Hon. Mr. Hayden: They are used for logging. My note says: This item which covers logging equipment is being broadened to include captive balloons having a volume of 150,000 cubic feet or more. Experimental work is being carried out on the west coast with these balloons for the transportation of logs over rough terrain.

The balloons are expensive and this proposed reduction in duty should assist in this work. This amendment is supported by the British Columbia Loggers Association.

Hon. Mr. Connolly (Ottawa West): They have nothing to do with trial balloons?

Hon. Mr. Hayden: No, they have nothing to do with trial balloons, which have not been subjected to duty at any time. There might be less of them if they were.

Hon. Mr. Flynn: I am not too sure about that.

Hon. Mr. Hayden: Do you think if we included duty they might bring in more of them?

Another item I wish to direct attention to is item 84850-1, the last one in Schedule A, which reads:

> Machines and apparatus and parts thereof (including motive power) of a class or kind not made in Canada and drilling mud, for use in the exploration, discovery, development and operation of potash and rock salt mines or for use in the production of crushed and screened rock salt.

There was another clause in this item which is struck out in this amendment. It reads, "or for use in the production of muriate of potash." Muriate of potash is a fertilizer. It was struck out at the request of the potash producers in Saskatchewan. By striking it out of this section it was found possible to fit it into another tariff item which deals particularly with this kind of fertilizer so that the persons who import such machines for use in the production of muriate of potash are enabled to come under that particular item. That item is specifically mentioned in the schedule of exemptions in the Excise Tax Act. This is an item which it is anticipated will be of great benefit to producers of muriate of potash as a fertilizer, and being thus made free of sales tax will be of great benefit.

Honourable senators, I think I have covered most of the items. However, there is a new item I did not mention, item 70505-1 which deals with settlers' effects. The item as it appears in this schedule has been considerably reduced, because heretofore there were certain conditions which had to be met. One was that the settler in seeking to bring in his effects had to certify that they were at least six months old. Also, if he were bringing in a car of a value over $2,500, it was dutiable. In addition, there was an enumeration of a great list of things which would be regarded as settlers' effects. What has been done in this item is that the age limitation of six months old has been eliminated because it created all kinds of confusion. The value of a car which is sought to be brought in as part of the settler's effects, with the duty on the part of

the value over $2,500, has been removed. Instead of this interminable list, it is now provided that the list shall be set out in such regulations as the minister may prescribe, which I am sure administratively will make it much better than the conditions that were enumerated in the item to this moment.

This pretty well exhausts what has been done in Schedule A.

Schedule B, on page 4 of the bill, is the drawback section. This adds to an existing tariff item a drawback of 99 per cent in relation to machines which are imported and which are used or to be used "in the plants of manufacturers of automobiles and motor vehicles or of automobile or motor vehicle parts for the manufacture of automobiles and motor vehicles or of automobile or motor vehicle parts."

That is in the law as it stands at present. What is added is the entitlement to a drawback of 99 per cent of the duty paid if this machine or these machines are used for the manufacture of dies, jigs, fixtures or moulds which are used in the production of automobiles or motor vehicle parts. So that if a Canadian manufacturer of automobiles or automobile parts finds it necessary as from March 30 of this year to import into Canada a machine or machines as described in this item for the manufacture of dies, jigs, fixtures or moulds, which are used in the production of automobile or motor vehicle parts in the trade, he is entitled to a drawback of 99 per cent of the duty payable.

Hon. Mr. Walker: Is that regardless of whether or not there is a Canadian company already producing these articles?

Hon. Mr. Hayden: Producing which articles?

Hon. Mr. Walker: The fixtures and jigs and dies.

Hon. Mr. Hayden: No. The general item is in reference to these machines "of a class or kind not made in Canada". That general description appears in the item itself. Then the second column states when such an item is subject to drawback; but in order to find the description of the machines themselves, you find it as "all of the foregoing, of a type or kind not made in Canada."

Schedule C is the prohibiting schedule. In that schedule, of course, as you will see and as you will recall from previous times, "used or second hand mattresses or materials therefrom" are in the prohibited list of goods. But since we have dealt with settlers' effects under item 70505-1 in Schedule A, and prescribed the basis on which settlers' effect may be brought in—and in his effects might very well be mattresses and used mattresses—there is added to the list of items appearing in Schedule C, item 99219-1 as an exception from the prohibition against the importation of used or second-hand mattresses or materials therefrom, "mattresses imported under item 70405-1"—which is the item we have just dealt with on page 3 in Schedule A.

Honourable senators, this is the sole and the full purpose of these amendments. The minister had announced earlier that, under the present Kennedy Round of Tariff Negotiations and Arrangements, having regard to the time of termination on the present United States law in that regard, there will have to be a very substantial tidying up, in connection with all the arrangements which may have been reached at GATT, before the middle of 1967, because that is when the United States Trade Expansion Act expires.

Therefore, the Government felt that at this time, as a matter of policy, they should deal only with items which appeared to be extremely urgent and which might not bear on any negotiations that they wanted to carry on in relation to GATT items.

The way Canada deals in relation to bargaining on GATT items is that we offer to the other parties in this GATT conference certain items that we are prepared to trade for certain items on which they have agreed to reduce their rate of duty or to make free. They are not necessarily correlated. As a matter of fact, they may be entirely different items. Our method of dealing has not been in relation to a particular item. There are illustrations of what we deal with in Schedule A, where this type of bargaining has been done. Laundry bleach in Canada used to be subject to a duty at all levels. Then there was a Supreme Court of Canada decision which said that, having regard to certain relationships, this should be a free item. That disturbed the industry here in Canada considerably, so Canada bargained with the United States and traded two other items in order to be in a position to reinstate the rates of duty which formerly existed on this laundry bleach item.

This is the way Canada deals, and therefore it is understandable that they would want to keep themselves well prepared by volume in trading items for this final round before the present United States trade expansion statute expires.

Hon. Mr. Choquette: *Quid pro quo.*

Hon. Mr. Hayden: Yes, it is *quid pro quo* but it is not necessarily giving a *quo* for the same item. It may be for other items that are thrown in.

Hon. Mr. Fournier (De Lanaudière): Is there a possibility that an extension be granted for the discussions at Geneva which are taking place in connection with the Kennedy Round?

Hon. Mr. Hayden: I wish I knew. This is a matter that is peculiarly in the hands of the United States Congress and Senate, because there is a termination date on the present United States Trade Expansion Act. Every person must proceed, therefore, on the basis that it is going to run out at that time.

Hon. Mr. Flynn: Could they extend it, as we extend the Bank Act?

Hon. Mr. Hayden: That would be very interesting, as it would simply mean passing a statute saying that the present act is in force for so much longer. That would be a very simple way, but we cannot suggest that to the United States Government.

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

CANADA STUDENT LOANS ACT

BILL TO AMEND—FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-197, to amend the Canada Student Loans Act.

Bill read the first time.

SECOND READING—DEBATE ADJOURNED

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

Hon. John J. Connolly: With leave, I move that the bill be read a second time now.

Hon. A. J. Brooks: If there is any urgency with respect to these bills, we should know. I take it there is reason for the honourable Leader asking that this bill be read a second time now.

Hon. Mr. Connolly (Ottawa West): Honourable senators, there is only this reason. We have five new bills coming to us tonight. As we do not know how long Parliament will be sitting this week, it seems reasonable to suggest that at least two of these five should be explained tonight. I propose to stand the other three until tomorrow, when they are called.

In the interest of trying to move the work of the Senate along as much as possible, I would suggest that this is an appropriate bill on which to have an explanation tonight. Other honourable senators may wish to speak on it sometime in the course of the week.

Hon. Mr. Brooks: I take it that there may be some necessity to get this bill through in a short time so that students may be able to take advantage of it. Is that the reason why this motion is put now?

Hon. Mr. Connolly (Ottawa West): I would think so. Bills that come to us between now and the summer recess should all be considered as urgent for passage before the summer recess.

Hon. Jean-François Pouliot: Honourable senators, I wonder if it is the intention of the Government to have second reading passed today and have the bill sent to committee? There is a most serious question. It involves a constitutional issue.

According to the Constitution, the Government has no authority with regard to education. Are we to swallow this bill because the summer recess is upon us? This bill needs very serious and complete discussion, so that it may be considered from every angle. Is it suggested that the second reading should pass tonight?

Hon. Mr. Connolly (Ottawa West): I can assure the honourable senator that there is no intention of asking that this debate be concluded this evening. As I indicated earlier, it is desirable to have the explanation on the record this evening.

On the constitutional question which the honourable senator raises, that is a matter for debate and if he wishes to raise it in the course of debate that is his privilege. There is no intention of seeking conclusion of the debate on the second reading this evening for the purpose of getting this bill to committee.

Hon. Mr. Pouliot: I thank the honourable Leader for the explanation. I would like to have the debate adjourned until tomorrow in order to express my views on this matter.

Hon. Mr. Brooks: We have no objection on this side to the explanation being given tonight. As a matter of fact we would welcome it.

The Hon. the Speaker: Does the honourable Senator Pouliot wish to move the adjournment of the debate, after the explanation has been given?

Hon. Mr. Choquette: That will be done on this side, as usual.

Hon. Donald Cameron: Honourable senators, I am happy to have the opportunity of discussing this important bill. It proposes to amend a very important act which in the course of its short history of about two years has made a tremendous impact on the life of university students in Canada and is helping to bring the number of Canadian students getting higher education more into line with that in other countries. At this stage, honourable senators, let me give you a little background information.

There has been a general recognition in the last few years that in order to survive, nations have to spend more and more of their time and resources in developing a higher level of education. In this respect, while Canada has made some spectacular strides in recent years we are still lagging considerably behind other countries. In the United States, for example, 25 per cent of those completing high school are going on to university and are receiving 30 per cent more hours of education, or years of training, or months of training, depending upon how you wish to express it, than are their Canadian counterparts.

In recent years many Canadian educators have been pointing with pride, if I may call it that, to the fact that the Americans have many fine educational institutions but also many poor ones. It has come as something of a shock to these same Canadian educators on reading the second report of the Canadian Economic Council to learn that the American students are getting more training, and that this increase in training reflects the percentage by which the standard of living in the United States is higher than ours.

In Japan 20 per cent of students finishing high school are going on to universities. Japan is one of our competitors in the industrial field.

I have no comparable figures for Russia at the present time, but the last figures I have show that 11 per cent of their high school students go on to universities and technical training schools.

In China there were also no comparable figures, but I was there recently and I was interested to learn that there are 50 universities with a total of 500,000 students in the City of Peking alone. In other words, there are more students attending establishments for higher learning in that one city than there are in the whole of Canada. They also claimed to have trained one million technicians since 1949.

I mention these figures to show how necessary it is that Canadians should see the necessity for doing more in the field of education. In Canada just under 7 per cent of students completing high school go on to university.

Fortunately for us, and as a result of the Canadian Vocational Training Assistance Act passed in 1961, over 1,000 technical schools have been built or adapted since the act was passed. The response to the Canadian Vocational Training Assistance Act has been spectacular; in fact, nothing quite like it has happened in this country. This massive program in the technical field will be having a very important impact on the Canadian labour force in a very short time.

It is in the light of this new climate of appreciation of the vital necessity of having a higher percentage of our people with greater training and skills in our labour force that governments, both provincial and federal, have set up in the last few years a variety of scholarships, bursary and loan plans.

Some six years ago the Province of Alberta established the Queen Elizabeth Loan and Bursary Fund of $1 million; the Province of Ontario also has established a very substantial bursary and scholarship fund. On July 28, 1964 the Parliament of Canada passed the Canada Student Loans Act which authorized the Government to make loans through the instrumentality of chartered banks and certain other lending institutions such as credit unions to make loans to students "in need"—I put those words in quotations marks—who could produce a certificate of eligibility. That is to say, a student could obtain a loan up to a maximum of $1,000 per year or a total of $5,000 during his academic career provided he discharged his responsibilities in a satisfactory manner.

This has been a co-operative venture between the provinces and the federal Government, and it has been a very happy one. The provinces have taken over the responsibility of providing the certificates of eligibility, and it is they who decide who are entitled to loans and it is they who approve the authorized educational institutions within their boundaries.

An amount of $40 million was set aside the first year commencing September 1, 1964 and the results have been very spectacular, as I

have indicated. In that first year of the program from September 1, 1964 to June 30, 1965 some 42,000 students in Canada took advantage of the facilities offered. In the second year commencing July 1, 1965, and which will conclude in a few days, over 50,000 students have taken advantage of these loan funds. In other words, in the two years which will come to an end on June 30 next some 92,000 Canadian students will have been assisted in entering upon university training or training in a higher educational establishment for a further period of time.

Some honourable senators may be interested in knowing what has happened with respect to these certificates of eligibility, and I intend to put on the record two tables which indicate exactly what has happened. The first is the report on Certificates of Eligibility issued during the loan year ended June 30, 1965 showing the provincial allocations and the amounts actually used by provinces.

I am not going to go into the formula by which the allocation was arranged except to say that the amount was arrived at by taking the number of students who achieved the age of 18 years and were under the age of 25 years and relating that to the total number of the same age in the population of Canada.

Under this scheme, in the first year $27,036,000 was allocated, and this was supplemented by a further amount of $3,230,000. In other words, in the first year of the program the co-operating provinces were allocated $30,266,000, of which $26,748,000 was actually used.

Then coming to the year commencing July 1, 1965—the current year which will end in a few days—I am not going into the details of that, but I will put this table on the record, with your consent. A total of $28,380,000 was authorized, and this covered loans to 50,419 students. Because of effective demand the amount had to be increased to $35,460,000. That was a spectacular response to this student loan program.

(*The second table follows:*)

(*The first table follows:*)

Canada Student Loans Plan
Report on Certificates of Eligibility Issued during loan year ended June 30, 1965

	Provincial allocation	Total amount of loans authorized by certificates issued
	$	$
Newfoundland	1,176,000	459,652
Prince Edward Island	232,000	
	60,000*	
	292,000	289,904
Nova Scotia	1,736,000	
	170,000*	
	1,906,000	1,766,873
New Brunswick	1,416,000	1,356,088
Ontario	12,440,000	
	3,000,000*	
	15,440,000	14,372,527
Manitoba	1,968,000	1,383,495
Saskatchewan	1,988,000	1,888,445
Alberta	2,852,000	2,102,819
British Columbia	3,236,000	3,110,751
Yukon	24,000	8,600
Northwest Territories	48,000	9,000
	27,036,000	
	3,230,000*	
Total	30,266,000	26,748,154

*Special increase for 1964-65 loan year.

CANADA STUDENT LOANS PLAN

Certificates of Eligibility Issued
(Loans Authorized by Provinces)

During Loan Year Commencing July 1, 1965

	Provincial Allocations for 1965-66 loan year	Certificates Issued (July 1, 1965—March 31, 1966)	
		No. of Students Assisted	Total Amount of Loans Authorized
Newfoundland	$ 1,243,000	1,314	$ 891,016
Prince Edward Island ..	248,000	613	454,210
Nova Scotia	1,772,000	3,767	2,926,780
New Brunswick	1,520,000	2,988	2,400,541
Ontario	13,090,000	20,022	14,908,366
Manitoba	2,003,000	3,431	2,306,380
Saskatchewan	1,995,000	4,830	3,292,299
Alberta	2,911,000	6,333	3,277,811
British Columbia	3,519,000	7,090	4,977,279
Yukon	29,000	23	19,119
Northwest Territories ..	50,000	8	7,115
	$28,380,000	50,419	$35,460,916

To continue with a little further background to the act, the Canada Student Loans Act authorizes the Government to guarantee repayment and to pay interest, while the borrowers are full-time students, on loans made by banks and designated credit unions on the basis of Certificates of Eligibility issued by the provinces participating in the plan. Here I should say that the Province of Quebec does not participate in the plan, but an amount arrived at on the same formula basis is paid over to that province.

The act provides a ceiling for the amount of loans the provinces may authorize in any given loan year. It contains a total loan provision for each year. It was $40 million for the first loan year, and this act increases that amount considerably. The total loan is divided among the provinces into provincial allocations on the basis of population in the 18-24 year age group. The act authorizes assistance to eligible students who are in need of a loan. The administrative criteria and procedures for determining the need of a student is left to the participating provinces. For the first loan year—that is, 1964-65—time did not permit the development and use of commonly agreed criteria on which the loans would be made to students and some provinces did not apply specific criteria at all. When the demand for loans threatened to exceed provincial allocations in these provinces special parliamentary authority had to be sought through an item in the Estimates to provide supplementary allocations for that loan year. For the second loan year, however, administrative criteria, including general principles to govern the assessment of a student's financial need, were agreed to by the provinces and the federal Government, and now are in effect.

Notwithstanding the institution of these new criteria, it became apparent as early as last September that the demand for loans from students who qualified under the new criteria would exceed the allocations by a wide margin in several provinces. Parliament was not in session, and the Minister of Finance sent a telegram to the provinces undertaking that legislation would be introduced as soon as possible to amend the act in respect of provincial allocations. The telegram indicated that the amending legislation would incorporate in the allocations for the present year any overruns which otherwise would have been charged against the following year's allocation. With this assurance, it was suggested to the provinces that there was no reason why provinces should not continue to issue certificates.

The provinces have continued to issue certificates to eligible students. The aggregate of allocations to participating provinces for the current year is approximately $28 million. However, loans totalling $34,200,000 had been authorized by the provinces as of January 31,

1966. The extent of the overrun of provincial allocations has varied from as low as 8 per cent to as high as 62 per cent, demonstrating that, notwithstanding the application of common criteria, there exists a wide variation from province to province in the demand for student loans, depending on such factors as the level of family incomes and the extent to which other sources of student aid are available.

The conclusions arising out of that experience were that the act should be amended before June 30, 1966—in other words, before the end of the current loan year—and it is with the proposed amendments to sections 6 and 11 of the Canada Student Loans Act that we are dealing tonight.

The purpose of the first amendment, to section 6, is to require the minister to pay interest to a bank on a guaranteed student loan on behalf of the student in respect of any period for which the borrower's interest-free status was reinstated after having earlier expired. In other words, under the old act a student might have attended for one term and then dropped out, and under that act he was not eligible to carry on with an interest-free loan. The purpose of this amendment is to provide that the student may be reinstated after a period of absence and have the interest covered by the Government.

The second amendment deals with section 11, which at present reads:

> The appropriate authority for a province shall not issue or cause to be issued any certificate of eligibility in a loan year if as a result thereof the aggregate of the amounts set out in certificates of eligibility issued or caused to be issued by such authority in that loan year would exceed the provincial allocation for that province for that loan year.

The purpose of this amendment is to increase provincial allocations for the loan year commencing July 1, 1965 and subsequent loan years by authorizing the minister, on application by a province, to determine a supplementary allocation for that province in an amount not exceeding 20 per cent of the basic loan provision for the year, and by increasing to $58 million the basic loan provision for the loan year commencing in 1965. In other words, this section provides for flexibility which had appeared to be desirable as a result of past experience.

I should emphasize that the administration of this program is carried out by the provinces: they are the ones who work out the details with respect to eligibility of students; they are the ones who authorize the institutions at which the money shall be spent; and to that extent they are the ones who are in charge of this particular program.

I have already indicated that all provinces except Quebec are co-operating in this program; and as far as Quebec is concerned, they are running the program entirely themselves but are receiving the money from the federal Government. I am not familiar with the details of the mechanics of their program.

There is reciprocity between provinces as to where the money may be spent. For example, a student in British Columbia who may want to attend a course in Toronto or at McGill is eligible to do so. Up to the present time the reciprocity has not been 100 per cent in the case of some of the provinces, but in the main it is working very well and it is expected that there will be a greater measure of reciprocity as time goes on.

Honourable senators, I think these two amendments are simple and straightforward. They provide for recognition of the facts of the situation. They make the act more effective in serving the purpose for which it was intended; and there is an harmonious relationship between the provinces and the federal Government. When this bill receives second reading, I shall propose that it be referred to the appropriate standing committee.

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

EXCISE TAX ACT

BILL TO AMEND—FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-198, to amend the Excise Tax Act.

Bill read first time.

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

Motion agreed to.

CANADIAN DAIRY COMMISSION BILL

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-205, to provide for the establishment of a Dairy Commission for Canada.

Bill read first time.

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

Motion agreed to.

CANADIAN NATIONAL RAILWAY BILL

CONSTRUCTION OF BRANCH LINE NEAR STALL LAKE, MANITOBA AND OF BRANCH LINE NEAR WATROUS, SASKATCHEWAN— FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-210, respecting the construction by Canadian National Railway Company of a line of railway in the Province of Manitoba from the vicinity of Stall Lake on the Chisel Lake Subdivision of Canadian National Railways in a northeasterly direction for a distance of approximately 12 miles to a point in the vicinity of Osborne Lake in The Pas Mining District of that Province, and of a line of railway in the Province of Saskatchewan from the vicinity of Watrous on the Watrous Subdivision of the said Railways in a northeasterly direction for a distance of approximately 18 miles to a point in the vicinity of Guernsey in the Regina Mining District of that Province.

Bill read first time.

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

Motion agreed to.

DOCUMENTS TABLED

Hon. John J. Connolly tabled:

Report of the Dominion Coal Board for the fiscal year ended March 31, 1966, pursuant to section 15 of the Dominion Coal Board Act, chapter 86, R.S.C., 1952. (English and French texts).

Statutory Orders and Regulations published in the *Canada Gazette,* Part II, of Monday, June 20, 1966 (Electoral Boundaries Readjustment Act), pursuant to section 7 of the Regulations Act, chapter 235, R.S.C., 1952. (English and French texts),

Report of a study prepared by the Stanford Research Institute for the Department of Northern Affairs and National Resources entitled "Improvement Program for the Alaska Highway". (English text).

Statutory Orders and Regulations published in the *Canada Gazette,* Part II, of Wednesday, June 22, 1966, pursuant to section 7 of the Regulations Act, chapter 235, R.S.C., 1952. (English and French texts).

Copy of Order in Council P.C. 1966-592, dated March 31, 1966, authorizing the manner in which Fishing Bounty may be distributed for the fiscal year ended March 31, 1966, together with a Statement of such payments for the said year, pursuant to section 4 of the Deep Sea Fisheries Act, chapter 61, R.S.C. 1952. (English and French texts).

Supplementary Estimates (A) for the fiscal year ending March 31, 1967. (English and French texts).

PRIVATE BILL

LA SOCIÉTÉ DES ARTISANS—FIRST READING

Hon. Jean-Paul Deschatelets presented Bill S-41, respecting La Société des Artisans.

Bill read first time.

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

Motion agreed to.

DIVORCE

REPORTS OF COMMITTEE PRESENTED

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the committee's reports Nos. 711 to 751, inclusive, and moved that the said reports be taken into consideration at the next sitting.

Motion agreed to.

PUBLIC SERVICE

THIRD REPORT OF JOINT COMMITTEE TABLED

Hon. Maurice Bourget, Joint Chairman of the Special Joint Committee of the Senate and House of Commons on the Public Service, tabled the third report of the committee:

Your committee to which was referred the Bill C-193, intituled: "An Act to amend the Public Service Superannuation Act, the Canadian Forces Superannuation Act, the Defence Services Pension Continuation Act, The Royal Canadian Mounted Police Superannuation Act, the Diplomatic Service (Speial Superannuation Act, the Intercolonial and Prince Edward Island Railways Employees' Provident Fund Act

and the Canadian Corporation for the 1967 World Exhibition Act", has in obedience to the order of reference of May 6, 1966, inquired into the said bill and now reports the same with the following amendment:

1. Amend the French version of the said bill by striking out the words "service public" and substituting therefore the words "fonction publique" in the title and wherever those two words appear in the said French version of the said bill.

FOURTH REPORT OF JOINT COMMITTEE

Hon. Maurice Bourget, Joint Chairman of the Special Joint Committee of the Senate and House of Commons on the Public Service, presented the fourth report of the committee:

Your committee recommends that its quorum be fixed at ten (10) members, provided that both houses are represented.

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

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

Report adopted.

THE ESTIMATES

SUPPLEMENTARY ESTIMATES (A) REFERRED TO FINANCE COMMITTEE

Hon. John J. Connolly moved, with leave of the Senate:

That the Standing Committee on Finance be authorized to examine and report upon the expenditures set out in Supplementary Estimates (A) laid before Parliament for the fiscal year ending 31st March 1967; and

That the said committee be empowered to send for persons, papers and records.

Hon. A. J. Brooks: Honourable senators, I am not rising to object to the motion, but Supplementary Estimates (A) that are now before us are the first of this year's supplementaries—is that correct?

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

Hon. Mr. Brooks: I point out that these supplementaries provide for the expenditure of a very large amount of money, almost $300 million. I can remember when $300 million was almost the total of the main Estimates for the year.

I have pointed out before that it is unfortunate in a way that we have no other forum in which to discuss these estimates except the Standing Committee on Finance. That committee is, of course, an excellent one, but I often wonder whether honourable senators take as much advantage of it as they should. I know that we have had considerable complaints about not getting the information we would like to have. I also know that the Finance Committee, under the leadership of Senator Leonard, is always anxious to assist members in obtaining information. My suggestion is that this committee might be used more often than it is.

May I point out to honourable senators that these same Estimates were sent to the Public Accounts Committee in the Commons and I understand they are before that committee now. Is that correct?

Hon. Mr. Connolly (Ottawa West): I believe so.

Hon. Mr. Brooks: The committee goes through the Estimates very thoroughly, and I know it makes a report to the House of Commons on the supplementary Estimates. It is in fact the only opportunity that house has of dealing with these particular Estimates, which is entirely different from the interim supply Estimates and the supplementary Estimates.

Some items which I glanced through I found to be most interesting, such as the item of $3,914,000 on page 4, assistance to various provinces to obtain feed during certain months last year when the hay crop was short in New Brunswick, Quebec and Ontario. It would be interesting to know just how much of that amount went to each province.

Vote 36a, on page 9—to forgive payment by India to Canada of the total principal and interest accruing thereon under agreements related to purchase of Canadian wheat and flour, is for $9,428,572. Why should this item not be under our Colombo Plan? I know that under the Colombo Plan we have been supplying wheat and foods of other kinds to India and other countries.

Honourable senators, I am picking out a few of these items hurriedly and at random.

Vote 17a on page 18 is for $20,000 for the "Hospital Insurance Supplementary Fund." It seems to me that is a small amount for a fund of this kind, and there must be some special explanation for it.

On page 26 is an amount of $1 put in the main Estimates "to provide for construction

of a causeway and associated structures across Northumberland Strait and to include the project detailed in these Estimates". I know that $1 is not going to build a causeway between Prince Edward Island and New Brunswick, but it occurs to me that where engineers have made estimates of the cost they should be stated, and not shown as $1 item, because a project of that kind is going to cost millions of dollars. The supplementary Estimates are $295 million in round figures, and here is an item which would add considerably to that amount. I cannot see why an amount which has been determined by engineers is not stated in the Estimates. Certain items such as this would be of interest to all members of this chamber who may attend the committee.

The Senate Finance Committee is a good committee, and I think we should make the best use of it that we can. Like the Leader of the Government, I am a member of every committee. I must apologize for not being able to attend every meeting, but that would be practically impossible.

If honourable senators look through the Estimates and find items that interest them, I suggest that they might attend the meetings of the Finance Committee with great benefit to themselves.

Hon. Mr. Aseltine: They do not have to be members.

Hon. Mr. Brooks: No. When I used the word "members" I was referring to members of this chamber. You do not have to be a member of a committee to attend it. You can attend and ask questions. The only privilege you are denied is that of voting in the committee. You have every other privilege.

Hon. John J. Connolly: Honourable senators, the Leader of the Opposition has rendered a great service to the Senate tonight in speaking as he has, and I am not using idle words when I say so. I know of no work that is more beneficial to senators than to attend meetings of the Finance Committee when it is dealing with the Estimates.

In the past few years we have given special attention to the work of the Finance Committee and have urged honourable senators to attend its meetings at every possible opportunity, because for years the Senate has complained of the fact that it gets appropriation bills with no adequate time for consideration of the items contained therein.

I feel that we should appreciate the new practice we have adopted. Very few of us realize the way in which this practice has grown upon us, that when the main Estimates are tabled in this house they are referred immediately to the Finance Committee. Tonight Supplementary Estimates (A) were tabled and immediately a motion was made to refer them to the Finance Committee.

It is open to any individual senator, whether a member of the Finance Committee or not, to attend and to ask questions on any item either of the main or supplementary Estimates, and no matter how many sets of supplementaries are tabled. However, it would be a convenience to the chairman in arranging the meetings, when honourable senators are interested in certain items—the Leader of the Opposition gave an indication of a few such items this evening—if some notification were sent either to the Committees Branch or to the chairman of the committee so that suitable arrangements can be made for the appropriate officials to be there to give the explanations.

May I divert for a moment to mention a practice, which I believe to be a good one, in the House of Lords. When a matter is set down for debate by way of its practice of a motion for papers, the whips get a list of the members who wish to participate in the debate. The list usually consists of six or seven names. That keeps them busy from three o'clock in the afternoon often until nine or ten o'clock at night without a break. We could change our method of debate here to conform to their system and thereby debate a subject all at one sitting on appropriate occasions.

May I now return to the question of the work of the Finance Committee in respect of Estimates. I think we can be proud of the way this kind of work is done. However, I feel that individual senators can help greatly in the work of the committee and in the kind of reports it makes if they would attend at every opportunity. Notices always appear on the notice board. As a rule, they are to be found in our *Minutes of the Proceedings*, so that when appropriation bills come before us no one can be heard to complain of not having an opportunity to discuss an item. The opportunity is presented by the fact that these Estimates are before the Finance Committee.

I hope that honourable senators will take advantage of the opportunity presented to them even more than in the past.

Hon. Arthur W. Roebuck: Honourable senators, may I point out that quite recently I protested against giving notice of meetings without any indication of what is coming before the committees. I have in my hand at

the present moment a notice of a meeting of the Special Joint Committee of the Senate and the House of Commons on Divorce at 11 o'clock tomorrow morning.

On it I see notice that Mr. E. R. Hopkins, Law Clerk of the Senate, and Mr. Justice Walsh, Divorce Commissioner, will be the witnesses. They will lay the foundation of the legal situation that is to come before the committee. I am sure each of them will give a most interesting statement of the facts and the law with which we will have to deal in the coming months, mostly after the recess.

I would ask that everyone who can attend should come to that meeting at 11 o'clock tomorrow morning. It is the first meeting and there will be a large number of meetings before we conclude the studies undertaken by this committee.

Hon. T. D'arcy Leonard: Honourable senators, first, I would like to thank the honourable Leader of the Opposition for the suggestions he has made in connection with Supplementary Estimates (A).

I would like to point out that the Finance Committee has been meeting once a week ever since the main Estimates were referred to the committee. Now that the supplementary Estimates are being referred this evening, I propose that the Finance Committee sit on Thursday morning, which has been its regular day for sitting, and deal with Supplementary Estimates (A) in the main.

The points raised by Senator Brooks are excellent points and I will see that they are brought to the attention of the proper witnesses we may have before us on Thursday.

If honourable senators look over supplementary Estimates (A), they will see items in which they are interested, and if they would let me know of any particular vote I will see that the information is available also on Thursday for them.

For example, I would call attention to the fact that on page 27 of the supplementary Estimates, there is the item for the university grants to which Senator Cameron referred in dealing with the bill which was before us tonight. The amount there is $38,400,000. Any information required in connection with those university grants, coming under this legislation, can be asked also at the committee meeting and we will endeavour to provide complete answers then or obtain them afterwards.

Hon. Mr. Roebuck: May I ask the honourable gentleman for an explanation. What authority is given to the Government for the expenditure of money when an item of $1 is mentioned? Is there any limitation, or what is the effect of a $1 appropriation?

Hon. Mr. Leonard: Let me deal particularly with the item to which the honourable Leader of the Opposition referred. It is at the top of page 26 and deals with Vote 40A. That is a vote which is in the main Estimates. There is a substantial amount dealing with construction, acquisition, major repairs and improvements of, and plans and sites for, roads, bridges and other engineering works. This item in the supplementary Estimates extends the purposes of that vote, to provide for the construction of a causeway and associated structures across Northumberland Strait.

The amount actually required for the construction is in the main Estimates vote, either by reason of some other item not being used or because the amount is sufficient to take care of this item. In order to extend the purposes of the vote in the main Estimates, to give this much greater detail and allow this item to come in, in addition to the other items, an item is put in the supplementary Estimates with a vote of $1. It grants the authority: the money is already there.

Hon. Mr. Brooks: Is there not an explanation given by the different departments for all these items that we have in the supplementary Estimates? I know that in the House of Commons one gets a book with an explanation of every item in the Estimates. Does the honourable senator not receive such an explanation?

Hon. Mr. Leonard: So far I have not, but I am aware that this is the general practice and this will be before us at our committee meeting.

Motion agreed to.

CUSTOMS TARIFF

TABLE OF RATES OF DUTIES PRINTED AS APPENDIX TO MINUTES OF PROCEEDINGS OF THE SENATE

Hon. John J. Connolly, with leave, moved:

That a table setting out the rates of duties provided for in Bill C-200, intituled: "An Act to amend the Customs Tariff," and the corresponding rates in effect prior to the 1966 Budget, be printed as an appendix to the *Minutes of Proceedings of the Senate* of this day and form part of the permanent records of this house.

He said: Honourable senators, we have been adopting this practice for a number of years. Senator Walker mentioned it when Senator Hayden began his speech. We found this has been a useful document to have before us.

Actually, had we been able to give the usual two days' notice, this motion would have put the material before us in our own records this evening before Senator Hayden spoke. I appreciate the co-operation I have received in getting the explanation onto the record at this time.

Motion agreed to.

HON. KEITH DAVEY

APPOINTMENT AS COMMISSIONER OF CANADIAN FOOTBALL LEAGUE

On the Orders of the Day:

Hon. Allister Grosart: Honourable senators, before the Orders of the Day are proceeded with, may I draw the attention of the chamber to a matter which may be of some interest.

It is always a source of pride to us when a tribute is paid to the special abilities of one of our colleagues. I feel that that would be the response of all honourable senators to the wisdom of the Canadian Football League in entrusting its highest office to our colleague Senator Davey.

I am not in a position to say how much "sober second thought," or perhaps I should say "sober second guessing," he will require in this capacity. I feel sure he will bring the fruits of his experience here to his new duties. One of those will be the special understanding and sympathy for the backbenchers of the league over which he will preside. He will have a special understanding of their great opportunities to watch stars of the league in action and an understanding of some of the frustrations that they sometimes feel on the sidelines.

We will remember, along this row, and we will remind him, come Grey Cup ticket time, that he is and will remain for a while at any rate, we hope, a distinguished member of the left field backbenchers club of the Senate. I would remind other honourable senators that, if there is to be a first call on him at that time, we should have his ear first.

I have known Senator Davey for many years and there have been times when I felt he was following too closely on my heels. That was certainly true in our former capacities—as my learned friends would say, "at arm's length" at times—and I was not surprised when he followed me here.

However, he is now in his new role, which requires youthful qualities of heart and mind and hand—in which, for many reasons, I cannot follow him. I can only wave him by me, wish him good luck and many more laurels to add to the distinguished ones that he already has.

I feel that Senator Davey has all the energy, ability and resources necessary to bring to this exciting new role great credit to himself, to Canadian football and to this chamber.

Hon. Mr. Connolly (Ottawa West): Honourable senators, I am sure we are all most gratified to hear the remarks of honourable Senator Grosart about one of our colleagues who has been singled out for a special distinction.

I am constrained to say that the cartoon representation of members of this chamber is belied at least on two counts—one being the appointment of Senator Davey to this position, and the other the fact that we have, among our members here, the head of the organization which controls the hockey team that won the world hockey championship and the Stanley Cup. We have certainly within our group here people who are young-minded and sports-minded. Remembering what Senator Walker said the other day about his former professor, I feel it is a tribute to the kind of judgment a senator is expected to exercise in the performance of a public function, that one of our number should be selected to be the commissioner of such an important part of sporting activity in this country.

Hon. Donald Cameron: Honourable senators, may I second what Senator Grosart has said about Senator Davey. I was very pleased with the appointment and I wish him every success. Having known his predecessor, Mr. Sydney Halter, quite well, I am sure my honourable colleague will have served a very good apprenticeship between now and December 31 when he takes over his duties.

I want to take this opportunity also to express my delight in reading recently that the Prime Minister had selected a member of this chamber for a very difficult and arduous task. I refer to the appointment of my distinguished colleague and friend, Senator MacKenzie, as arbitrator in the Seaway dispute. This was a very serious situation and one charged with grave consequences, particularly to the commerce of this country.

Being delighted, as I have said, that Senator MacKenzie was called upon to use his good offices in this situation, I was even more delighted when he succeeded at the eleventh hour and almost the fifty-ninth minute in bringing about a satisfactory conclusion. This underlines the fact, in my view, that the Government could make more use of the members of this chamber in similar capacities. I wish to congratulate Senator MacKenzie as I am sure many of you have already done. It was a very fine piece of work.

Hon. Keith Davey: I am most grateful to the honourable senators who have spoken here this evening. I am also grateful to those who have spoken to me privately and to those who have been kind enough to write to me on the occasion of my recent appointment. I am especially pleased, honourable senators, that these generous remarks have come from friends on all sides of the house. I believe that while football is a great game it is, in fact, much more than a game. I believe that Canadian football has made a unique contribution to our nationhood, and it will be part of my task as commissioner of Canadian football to help expand and develop the game. In so doing I shall be mindful that such expansion of football will be making a further contribution to our nationhood. I might add that I think our country has too few such national institutions. It is a matter of particular satisfaction to me that the Grey Cup Game in centennial year, which will be my first year as commissioner, will be played in the nation's capital.

There are two other matters which I should mention. When I was appointed I made it perfectly clear to the football people, and I believe through the press to the Canadian sporting public generally, that I intend fully to live up to my commitment as a senator. I am confident that I can be a useful senator and at the same time an effective commissioner. I shall, of course, have less time for some of my former more partisan political activities. I flatter myself that this might delight some of my Conservative friends, but I am depressed to think that it may also delight some of my Liberal friends.

I think it might be an appropriate time to cut back on my political activities because, as senators will realize, my appointment last week took place in the City of Winnipeg, and to my certain and personal knowledge this is the first victory chalked up by a Liberal in Winnipeg for a number of years.

Hon. Senators: Hear, hear.

AUTOMOTIVE PRODUCTS

CANADA-UNITED STATES AGREEMENT— MOTION FOR APPROVAL— ORDER STANDS

On the Order:

Resuming the debate on the motion of the Honourable Senator Aird, seconded by the Honourable Senator Rattenbury:

That it is expedient that the Houses of Parliament do approve the Agreement concerning Automotive Products between the Government of Canada and the Government of the United States of America signed on January 16, 1965, and tabled in the Senate on March 3, 1965; and that this House do approve the same.—(Honourable Senator Hayden).

Hon. John J. Connolly: Stand. With leave of the Senate, I ask that this order be called as first order of the day at the next sitting.

Hon. Senators: Agreed.

Order stands.

DIVORCE

REPORTS OF COMMITTEE ADOPTED

The Senate proceeded to consideration of reports of the Standing Committee on Dovorce Nos. 671 to 710, inclusive, which were presented on Thursday, June 16.

On motion of Hon. Mr. Roebuck, Chairman of the Standing Committee on Divorce, reports adopted.

RESOLUTIONS PRESENTED

Leave having been given to revert to presentation of petitions:

Hon. Mr. Roebuck, Chairman of the Standing Committee on Divorce, presented the following resolutions:

Resolution 657, for the relief of Jean Margaret Sedgwick Rippon.

Resolution 658, for the relief of Diane Goldberg Kaplansky.

Resolution 659, for the relief of Jean Canton.

Resolution 660, for the relief of Roger James Cavanagh.

Resolution 661, for the relief of Lise Lavigne Charest.

Resolution 662, for the relief of Ronald George Chapman.

Resolution 663, for the relief of Freda Baumholtz Kupchik, otherwise known as Freda Baumholtz Kupchick.

Resolution 664, for the relief of Irene Robichaud Sugar.

Resolution 665, for the relief of John Joseph Edmund de Ste. Croix.

Resolution 666, for the relief of Wynard Russell Haynes.

Resolution 667, for the relief of Giovanni (John) Cattani.

Resolution 668, for the relief of Bernadette Gisele Laperriere Dupuis.

Resolution 669, for the relief of Alma Denise Marion Humphreys Chipman.

Resolution 670, for the relief of Arlene Gail Mindlin Dalfen.

Resolution 671, for the relief of Vera Blanche Vauchel Calladine.

Resolution 672, for the relief of Muriel Louise Maron Mendelsohn.

Resolution 673, for the relief of Anthony Dumaresque Harris.

Resolution 674, for the relief of Alfred Seagrave Joseph Pollock.

Resolution 675, for the relief of Micheline Paule Josephine Boulanger Thiry.

Resolution 676, for the relief of Michelle Petit Payette.

Resolution 677, for the relief of Paulette Andree Mille Canakis Eberhardt.

Resolution 678, for the relief of Frank Willoughby Kennedy.

Resolution 679, for the relief of Catherine Witty Heath Sanford.

Resolution 680, for the relief of Mary Rose Pender Ross.

Resolution 681, for the relief of Marie Claire Eva Lucille Berlinguette Ioannou.

Resolution 682, for the relief of Christiane Brigitte Sander Ehrhardt.

Resolution 683, for the relief of Elizabeth Ann Fay Waldner.

Resolution 684, for the relief of Joseph Brian.

Resolution 685, for the relief of Genia Sekler Tuchner.

Resolution 686, for the relief of Pauline Evelyn Bowles Thompson.

Resolution 687, for the relief of Marjorie Elizabeth Schwartz Lorain.

Resolution 688, for the relief of James Frederick Morelli.

Resolution 689, for the relief of Marguerite Dion Zarichuck, otherwise known as Marguerite Dion Zarechuck.

Resolution 690, for the relief of Rae Wiseman Breitbart.

Resolution 691, for the relief of Mary Georgina Robb Lavallee.

Resolution 692, for the relief of Marie Armandine Pauline Bertrand Midforth.

Resolution 693, for the relief of Joseph Philippe Adrien Lapointe.

Resolution 694, for the relief of Narcyz Wieslaw Kulikowski.

Resolution 695, for the relief of Edwin Wilton Gibson.

Resolution 696, for the relief of Monique Paquette Tetreault.

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

Hon. Mr. Roebuck: Honourable senators, I move that these resolutions be considered on Wednesday next.

Motion agreed to.

HEALTH RESOURCES FUND BILL

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-199, to provide for the establishment of a Health Resources Fund to assist provinces in the acquisition, construction and renovation of health training facilities and research institutions.

Bill read first time.

Hon. John J. Connolly moved, with leave of the Senate, that the bill be placed on the Orders of the Day for second reading at the next sitting.

Motion agreed to.

The Senate adjourned until tomorrow at 3 p.m.

APPENDIX

(*See p. 759*)

BANKRUPTCY ACT

COMMONS AMENDMENTS

Amendments made by the House of Commons to Bill S-17 intituled "An Act to amend the Bankruptcy Act."

1. Page 5, Line 31. Strike out subsection (8) of clause 3A of clause 3.

2. Page 7, Line 7. Delete the words "or may not" and substitute the words "but need not".

3. Page 18, Line 30. Insert immediately after clause 20 the following new clause:

"21. The said Act is further amended by adding thereto, immediately after section 169 thereof, the following section:

'169A. (1) Where a petition for a receiving order or an assignment has been filed under this Act in respect of a corporation, the Winding-up Act does not extend or apply to that corporation notwithstanding anything contained in that Act, and any proceedings that are instituted under the Winding-up Act in respect of that corporation before the petition or assignment is filed under this Act shall abate subject to such disposition of the costs of those proceedings to be made in the bankruptcy proceedings as the justice of the case may require.

(2) All proceedings instituted under the Winding-up Act before subsection (1) comes into force may be continued under that Act as if that subsection had not been enacted.' "

4. Page 18, Line 30. Renumber clause 21 as clause 22.

5. Page 19, Line 4. After the word "debtor" insert the words "means an insolvent debtor, but".

6. Page 29, Line 28. Renumber clause 22 as clause 23.

Léon J. Raymond
Clerk of the House of Commons

THE SENATE

Tuesday, June 28, 1966

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

Prayers.

DOCUMENTS TABLED

Hon. John J. Connolly tabled:

Report of the Canadian Maritime Commission for the fiscal year ended March 31, 1966, pursuant to section 13 of the Canadian Maritime Commission Act, chapter 38, R.S.C., 1952. (English and French texts).

Copy of Final Communiqué, dated June 16, 1966, issued following the meeting of Commonwealth Trade Ministers in London, England. (English and French texts).

Copy of Protocol extending, with the exception of Article IX, the Trade Agreement between Canada and the Union of Soviet Socialist Republics of 1956, together with copies of correspondence exchanged. Done at Moscow, June 20, 1966. (English and French texts).

Report of the Fisheries Prices Support Board for the fiscal year ended March 31, 1966, pursuant to section 7 of the Fisheries Prices Support Act, chapter 120, R.S.C., 1952. (English and French texts).

Report of the Agricultural Products Board for the fiscal year ended March 31, 1966, pursuant to section 7 of the Agricultural Products Board Act, chapter 4, R.S.C., 1952. (English and French texts).

Report of the Agricultural Stabilization Board for the fiscal year ended March 31, 1966, pursuant to section 14 of the Agricultural Stabilization Act, chapter 22, Statutes of Canada, 1957-58. (English and French texts).

DIVORCE

JOINT COMMITTEE—CHANGE IN SENATE MEMBERSHIP

Hon. Arthur L. Beaubien, with leave of the Senate, moved:

That the name of the Honourable Senator Denis be substituted for that of the Honourable Senator Bourget on the list of senators appointed to serve on the Special Joint Committee of the Senate and the House of Commons on Divorce; and

That a message be sent to the House of Commons accordingly.

Motion agreed to.

APPROPRIATION BILL NO. 5, 1966

ANSWERS TO QUESTIONS ASKED IN DEBATE ON SECOND READING JUNE 1, 1966, PRINTED AS APPENDIX

Hon. John J. Connolly: I move, with leave of the Senate:

That the answers to the questions asked on June 1st, 1966, by the honourable Senator Brooks, P.C., the honourable Senator Hollett and the honourable Senator Burchill respectively, and tabled in the Senate on 15th June, 1966, be printed as an appendix to the *Debates of the Senate* of this day.

For text of answers see Appendix, p. 801.

Honourable senators, I had thought that it was sufficient to table the answers to certain questions asked on June 1 last. However, after discussing the matter with the honourable Leader of the Opposition, I quite agree that if questions are important enough to be asked the answers are important enough to be put into *Hansard*. For that reason, I make this motion at this time.

Hon. Mr. Brooks: I wish to thank the honourable leader.

Motion agreed to.

LEGAL SERVICES

FEES PAID BY GOVERNMENT TO MEMBERS OF QUEBEC BAR—INQUIRY STANDS

On the Notice of Inquiry of Hon. Mr. Pouliot:

That he will call the attention of the Senate to the payment of fees by the Government of Canada to the lawyers of the Bar of the Province of Quebec for the last five years.

Hon. Jean-François Pouliot: Honourable senators, I have a few words of explanation to give regarding this inquiry. Naturally, sometimes there is a misunderstanding. Some of my colleagues were under the impression that I was complaining of the fees being paid to our confrères of the Bar, both by federal and provincial governments.

That was not the point. The point at issue was that a lawyer who gets $400 a day, more or less, is not free, is not independent of the government which pays him that sum. Such fees have been paid not only by the federal Government but by provincial governments also.

You have all read in the press that some Quebec lawyers received $75,000 per year, and others have received a quarter of a million dollars in fees for three or four years, and some others have been paid so much per hour for work done at home. It is impossible to control it. One may say that he has worked three hours at home at $100 an hour or more or less. It is impossible to know from here, as it is a provincial matter that should be looked into by the provincial house. Here we have also some solicitors and counsel who are very well looked after. I do not complain of that, although it may look exorbitant. That has never been mentioned by the lawyers who know, and the other people will never know it unless an eye-opener tells them what is going on.

The point is that the Bar has been known to be an independent body, free of all governments and all undue influence and free from what I might call self-censorship. If the Bar were free, the executives of the Bar or the Boards of the various Bar associations—and this applies to the Canadian Bar Association, to the Upper Canada Law Society and the Conseil général du Barreau de la province de Québec—should be absolutely free in order to claim the redress of wrongs, especially in law.

There is at the present time much confusion in the making of laws. Yesterday evening there was a debate in this chamber on Bill S-17. When that bill was before the committee for consideration and the Minister of Justice appeared I told him flatly that it was just as clear as mud. How could anyone, even an expert in law, understand a sentence which is three pages long? You have only to look at the book to see that; it leads to a lot of confusion.

Another thing that the Bar could have done, was to have complained of the fact that the revision of the Statutes of Canada is actually being done by the bureaucrats of the Department of Justice who are specialists in writing laws that nobody understands.

This is the first conclusion that I draw, that those who receive emoluments, fees or moneys of any kind from any government, should not be entitled to be members of the executive of a Bar association, because they are not independent. My second point is that the only independent body that exists is the Senate of Canada, if it wants to be independent. I am making that point in order to increase the prestige of the Senate among the Canadian people.

If the Senate has no objection, please let this inquiry stand, and tomorrow I shall ask a precise question which I will put on the Order Paper so as to obtain more information on the matter.

Inquiry stands.

AUTOMOTIVE PRODUCTS

CANADA-UNITED STATES AGREEMENT—SUBJECT MATTER REFERRED TO COMMITTEE

The Senate resumed from Thursday, June 16, the adjourned debate on the motion of Hon. Mr. Aird:

> That it is expedient that the Houses of Parliament do approve the Agreement concerning Automotive Products between the Government of Canada and the Government of the United States of America, signed on January 16, 1965 and tabled in the Senate on March 3, 1965; and that this House do approve the same.

Hon. Salter A. Hayden: Honourable senators, first I would like to express my appreciation of the presentation which Senator Aird made when he introduced the motion approving this trade agreement. His explanation was clear and concise and, as far as I was concerned, was easy to follow.

So far as my friends Senator Walker and Senator Willis are concerned, I followed carefully what they had to say, and I appreciated the research which went into the presentation. As to Senator Grosart's remarks, I am sorry that I did not hear him, but I can assure him that I have read what he said not once but quite a number of times, and it is quite obvious from reading his speech that he had devoted considerable time to research.

I know that some, if not all, members of the Senate will not expect me to say that I subscribe to everything that these honourable senators have said. I do have some observations to make as to some of the things they said. For instance, Senator Grosart, in talking about the effects of the trade treaty, at one time went as far as to say that there was apparent evidence of benefits accruing from the operation of this trade agreement.

Later he became a little bolder, and even went so far as to say that there were actual benefits.

Senator Walker thought that while there were benefits in certain directions they were offset by losses, companies going out of business, and loss of employment in other directions. Senator Willis spoke in the same vein.

I should like now to answer one other remark by Senator Walker before I deal with this proposition. Senator Walker talked about a windfall of $50 million that was presented to the American manufacturers of motor cars that were imported into Canada duty free during the time when the reciprocal arrangement was not in force as far as the United States was concerned but when Canada was observing its terms. It is not clear to me, and I still do not know, whether it was the American manufacturer or the Canadian importer of the article who obtained the benefit of that duty-free entry into Canada.

Hon. Mr. Walker: It was certainly not the consumer.

Hon. Mr. Hayden: I can understand my honourable friend's high regard—and it is one which I share with him—for the consumer. There are some offsetting features that relate directly—although my honourable friend might not think completely—to what he has said on this point, but I shall go on and supplement that with my authority I mentioned a minute or two ago.

When the treaty became operative so far as Canada was concerned the 1965 models had been on the market for some time, and the 1966 production had in large measure been committed in respect of orders for parts, et cetera. But when the 1966 models were introduced there were price reductions announced. For instance, General Motors announced price reductions averaging $72 per car, Ford announced price reductions averaging $62 per vehicle, and at the same time Chrysler announced reductions ranging from $38 to $126 per car.

I concede that it is difficult to try to relate those price reductions to the volume of car sales in Canada in that year and to calculate what might be the amount that was recaptured by the consumer as a result of the price reductions. The best calculation is that made on the basis of actual sales in 1966, plus the projected sales for the balance of the year. Basing the calculation on the most popular model of car, and removing all the options, a figure appears in the area of $40 million. In other words, prices were lowered to the extent of $40 million when compared with the prices that prevailed in the previous year. There is some part of the $50 million. While my friend might say, "Late", I would say, "Better late than never."

In addition, there was a substantial increase in employment and in additional revenues to the Government that resulted from the increased production and sales. When it is realized that the retail value of North American manufactured passenger cars and commercial vehicles totalled $2.574 billion in 1965 as against $2.192 billion in 1964—an increase of 17 per cent—it can be assumed, I think, that there was some measure of increase in revenue to the treasury as a result of these increases in sales and production.

My honourable friend might say that that is only a partial answer. As he knows, it is said among the legal profession that when your opponent enters court with one book under his arm, beware, for he is carrying that one book for one of two reasons. Either he is trying to fool you, or he has everything he needs for the presentation of his case and for answering what you might say in that one book, or even in one case in that one book. That is really dangerous. So I wondered how I could do something similar with such an experienced counsel as Senator Walker. I am now going to try.

On March 25, 1966, at Oakville, Ontario, at the official dedication of the new Oakville truck plant constructed by the Ford Motor Company and involving an expenditure of at least $25 million, some remarks were made on that occasion by a guest of honour whom my friend knows very well and I would think admires.

Hon. Mr. Walker: Mr. Diefenbaker?

Hon. Mr. Hayden: And whom I certainly think he supports—the Ontario Minister of Economics and Development, the Honourable Stanley J. Randall. May I read to you a few of his remarks? He said:

> I understand that Ford of Canada alone, in 1965, spent more than $260 million on goods and services, supplied by more than 2,800 Canadian businesses from coast to coast—a 16 per cent increase over 1964.

He went on to say:

> Ontario's greatest manufacturing gains during the past year—

That is, 1965

> —were in the automotive vehicles and parts industry.
>
> Of all the Ontario companies expanding their plants last year, 75 were involved in, or with, the automotive industry. They added over 8,000 employees, over three million square feet of new space, and spent over $100 million on capital investment.
>
> Of all the new manufacturing establishments that located in Ontario last year, 35 companies were affected, or resulted from, the new automotive pact. These companies added 5,000 employees, built over two million square feet of space, and invested over $50 million.
>
> In total, the automotive agreement between Canada and the United States, in 1965 alone, accounted for 13 million new jobs—

Hon. Mr. McCutcheon: Thirteen million?

Hon. Mr. Hayden: Thirteen thousand.

Hon. Mr. McCutcheon: You said 13 million.

Hon. Mr. Hayden: I am sorry. I knew my friend would pick that up right away, and I thank him. It accounted for 13,000 new jobs. It is a little early, I agree, for 13 million jobs, but give us time.

Hon. Mr. Willis: A century?

Hon. Mr. Hayden: To continue:

> —and $150 million of increased investment in Ontario.

Then speaking of 1966, he continued:

> Since January this year Canadian automotive manufacturers have more than doubled their exports of cars and trucks, mainly to the United States.
>
> Though results of the Canada-U.S. automotive trade pact were excellent in 1965, and off to an outstanding start in 1966, in the next two years, Ontario's auto and auto parts industries will enter an even bigger expansion period.

This is the view expressed by Mr. Randall as to what the next two years will produce, and I think some senators may be interested to hear it coming from such a responsible source.

Hon. Mr. McCutcheon: I think the honourable senator had better get another law book.

Hon. Mr. Hayden: So far as I am concerned, until my friend has something to contribute that is material I am satisfied to operate with the one law book. Actually, I have a few more books, so my friend is not going to get off so easy.

Mr. Randall went on to say:

> In this period the auto pact is expected to: create at least another 20,000 to 30,000 new jobs in Ontario; stimulate several hundred million dollars of investment in new plants and equipment; add at least five million square feet of factory space; bring at least 20 new plants to Ontario, and lead to expansions in 20 to 30 others; increase steel demand by 400,000 to 500,000 tons a year; create growth opportunities for rubber, glass, plastics, synthetic fibre, paint and chemical industries; increase demand for nickel, aluminium, zinc and copper.

In addition to that—since that seems to be the one book and Senator McCutcheon is a little concerned about just having one authority—there is the *Financial Post,* which my friend reads, perhaps avidly. In the issue of February 19, 1966, a whole page is devoted to an article headed "Life Under the Auto Pact," in which may be seen in some detail the tremendous developments which have taken place and are on the drawing board or in actual expansive operation as against being in production since this particular agreement became operative.

While I know honourable senators would enjoy my reading it to them in full, they may be satisfied with a few of the headings, and then I shall make the page available for those who may want to read it in full.

By 1970 the total vehicle sales in Canada will reach $3,444 million. Then in connection with developments, the Ford Motor Company has been taking these steps, as appears by this article:

> . . .Company is spending $70 million in Windsor to convert its engine, foundry and chassis plants for large-scale production of engines, standard transmissions and axles for compacts. Another $65 million is being spent to build an assembly plant at Talbotville that may tie in with these Windsor changes.
>
> And in Oakville the company has already moved to integrate truck assembly.

That is the $25 million to which I have already referred.

The article goes on to deal with the expansions by Chrysler and by some of the parts

industries. For instance, among those is a reference to the Budd Automotive Company of Canada—

> ... which is building a $20 million car chassis frame plant at Kitchener for a production start in early 1967. Likewise Dana Corporations Hayes Steel Products Limited is spending $3 million also to manufacture car chassis frames.

I realize that after talking in terms of many millions, $3 million is stepping down a little.

May I refer to the issue of the *Financial Post* of April 2, 1966. Again, there is a whole page devoted to an article under the heading which reads, "Most auto-parts makers are rubbing hands in glee at huge market prospects." Another heading on the same page reads, "Shock-absorber company will quadruple business in 1967, zinc diecasters expect to boost exports to U.S. and opportunities beckon for most."

Now you have an enumeration which possibly refers to the 15 or 20 companies in different parts of Canada and indicating the state of business resulting from the impact of the trade agreement. In some few instances I must say that the companies are named and the facts are stated in connection with some operations that have lost business and money as a result of this trade agreement; there is reference also to some who have lost business but have been resourceful enough to attract other business.

I mention these just to indicate that there is a side to this development, a practical and realistic side, of the benefits which are accruing, rather than remaining solely in the area of academic discussion as to whether the Government should have proceeded in this fashion in the approval of the agreement and whether there is authority under section 10 of the Customs Tariff to do what was done. These are factors we may well look at. When you come to appraise the value, if there is value in this trade agreement, you have to look at the practical operation during the period of time it has been in operation.

For instance, Senator Grosart seems to be concerned, and he referred copiously to a report of the Finance Committee of the Senate of the United States, and in particular to statements in the report indicating that this agreement when it came into operation would be of increasing benefit to the United States.

May I present this very practical situation. Do you think it would be possible for Canada to negotiate a trade agreement in the automotive industry with the United States where such trade agreement would have practically no beneficial effect to the United States? The concept of international trade nowadays is that there must be a policy of give and take, and in this case they were able to show that there would be beneficial effects on both sides in the working out of the agreement. Therefore, when my friend gives these references, I suggest that he does so for an obvious purpose, because after reading each reference from the proceedings of the Senate Finance Committee of the United States, he says, for instance, quoting, "This agreement will lead to increasing sales for the United States parts manufacturers." Now, when he reads further "That without the agreement we"—meaning the United States—"stood to lose a large part of our surplus", and then when he concludes with the words "and this is the agreement we are asked to approve," the obvious conclusion one draws from that context is that this was not a good kind of agreement for Canada to enter into with the United States because it will produce beneficial results to the United States.

However, if any person has any idea that the negotiation of a treaty of this kind with a country like the United States could be accomplished on a basis that was not beneficial to the United States, then I say that such a person is indulging in wishful thinking—indeed, if I might develop an expression, I think he is wandering with Alice in Wonderland because it is not a realistic view.

Honourable senators, while I am on this particular point, I wish to deal with one other reference which my friend made. He referred to the amendment which he said the United States Senate made to the law passed by the United States approving this trade agreement. He took some quotations from the report, indicating this amendment to section 205 of the United States bill. The part of it that he stressed particularly was the part which provided that in August of 1968, if it were found that undertakings by subsidiaries of American parents were being projected and applied to operations after that date, the President was directed to suspend the operation of the agreement. My friend will recall having referred to that, as it appears in *Hansard*.

If my friend had referred to the statute instead of to the Senate Finance Committee

report—sometimes Senate Finance Committee reports do not become adopted in their entirety—and to the language in section 205, he might not have been able to make a point out of this report as he does when he says that this power really renders ineffective the provisions of the treaty and yet we are asked to approve of this agreement.

What the law says on that point is found in section 205, and may I take a moment to read it to you. Section 205 is in three parts. Section (a) says:

> No later than August 31, 1968, the President shall submit to the Senate and the House of Representatives a special report on the comprehensive review called for by Article IV(c) of the Agreement. In such report he shall advise the Congress of the progress made toward the achievement of the objectives of Article I of the Agreement.

This is one point where what the Senate Finance Committee report says and what is in the law are different.

> (b) Whenever the President finds that any manufacturer has entered into any undertaking, by reason of governmental action, to increase the Canadian value added of automobiles, buses, specified commercial vehicles, or original equipment parts produced by such manufacturer in Canada after August 31, 1968—

As my friend read it, the next words were, "He shall suspend"; but the law as it stands says:

> —he shall report such finding to the Senate and the House of Representatives. The President shall also report whether such undertaking is additional to undertakings agreed to in letters of undertaking submitted by such manufacturer before the date of the enactment of this Act.

Now we come to subparagraph (c):

> The reports provided for in subsections (a) and (b) of this section shall include recommendations for such further steps, including legislative action, if any, as may be necessary—

I direct your attention to the words, "as may be necessary".

> —for the achievement of the purposes of the Agreement and this Act.

In other words, there is no arbitrary provision by law given to the President of the United States to suspend operations if he finds this situation, which is set out, existing after August 31, 1968. He is to report, and just to report, in terms and make recommendations in order that the purposes of the agreement and the act may be carried out.

Hon. Mr. McCutcheon: Would my honourable friend tell us what the purposes of the agreement and the act are, as set out in the American legislation?

Hon. Mr. Hayden: My friend will find the purposes of the agreement set out in the agreement. I am sure my friend has already read them.

Hon. Mr. McCutcheon: Yes.

Hon. Mr. Hayden: And the purposes of the act are to implement the agreement and provide for the tariff modifications that are required to that end.

Hon. Mr. McCutcheon: I thought there might be a preamble. I do not know.

Hon. Mr. Hayden: No. There is the section which deals with purposes—if my friend will refer to it—which says:

> The purposes of this Act are (1) to provide for the implementation of the Agreement Concerning Automotive Products Between the Government of the United States of America and the Government of Canada signed on January 16, 1965 (hereinafter referred to as the "Agreement"), in order to strengthen the economic relations and expand trade in automotive products between the United States and Canada; and (2) to authorize the implementation of such other international agreements providing for the mutual reduction or elimination of duties applicable to automotive products as the Government of the United States may hereafter enter into.

The second part does not concern us, because that is authority given in the United States act, so that the United States can carry on negotiations similar to these and make similar arrangements with other countries.

Hon. Mr. Grosart: Would my honourable friend permit a question at this point? If he has it at hand, would he care to quote the statement by the committee that he has referred to, that it has been informed that the executive would not approve the extension of the letter of agreement.

Hon. Mr. Hayden: I have the full Senate Committee report, as I would think my friend

has, because when I was reading it, from the same source that he had read it before me, I saw pencil marks indicating rather copious extractions had been made. There is the statement made in the report of the Finance Committee of the Senate. I know nothing about the source of the statement that such and such information had been reported, and therefore I cannot comment on it, but I would say that the basic principle is that this is a mutually beneficial agreement, that it was intended to be that sort of thing and there could not have been an agreement if it were not mutually beneficial.

Hon. Mr. Grosart: Surely the honourable senator has no intention of misinterpreting my remarks. He has laid considerable stress on the references I made of the benefit to the United States. I am sure he would agree that at no time did I deprecate that in any way; and I am sure that he is aware that it is not my view, never has been and I do not think ever will be, that a mutual agreement should not be an agreement of benefit to both sides.

Hon. Mr. Hayden: I thank my friend for the interjection—I thought he was going to ask a question but he may have been rising on a point of privilege. I can only answer by referring to the speech which he made. When he reads certain excerpts which deal with representations or statements in the Senate Finance Committee of the United States, and then he adds in conclusion, "and this is the kind of agreement that we are asked to approve," my suggestion is that there is a reasonable inference to be made that he was critical of Canada entering into that kind of an agreement which provided those benefits for the United States.

Hon. Mr. Grosart: Nonsense.

Hon. Mr. Hayden: My friend's remark of nonsense, I take it, is in the context. I thank him for the gratuitous remark. I have been much more polite in listening to him and I will continue to be so, in the hope that he may learn to be a little more polite.

Honourable senators, next I want to come to the question of constitutionality. I thought Senator Hugessen had completely demolished that, and I did not intend to spend much time on it. However, it was suggested by Senator Grosart that section 10 of the Customs Tariff Act did not permit the use which was made of it in this case. He made that suggestion because it spoke of compensation. This is the language of section 10:

> The Governor in Council may by order in council make such concessions of duties on goods imported into Canada from any other country or countries as may be deemed reasonable by way of compensation for concessions on Canadian products granted by such country or countries.

His proposition was that the use of the word "compensation" suggested that you must have both things done at the same time. That was my understanding of what he meant by the application of this section.

If my friend is going to give us a legal interpretation of section 10, I suggest that he should learn a little more about the principles of interpretation. By compensation in this case, it means the agreement provided for certain concessions which Canada was making to the United States. It provided for certain concessions that the United States was making to Canada, and these were mutual. There you have the mutuality of concession or, in the language of the marginal note, reciprocal concessions.

Please note that even though Canada's duty-free entry of American cars and parts to Canadian motorcar manufacturers commenced in January 1965, and the United States Government did not approve of this agreement and the legislation there did not become effective until October 1965, there is a provision in the United States law under which the duties imposed by the United States on Canadian cars and parts going into the United States in that period of time may be refunded. Thus there is an element of retroactivity in the law, and any person who can qualify and who applied within 90 days of the passage of this act in October 1965 would be entitled to get a refund. I say there is a mutuality and section 10 has full application. Then it was suggested that this was an unchecked, arrogant attitude on the part of the executive to proceed by order in council under this section instead of coming to Parliament. Let me deal for a moment with the origin of this section.

This section was introduced into the law of Canada in 1931 by a great Prime Minister of Canada, an outstanding lawyer and one who had great respect for the law and the rights of people. I refer to the late Mr. Bennett. At this time there is a difference of one word between what was introduced and what is now in the law. In 1935 the same Mr. Bennett changed the word "reductions", which was used in the 1931 section, to "concessions", and

so from 1935 on section 10 refers to "concessions" instead of reciprocal "reductions."

How has that change been used? In 1938 Canada and the United States entered into a trade agreement approved by order in council under provisions of the then section 11 of the Customs Tariff. A year later a bill was brought into Parliament approving the agreement. In 1954 Canada, under this order in council, amended trade agreements with Portugal and Spain. In subsequent years, including the years in which a Conservative Government was in office, this order in council was used on all occasions to implement the arrangements that were reached at the GATT conferences, and at no time in that period was there any suggestion that this was an unlawful or unwarranted use of this power which has been in the Customs Tariff for that length of time. As I say, there is full authority in that section of the Customs Tariff to permit by order in council the kind of trade agreement that was entered into with the United States.

Now I would like to deal with one or two other points. First, my friend Senator Grosart had recommended for reading a textbook by Castel on international law. You will find included in that textbook a statement of Canada's present constitutional requirements and practices in the conclusion of treaties, which quotes a memorandum of July 21, 1952 submitted by Canada on laws and practices concerning the conclusions of treaties and sent to the United Nations legislative series. That memorandum supports completely the explanations which Senator Hugessen gave.

Coming to the matter of imbalance, some questions were raised in the course of the debate—I think it was in the course of Senator Grosart's speech—about imbalance in payments, and it was said that this trade agreement was not going to correct the situation, that the imbalance of payments in the last year was $100 million more than it had been the previous year, or something of that kind.

I am not one who believes, nor would I argue, that this trade agreement is a panacea for all the economic ills we may suffer, some of them being in relation to the United States and the imbalance of payments with it, but I do assert it is too early to say that this treaty will not relieve or reduce to some extent the imbalance as it relates directly to the auto trade as between Canada and the United States. There have been so many other advantages that Canada has received as a result of this trade agreement that we can live with the imbalance if this trade agreement will lead to arresting that imbalance or reducing it even slightly.

I understand projections have been made on the basis of this trade between Canada and the United States in the sixties, that projection has been made to 1968 or to 1970, and the figures show that the imbalance might have achieved the order of $1.5 billion unless something was done. The first thing this will achieve will be to produce a larger export market for Canadian manufacturers both of cars and of parts, and this in turn will provide an increase in purchasing in Canada as a result of the expenditures necessary to serve that larger market; also it will permit Canada to develop better manufacturing processes, more automation, and so get its production down to a lower cost basis. It also could widen its trade in this area with other countries, because Canada is free under this trade agreement to extend to other countries the same benefits extended by this trade agreement to the United States.

I recognize that the trade agreement will not produce a miraculous result immediately or in the foreseeable future of wiping out the imbalance in payments, but it will provide great additional benefits to the Canadian economy, to the workers and suppliers of materials and people engaged in all phases of the manufacturing operation. This applies particularly when you translate all this into profits and revenues and taxes which the Government will collect, and the increases in purchasing power for the people engaged in the industry. You will realize that the extent of the benefit to Canada by virtue of this trade agreement is very substantial even though on the other side of the ledger we still have to wrestle with a substantial part of this imbalance of payments as between Canada and the United States in relation to the auto industry alone. There are other areas where we can make the effort, and we will do so to an increasing degree, to reverse the situation as between exports and imports. This would certainly apply in other areas as between Canada and other countries in the world.

While I may be speaking in terms or descriptions that sound very laudatory about the benefit of this agreement, I admit that it is not without what you might describe as

being a defect—the defect being that it does not correct immediately and completely or substantially the imbalance of payments with the United States. Nevertheless, it is still a sound, solid, good agreement, the kind of agreement that will redound to the benefit and the economic advantage of Canada. The fact that it also increases benefits to the United States is an added factor, and when we next deal with the United States on some other problem maybe we will, to use tennis language, have an "add-in," because in the negotiations on this transaction we were not trying to direct trade on a one-way street.

Hon. David Walker: May I interrupt my honourable friend to ask him a question before he leaves this point. He concedes that this trade agreement had worked out at $100 million increase in the imbalance. Is it not a fact that my friend's projection, as he has given it now and as to its being a remedy, is simply a pious hope? He has given us no reasons for this. If he has reasons can he give them to us?

Hon. Mr. Hayden: I do not very often have people use the word "pious" in connection with things I say.

Hon. Mr. Walker: It does not describe you.

Hon. Mr. Hayden: Some people, even today, have used words entirely different from "pious." No, I am not putting it as a hope, certainly not as a "pious" hope, nor as a prayer. I know my friend is fair, and let me tell him this.

When this trade agreement started to operate in January 1965 we were committed to the course of automobile trade so far as the 1965 models were concerned. They had come out in August, September and October of the previous year. It would be pretty hard to develop very much in the way of compensating factors during that period. And remember too that before the next year's models come out, the preparation, planning and ordering all start a year ahead, and in relation to the 1966 models, which came out in August, September and October 1965, much of that ordering had been done in January and February 1965.

Then, to take the other factor, until October 1965 the reciprocal duty provisions did not operate as far as the United States was concerned. The American cars and parts came into Canada duty free because Canada put into force its side of the agreement right away. I think it was the correct tactical move, one that was highly persuasive and in large part it contributed to the result. However, you had all these factors militating against the full use of the agreement.

The figures you want to look at are for 1966, to the extent we have them, and 1967 and 1968. If it is a "pious" hope, or even a hope, to look ahead and project, I suppose the language that is used in every business enterprise and by every government scientist and mathematician in projecting, on the basis of known factors, what are likely to be the results in the next year or the following year, or in giving a four or five-year ahead picture of trade developments, could be described as such. But I must tell my friend that I have been identified with companies that, if they miss out by as much as $100,000 in some of their projections in a given year, get very upset and go back to find out where they went wrong and why they did not hit closer to the projections.

Hon. Mr. McCutcheon: I would not insult my friend by accusing him of having pious hopes at all, but I wonder if he would help us by placing on record this projection obviously prepared by Government, so we would have an opportunity of assessing what the future of the agreement is, because factually to date the result is, as Senator Walker and Senator Grosart have said, the imbalance of payments.

Hon. Mr. Hayden: I can refer my friend to the statement that the Minister of Industry made in the House of Commons.

Hon. Mr. McCutcheon: We are not allowed to read such statements here.

Hon. Mr. Hayden: The moment I said the Minister of Industry made a statement in the House of Commons, I anticipated my friend would refuse to read it.

Hon. Mr. Walker: That is right.

Hon. Mr. Hayden: Not Senator Walker, because I think Senator Walker believes, as an experienced counsel, that he wants to know what is against him as well as what is going for him.

Hon. Mr. Walker: When I am against you, I do.

Hon. Mr. Hayden: So if my honourable friend has a friend who will read the statement which the Minister of Industry made, and then by that indirect route it is relayed to him, I think he will get in part an answer to his question and an explanation of the answer which I was giving.

Hon. Mr. Connolly (Ottawa West): Perhaps he would get it directly in committee.

Hon. Mr. Hayden: Yes, that is right.

Hon. Mr. Aseltine: Is this agreement not going to committee?

Hon. Mr. Hayden: Yes, I would expect so. My friend Senator Willis was very—I was going to say "critical", but that is not truly descriptive of him because he is so nice about it, it does not hurt when he says it—about why we did not take the sales tax off jigs and dies and machinery brought in from the United States, and why we did not do something about duty, because these were making it difficult, if not impossible, to manufacture jigs and dies for use in the automotive trade in Canada.

My friend was in the chamber last evening, and he knows that the Customs Tariff does permit machinery to be imported into Canada with a 99 per cent drawback as of March 30 where these machines are used to produce jigs and dies for use in the automotive trade. So my friend has achieved the very fortunate position of having something done for him that he wants even before he asks.

On the 11 per cent sales tax, if we deal with the Excise Tax bill today in relation to jigs and dies, etcetera, which are used in the manufacture of many things, including automobiles and automobile parts, he will see that the sales tax has been removed as of March 30 because that item is now included in the schedule of exemptions.

Hon. Mr. Connolly (Ottawa West): We had better get him into the Government.

Hon. Mr. Hayden: So my friend certainly reads the future, and/or we read what he is going to complain about and what he would like to have changed. We are attuned to such an extent that maybe he should pay more attention to what we tell him, and he will not have to worry about these things—we have done them, and so he can stop worrying.

That is all I have to say at this time.

REFERRED TO COMMITTEE

Hon. John J. Connolly: Honourable senators, not for the purpose of making it necessary for the honourable Senator McCutcheon to get any of this information second hand from the minister or otherwise, but because I gave an undertaking earlier in the course of this debate, I now move that the subject matter of this resolution be referred to the Standing Committee on Banking and Commerce for consideration and report.

Motion agreed to and subject matter of resolution referred to the Standing Committee on Banking and Commerce.

CANADIAN NATIONAL RAILWAY BILL

CONSTRUCTION OF BRANCH LINE NEAR STALL LAKE, MANITOBA AND OF BRANCH LINE NEAR WATROUS, SASKATCHEWAN —SECOND READING

Hon. John J. Connolly: Honourable senators, it would be convenient to the honourable Senator Hnatyshyn, who wishes to speak to item No. 6 on the Order Paper, if it were called now. He has been asked to undertake some official functions. Senator McDonald will first explain the bill. If this order could be called now, with unanimous consent, it would be generally appreciated.

Hon. Senators: Agreed.

Hon. A. Hamilton McDonald moved the second reading of Bill C-210, respecting the construction by Canadian National Railway Company of a line of railway in the Province of Manitoba from the vicinity of Stall Lake on the Chisel Lake Subdivision of Canadian National Railways in a northeasterly direction for a distance of approximately 12 miles to a point in the vicinity of Osborne Lake in The Pas Mining District of that Province, and of a line of railway in the Province of Saskatchewan from the vicinity of Watrous on the Watrous Subdivision of the said Railways in a northeasterly direction for a distance of approximately 18 miles to a point in the vicinity of Guernsey in the Regina Mining District of that Province.

He said: Honourable senators, by this bill authority is being sought to enable the Canadian National Railways to construct two new branch lines, one to be located in northern Manitoba and one in the central part of southern Saskatchewan. The estimated cost of these branch lines is $1,600,000 and $1,800,000 respectively. In accordance with the usual practice, the bill authorizes the railways to spend such amount for such purposes, and provides for an additional allowance, if required, of 15 per cent to cover contingencies. The usual provision respecting necessary borrowings is also included in the bill.

The first mentioned branch line—that is to say, the one to be built in Manitoba—is required for the exploitation of substantial copper-zinc deposits on the Osborne Lake property of Hudson Bay Mining and Smelting Company Limited near the town of Snow Lake. It will be an extension of the branch line which already serves the property of that company at Chisel Lake and at Stall Lake which are in the same vicinity. The approximate length of this new line will be 12 miles, and it is estimated that its average cost of construction will be $133,333 per mile.

Hudson Bay Mining and Smelting Company Limited has proved satisfactory reserves of ore containing base and precious metals at the Osborne Lake site, and is preparing the property for production at the minimum annual rate of about 270,000 tons of crude ore, which it proposes to ship by rail to its existing metallurgical plant at Flin Flon. This will provide a revenue of $737,000 per year to the Canadian National Railway.

It is estimated that this project will provide employment for about 100 men, and the Canadian National Railway reports that it has satisfied itself that the movement of this traffic, upon the terms that have been negotiated with the industry, will be a profitable operation from its point of view.

The construction of the second branch line planned for the central part of southern Saskatchewan has been requested by Alwinsal Potash of Canada Limited. Alwinsal is a company sponsored by French and German interests, and it is located near the town of Guernsey in south-central Saskatchewan.

This proposed railroad will run in a northeasterly direction for a distance of about 18 miles, from a point on the Watrous subdivision of the Canadian National Railway. The estimated cost of construction is $100,000 per mile. It is hoped to have this line of railway completed by 1968, as Alwinsal is expected to be in production some time during that year. Alwinsal is now sinking a shaft, some 18 feet in diameter, to a depth of 3,290 feet at this site.

Honourable senators may not be too familiar with the problems that face potash mining companies in Saskatchewan, and perhaps I should at this time mention some of the difficulties and costs involved in sinking a shaft for the mining of potash. Throughout the whole area in which potash is found in western Canada there are what is known as the Blairmore Sands located at 1,500 feet from the surface of the earth and extending to a depth of 1,800 feet. In this layer of 300 feet water pressures as great as 4,500 pounds per square inch are encountered, and it is very difficult to seal off the water and prevent seepage into the mine shaft.

Most mine shafts built to date have used cement as a lining from the surface of the ground to the top of the Blairmore Sands, and again from the bottom of the Blairmore Sands to the bottom of the shaft, but in the layer of about 300 feet through the Blairmore Sands a system known as tubbing is used.

Hon. Mr. Connolly (Ottawa West): What is that word?

Hon. Mr. McDonald: Tubbing. It is a German process. Through the layer of the Blairmore Sands there is a cast-steel ring that is built in sections and bolted together. A grouting of cement is then forced in between this cast-steel section and the shaft itself. Of course many problems are encountered before the tubbing is put in place. Before the sinking of the shaft through the Blairmore Sand can be commenced, sink holes have to be made through it and then refrigeration installed to freeze off the entire Blairmore area so that the mine shaft may be driven through it.

Alwinsal is using a different system for the lining of their shaft. At this point I might mention that I had the privilege of turning the switch that started the drills working at this location before the freezing was commenced underground. Rather than using the method I have just described, Alwinsal is using a double steel ring from the surface of the ground to the bottom of the mine shaft, a length of some 3,290 feet. At the top of the shaft the steel section will be 20 millimeters and at the bottom 50 millimeters in thickness. The space between the two steel casings is about a foot, which will be filled by a grouting of cement.

I repeat, this is the first time this type of mine shaft has been built in Canada. I understand it has been used successfully in parts of Europe, especially in Germany, and this company is bringing the entire steel lining from Germany and installing it in its mine in Saskatchewan.

The company has committed itself to the Canadian National Railway for the movement of at least half its annual production, which means that approximately one million tons of potash per year will be moved by that railway. The mine will be served by both the Canadian Pacific and the Canadian National,

but the revenue from the movement of one-half of the annual production of this mine, which will amount to about $4.5 million per year will go to the Canadian National Railways. This will give honourable senators an indication of the tonnage that will be moved from this potash mine by Canadian National Railways, and, as I mentioned a moment ago, this is only half of the production, the other half being moved by the Canadian Pacific Railway Company.

The chief markets for the potash that will be produced by Alwinsal are in the United States and the Pacific countries, which necessitate the movement of this mineral from Saskatchewan to west coast ports from where it will be shipped to its ultimate destination. The plant will employ between 700 and 1,000 men during the period of construction and once it is in production it will employ about 500 men.

If the pattern of potash development in Saskatchewan is followed, then I anticipate it will be only a short time before Alwinsal will sink another shaft. International Minerals and Chemical Corporation, which was the first potash mining company in production in Saskatchewan, has now a second shaft in production and is contemplating the sinking of a third. A second company located in the Saskatoon area has been a two-shaft operation from its beginning. A third company in the Saskatoon area which started as a one shaft operation is now in the process of sinking a second shaft. I would expect that Alwinsal will be seeking permission soon to sink a second shaft and this will mean even more freight for both Canadian National Railways and the Canadian Pacific Railway Company from this mine site.

If honourable senators see fit to give this bill second reading, I intend to move that it be referred to the Standing Committee on Transport and Communications.

Hon. John Hnatyshyn: Honourable senators, I disagree with the honourable senator who presented this bill so ably in one respect only. I do not think the bill should be referred to the committee at all. It is possible that Parliament will adjourn this week, and this bill is very important. Nobody on this side of the house is against it. I would prefer to have this bill read the third time today.

If this line of railway in Saskatchewan from the potash mine is not built before 1968, then it will not be available to the company when the mine starts producing. I am informed that for the railway to be completed by early 1968 it is necessary to start construction in July of this year.

Potash, as the honourable sponsor of this bill has stated, is a very big industry in Saskatchewan. I would point out to honourable senators that the experts estimate that in the next six or seven years there will be more tonnage of potash hauled by the railways than there is of grain today. On the average, Canada produces 500 million bushels of wheat per year, of which over 300 million bushels are produced in Saskatchewan. At one time wheat was the big thing in Saskatchewan, because it accounted for almost 85 per cent of the total economy. Today we have a high production of potash, natural gas and oil. Although we have not received the same publicity as has Alberta and the Leduc field, Saskatchewan does produce about half as much oil as Alberta. The result is that we have a diversity in our income.

Agriculture is now less than 50 per cent of our income in Saskatchewan in spite of the fact that we grow over 300 million bushels of wheat.

The building of the railway line from Watrous for a distance of 18 miles to the potash mine is necessary, even though there happens to be a C.P.R. line as well. It will not be a duplication, because we shall need both railways to haul potash. We have enough difficulty as it is in moving our wheat, because the market is developing. Within six or seven years the railways will have to operate to their fullest capacity, and both lines will be needed. That is why Canadian National Railways is building this spur of some 18 miles. The C.P.R. built similarly at Esterhazy where potash is being mined.

The sponsor of the bill (Hon. Mr. McDonald) outlined some of the difficulties that have been experienced in sinking the shaft. Actually, I would like to point out that the first mine in production was not the one at Esterhazy, but one 16 miles east of Saskatoon. However, as soon as they commenced production leakage occurred and they had to suspend production for over two years and rebuild the whole thing. They are now in operation. But they learned a lesson. They brought in experts from Germany, which at one time had large fields of potash, and the mine at Esterhazy as well as the mine we are now discussing have benefited by that knowledge.

Honourable senators, I do not wish to speak for long for fear there will be delay in the passage of this bill.

So far as the 12 miles of railway in Manitoba is concerned, it is going to be a paying proposition. The more we open up some of that country for mining purposes the better it will be not only for the provinces where the mines are located, but for Canada as a whole.

I give my wholehearted support to this bill.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

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

Hon. A. K. Hugessen: Honourable senators, I just want to say a word in connection with any suggestion that this bill be read the third time without reference to the Standing Committee on Transport and Communications, of which I have the honour to be chairman.

This would be the first time within my recollection that any bill providing for the construction of a branch line was not referred to the Standing Committee on Transport and Communications, and I would be a little sorry if it were not referred in the present instance.

However, let me say further that in quite a number of cases this committee has realized perfectly well that it was necessary to get a bill passed as quickly as possible in order to permit the railway to commence its construction operations, and we have always attempted to comply with any reasonable requirements in that respect. I had rather anticipated that was the case in connection with this bill, and my honourable friend Senator Hnatyshyn verified that in his remarks.

I was proposing to hold a meeting of the Committee on Transport and Communications tomorrow evening, if this bill receives second reading this afternoon, and we would have the benefit of the information. I think the Senate and the committee are entitled to reasonable information on all matters of important public expenditures such as this.

Hon. Mr. Choquette: Would the committee meet at the end of tomorrow's sitting?

Hon. Mr. Hugessen: It would meet either at the end of tomorrow's sitting or tomorrow evening. I can assure my honourable friend there will be no delay. On the other hand, we would have a record that the Senate had, as in the past, reviewed the matter carefully.

Hon. Mr. Hnatyshyn: My only fear was that this bill might not pass in the event that we recess. However, since Senator Hugessen has already arranged for a meeting of the Committee on Transport and Communications tomorrow there is no danger of that happening. I agree with him fully that the members of this chamber are entitled to receive all the information that is available. If his committee is meeting tomorrow, I have no objection.

Hon. Mr. McDonald moved that the bill be referred to the Standing Committee on Transport and Communications.

PUBLIC UTILITIES INCOME TAX TRANSFER ACT

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-211, to authorize the Minister of Finance to transfer to the provinces a proportion of the income tax payable by certain utility companies.

Bill read first time.

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

Hon. Mr. Connolly (Ottawa West): Honourable senators, it might be desirable for us to sit this evening, depending upon the progress that is made this afternoon. With that in mind I suggest that this bill be read the second time later this day and, again only for the purpose of having the explanation upon the record, that we sit this evening if that is agreeable.

Hon. Mr. Brooks: No objection.

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

Motion agreed to.

EXCHEQUER COURT ACT

BILL TO AMEND—FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-201, to amend the Exchequer Court Act.

Bill read first time.

SECOND READING

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

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

CUSTOMS TARIFF

BILL TO AMEND—SECOND READING

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Hayden for the second reading of Bill C-200, to amend the Customs Tariff.

Hon. Lionel Choquette: As honourable senators are aware, this particular bill, if passed, will implement one of three budget proposals.

Despite what the sponsor of this bill has said, I do not think that it is of a class or kind calculated to excite the daring, to test the strong and to give new promise to the timid.

It is interesting to observe that one of the highlights of a parliamentary year is the presentation of the budget by the Minister of Finance. This document is surrounded by a great deal of secrecy, intrigue and speculation. I expect that is partly because almost everyone has an opinion as to how he would run the country economically—and governments do not want their critics to be too sharp by giving them too much time to study.

In any case, it seems that when bills like this are introduced, all interest is lost. These bills seem to be of no interest to anyone, yet this bill and the others like it is nothing less than the legislation required to implement what the Government, through the Finance Minister, wants. The budget proposals would not be implemented if it were not for these bills, yet they seem to generate no interest at all. I suppose it is one of the anomalies of our form of government.

In his budget speech on the night of March 29, the Finance Minister said:

> I think the House will appreciate the desirability of using whatever tariff reductions we contemplate to help us obtain better access to foreign markets for our own exports.

This is a laudable objective. However, this particular bill does not go very far to accomplish this or, to put it better, to change much. Earlier in his speech, the Finance Minister said:

> Tonight I shall be proposing very few changes in the Customs Tariff.

That is a fact. Then, during second reading of the bill, he said:

> ...they (the budget resolutions relating to the Customs Tariff) are not of far-reaching importance.

I would like to ask the honourable sponsor of the bill—I note he is not in the chamber at the moment—why they are not more extensive. I am wondering whether or not they have anything to do with the Kennedy Round of Tariff negotiations? Is the Government not doing much with regard to lowering tariffs until it finds out where these international negotiations are heading? Or is it that the Government does not have a policy in this regard? Surely there should be more changes in the Customs Tariff. It has been, I believe, a year since we dealt with this bill.

It has been estimated that the Government receives 9 per cent of its revenue from tariffs. I do not suppose the Government is afraid to drop the tariff on more items because it realizes that there will be a corresponding drop in revenue. The way the Government is throwing money about these days, it would not surprise me.

As a member in the other place remarked during the debate on the resolution stage of this bill, "What does this actually mean in terms of the economy?"

This bill is a relatively short one and the items are quite inconsequential. I will therefore limit my remarks to what I have said, and hope that the sponsor of the bill will provide us with the answers to some of the questions that I have posed to him.

Hon. John J. Connolly: Honourable senators, in the absence of the sponsor of the bill—who has been called out of the chamber for a short while in connection with the work of the Senate—may I deal with the point raised by honourable Senator Choquette.

I think it was made clear by the Minister of Finance in the other place, or others who discussed the bill, that one of the reasons why the proposals for tariff changes are relatively modest in number this year arises very directly out of the fact that the GATT negotiations, the so-called Kennedy Round, are still in the process of being finalized. This is a very slow process and there has to be a considerable bargaining about the items. It would be completely undesirable if the Government were gratuitously to offer extensive reductions in tariff items when such an

offer, if skillfully used in the GATT negotiations, might purchase compensatory reductions in tariffs of other countries, either on a bilateral or on a multilateral basis.

It may not be inappropriate to say that tariff changes have been held more or less in abeyance at this time. No matter what party is in office, given the circumstances of the Kennedy Round, this attitude seems to be on the side of wisdom.

I was interested to hear the honourable senator advocate more reductions. To me it seems that the more reductions and the fewer the obstacles to trade, by way of tariffs quotas or special discriminatory procedures, the better. These things should be eliminated as early and on as wide a plane as possible.

It seems to me—and here I paraphrase what Senator McCutcheon said—that such changes must also keep the interests of the country very much in mind. I am thinking especially of some very wise words he added as a cautionary measure to the report of the Canada-United States committee which has been at work on this problem of easing trade relations between the two countries.

My own attitude and that of most people on this side and perhaps generally in the chamber is that the freer the trade the better off everyone is. Perhaps one cannot be a free trader in the positive sense, but I think one should try to be a freer trader in the comparative sense, or perhaps the freest possible kind of trader in the superlative sense.

Motion agreed to and bill read second time.

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

Hon. Mr. Connolly moved that the bill be placed on the Orders of the Day for third reading at the next sitting of the Senate.

Motion agreed to.

CANADA STUDENT LOANS ACT

BILL TO AMEND—SECOND READING

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Connolly (Ottawa West) for the second reading of Bill C-197, to amend the Canada Student Loans Act.

Hon. Paul Yuzyk: Honourable senators, there was an extensive debate in this house on the Canada Student Loans Bill in July 1964 prior to its enactment. The pros and cons of this measure were then discussed in considerable detail. Bill C-197 is an amendment to the original act to provide for supplementary provincial allocations by increasing the basic loan and making a change in connection with the administration of the act. I would like to congratulate Senator Cameron on his lucid explanation of the new provisions introduced by the Minister of Finance.

The members on this side of the house voted in favour of the Canada Student Loans Act and will give support to this bill before us, but not without forward-looking criticism. It is an expedient measure as far as it goes, but it does not go far enough to meet the growing needs of students in securing a modern education.

There is no doubt that these loans have proved to be of assistance to the over 92,000 students who were able to secure them, and have made it possible for them to continue university and higher education. This measure will make it possible for many more to obtain higher education in order to fit them into the modern technological and increasingly automated society. Let us remember that their education will benefit not only the individual concerned but also the whole country. Therefore, governments should provide our youth with the best opportunities to secure the highest education that this country can offer. Lack of financial means should not deny the capable young man and woman of pursuing his or her education.

Student loans on an interest-free basis during the years of study only partially provide our needy young people with the opportunity to continue higher education. There are several arguments against student loans in general. One is that many students coming from poorer homes and who are in the greatest need of this assistance are often reluctant to incur debts to the extent of thousands of dollars. A second is that after the debt has been contracted the graduated student finds himself bearing a heavy economic burden at the time that he commences his career. A third is that students who are saddled with large loans are often unwilling to continue post-graduate studies. These arguments were presented by a number of students with whom I have personally discussed these problems.

In their campaign for free university tuition, the Canadian Union of Students have come out with a fourth argument against student loans—that women are reluctant to take student loans because indebtedness is a deterrent to marriage—a "negative dowry."

The editorial comment of the *Globe and Mail* of February 22, 1966 is interesting and amusing. I quote:

> No one will argue that two debtors can live as cheaply as one, but it is impossible to believe that a young man would be guided more by purse strings in his choice of a wife. And if he was, what girl would want him anyway?

This observation may have been more applicable during the last generation, but my observations of the present generation show that many prospective husbands and wives are more of the calculating sort than I was when I married.

Of great concern to Canada is the brain-drain to the United States of highly-trained engineers, scientists, university teachers, physicians and surgeons who have been educated in Canada at a high cost to our country. Let us remember that it takes about $50,000 of public money to produce a Ph.D., which is a complete loss if such a person leaves Canada permanently.

I believe that the adoption of the Northwest Territories scheme in the Canadian student loan plan would be most beneficial to Canada in preserving our brain-power and highly trained experts. The loan of $1,500 per year for a student in the Northwest Territories wishing to attend university becomes an outright grant if the student after graduating returns to the territories and lives there for at least four years. A similar plan has existed for many years in the armed forces.

I was hoping that the Government, after two years' experience, would introduce a clause in the legislation making the total loan of approximately $5,000 an outright grant, equivalent to a scholarship, if the student after graduation remained in Canada for a period of five years. This certainly would help to reduce the brain-drain. A graduate would appreciate such a grant coming at a critical time in his life, and would always be conscious that Canada is really desirous of his service and contribution to the welfare of the Canadian nation. The country's financial investment in a graduate's education can only bring manifold benefits to all concerned.

The former Conservative Government had substantially contributed to the needs of higher education. Per capita grants to the universities were doubled; low interest loans were provided for the construction of student residences; tuition fees were made income tax deductible for students; and other forms of financial assistance were given to education.

The present Liberal Government should improve upon the student loans legislation, bearing in mind that in the last two elections the Liberal party promised 10,000 scholarships per year. The implementation of this promise would do much more for deserving students than loans. To keep pace in this rapidly advancing technological and scientific world, Canada will have to invest a greater proportion of the federal budget in education, the greatest asset to the individual and the country.

Hon. Jean-François Pouliot: Honourable senators, I said yesterday that I wanted to adjourn the debate. I have had the satisfaction of listening to two most interesting speeches delivered by two of our colleagues who are known as eminent educators. In a way, I agree with them that the students should get the best possible education, and that education should be available to the largest number of Canadian boys and girls. But for me that is not the main point.

As you know, honourable colleagues, I attend the committees as punctually as I can and I happen at times to be there at the psychological moment. Two years ago, on July 28, 1964 I was at the Banking and Commerce Committee, where Mr. Benson, who is the Minister of National Revenue, and Mr. Pennell, who was then Parliamentary Secretary and is now Solicitor General, were answering questions on Bill C-110, an Act to facilitate the making of loans to students, and if you have no objection I shall read to you the questionnaire to the two gentlemen.

> SENATOR POULIOT: Did you say that no provincial government asked for this legislation?
>
> HON. MR. BENSON: The provincial governments did not formally ask for this particular legislation. Many were very interested in it; and in working out the details of this particular bill they did co-operate fully, and were very happy about the ideas contained in this legislation.
>
> SENATOR POULIOT: After the bill was out?
>
> HON. MR. BENSON: No, before the bill was out we met with the provinces and considered the principles involved in this bill.

SENATOR POULIOT: My question is: did the provinces ask for it?

HON. MR. BENSON: No, they didn't. In my opinion, they did not ask for the bill but they attended a conference concerning the bill. They were very interested in the idea. The conference was one concerning the ideas incorporated in the bill, and during the conference most of them were very pleased that the federal Government was taking—

SENATOR POULIOT: The first idea was that the bill was not from the provincial governments?

HON. MR. BENSON: No—from the federal, and it was one of the undertakings of this particular Government at the last election.

SENATOR POULIOT: And it was not from the universities either?

HON. MR. BENSON: No.

And, mark you, honourable colleagues, it was not asked by the provinces, nor by the universities. I would not know who had that great idea.

SENATOR POULIOT: Now, Mr. Benson, I have another question. I have seen in the press that the provincial governments have refused to render an account of the federal subsidies in matters of education. Are you familiar with that?

HON. MR. BENSON: No, I am not.

SENATOR POULIOT: Because I have seen in the press that the provinces have met together and have refused to render an account of the way the federal grants for education were spent.

HON. MR. BENSON: I am not familiar with this, senator.

While I am speaking I would like to correct something I mentioned earlier. I may have used the word "note". In this particular instance they are not notes that are given to the bank but, rather, there is an agreement between the student and the bank.

SENATOR POULIOT: I think it occurred before you were sworn in as a cabinet minister.

SENATOR CROLL: I wonder why the infant's legality was not based on necessity—

SENATOR POULIOT: Mr. Pennell, reverting to what you have said about the exclusive legislative powers, in your view are there any exclusive jurisdictions according to the B.N.A. Act?

MR. PENNELL: Are there any...?

SENATOR POULIOT: Are there any exclusive jurisdictions in virtue of the B.N.A. Act?

MR. PENNELL: With great respect, senator, I am not prepared to come here and argue all the fields of the B.N.A. Act.

SENATOR POULIOT: No, but if you read the B.N.A. Act and if you read the part that concerns education, is it not mentioned there the powers of exclusive jurisdiction?

MR. PENNELL: All I can say is that those in the department were greatly concerned they would not intrude into the field of education. They looked at this bill with care and precision, and in their humble and honest opinion it did not intrude into the field of education as such—this bill, C-110.

SENATOR POULIOT: My question is, what is the use of celebrating the centennial of Confederation if you pay no attention to the B.N.A. Act?

THE CHAIRMAN: That is a very large question, and we cannot consider it within the scope of this bill.

SENATOR POULIOT: I am through.

THE CHAIRMAN: Section 2, shall it carry?

HON. SENATORS: Carried.

THE CHAIRMAN: Shall section 3 carry?

HON. SENATORS: Carried.

THE CHAIRMAN: Shall section 4 carry?

HON. SENATORS: Carried.

THE CHAIRMAN: Shall section 5 carry?

HON. SENATORS: Carried.

THE CHAIRMAN: Shall section 6 carry?

HON. SENATORS: Carried.

THE CHAIRMAN: Shall section 7 carry?

HON. SENATORS: Carried.

THE CHAIRMAN: Shall section 8 carry?

And there was a discussion about it.

No one has any objection to students getting all the facilities of education, but do you not think, honourable colleagues, that it must come from the proper source, and as the B.N.A. Act is definite, as there are limitations in this act concerning the powers of all governments, is it not our duty to stand by the Constitution and act according to it? If the Constitution says that the federal Government has no power concerning education, how is it that those loans are paid by the Government of Canada, and that the priority of rights of the provinces and the legislating exclusiveness of the provinces are disregarded in this matter?

I do not see the use of doing that when we are about to celebrate the centennial of Confederation. If you read the B.N.A. Act you will come to the conclusion that the Fathers of Confederation had in mind that the Parliament of Canada, on the one hand, and the provincial legislatures, on the other hand, had exclusive jurisdiction in different fields, and education is one of the fields in which the federal Government has no authority.

There was some discussion in the other house with regard to the constitutional issue. A member spoke of the various possibilities of having it in the Constitution, and one of the parliamentary secretaries answered by saying that the Government had its own philosophy with regard to the amendment of the Constitution. Well, "philosophy" is a great word. It means, "the love of wisdom," but I wonder what the philosophy of that Government is with regard to education. For me it can be summarized in three words: "Slack the slack"—larguez les amarres.

The Government of Canada has no authority to know what is done with the money that is given to the provinces to be spent for educational matters. It is remarkable that the provinces do not mention the Constitution when they come for grants or subsidies. The Constitution seems not to exist for them at that moment; but when the time comes to render accounts, to inform the Government of the way the money is spent with regard to education, they bring the Constitution as their shield to protect themselves and to give themselves the opportunity to refuse to answer. They are outraged if the Government of Canada insists on getting some information with regard to their spending on education.

For me, there is only one way to come to a satisfactory agreement with regard to constitutional matters. In the first place, it is to try as much as possible not to get drunk with words. Until recently—I do not know if it is still the case—there was a false name, an illegal name, given to the Province of Quebec. It was called the "State of Quebec". If we look at the Constitution the name is simply the "Province of Quebec," but some orators thought they were making a good point by speaking of the State of Quebec. As I said not long ago, what if we called the other provinces the "State of Nova Scotia," the "State of Prince Edward Island," the "State of New Brunswick," or Ontario the "State of Ontario," and so on? It would lead to confusion—but in Quebec they were happy and glorious to inebriate themselves with meaningless words. They got nowhere.

When a former premier visited the western provinces last year he was asked if in fact the Province of Quebec was different from the others. When he was asked, "What do you want done?" he was offended. He gave a lecture to the interrogator, and said that he had no manners. You all know that—I am just reminding you of what was said. Imagine, honourable senators, if you spoke somewhere and a member of the audience asked you, "What is it exactly that you want done?", is that not a good question to ask? The particular gentleman I am referring to was very angry at that, and he turned on the interrogator.

I do not believe that the Provincee of Quebec is different from any of the other provinces. In my humble view all that is wanted by the people of Quebec is the respect of their fellow citizens of Canada, and the enjoyment of what was claimed by Sir Oliver Mowat for the Province of Ontario a long time ago, namely, equal rights. They want equal rights and they want to be respected. They want to enjoy equal rights with their fellow citizens. That is fair. That is all they want.

In a constitutional study of Canada the first thing that has to be done is to read the British North America Act with its amendments, and then to try to understand it as it is. It is necessary to know what is wanted by the provinces, so that it may be discussed by the provinces and the federal Government together in conference.

There was a committee formed in the Province of Quebec in, I think, 1963 to study constitutional matters, but it did not sit for a

very long time, and no report was made. If am permitted to say so, I spoke during the federal election in 1963 at Rivière Bleue, in Témiscouata, and I suggested that the Province of Quebec should form a committee composed of an equal number of members of the Government and the Opposition to study constitutional matters and to present the point of view of Quebec to the other provinces and the federal Government so that there would be a basis for discussion. That was never done. Such a committee seldom sat. What I find most open to criticism is the fact that a parliamentary secretary has said that the Government is against the formation of a joint committee of federal and provincial members to discuss constitutional issues.

This, again, is playing with words. It is not serious. It is essential to come down to plain facts in order to understand something about constitutional issues which are not complicated at all. You have only to consider the matter with an open mind in order to find the right solution.

[*Translation*]

Hon. Cyrille Vaillancourt: Honourable senators, I would like to add a word because each has his own opinion on constitutional rights. With regard to education, that interpretation, under the British North America Act, is not quite the same in my mind as in the mind of my colleague Senator Pouliot.

I understand that education is what one learns in school and at university. However, it is not because we loan money to someone to help him to get an education that he loses the right to choose what he wants to learn.

Thus, when we discussed family allowances here a few years ago, we insisted that children who go to school until age 16 should be entitled to the allowance. Some argued that the federal Government was infringing upon the rights of the provinces in the field of education. In my opinion, there was no infringement because the children were not forced to learn this or that. We simply wanted to give to all the means to get an education, nothing more. They were told: Learn what you want but get an education.

Take, for instance, organizations such as the Rockefeller Foundation, the Ford Foundation and a few similar organizations which give hundreds of thousands of dollars to universities under very special conditions, namely, that to be entitled to that money one has to study such and such a subject.

But here it is not the same thing at all. A loan is granted to those who cannot afford to get an education and they are told: Go to the university, learn what you want but get an education.

I fail to see how we are violating the rights of the provinces in the field of education by acting that way.

You all know that at a trial there are lawyers on each side and each one interprets things his own way. Well, I interpret them that way and I think that I am helping my country, and my fellow citizens, who cannot afford to get an education, but who are able to borrow and pay back that money which will enable them to become scholars or scientists who tomorrow will save our country.

I say that, if passed, such a legislation will not force anyone to study this or that subject but will enable a young man or a young woman to mature and succeed in life. I suggest that it is a good piece of legislation which does not violate in any way the British North America Act.

Hon. Mr. Pouliot: If the honourable senator will allow me—he says that he did not agree with me at all; personally, I think exactly as he does.

[*Text*]

Motion agreed to and bill read second time.

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

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

Motion agreed to.

BUSINESS OF THE SENATE

Hon. John J. Connolly: Honourable senators, I should inform the house, since there has been some consideration given to our sitting this evening, that after discussing the situation with the honourable Leader of the Opposition I have come to the conclusion that it will be unnecessary for us to do so.

I suggest that we deal now with item No. 4 on the Order Paper, which presumably will be sent to a committee. Item No. 5 can stand. We will deal with item No. 7, which is consideration of the reports of the Standing Committee on Divorce that were presented yesterday, and stand items Nos. 8, 9 and 10. So, the only other substantial measure we will deal with this afternoon is item No. 4.

I would ask honourable senators to keep in mind the possibility of the house sitting tomorrow evening. There will be several matters left over from this afternoon and two new ones. It may be that we shall receive other bills at the beginning of tomorrow afternoon's sitting, in respect of which I might ask for second reading later in the day.

EXCISE TAX ACT

BILL TO AMEND—SECOND READING

Hon. Eric Cook moved the second reading of Bill C-198, to amend the Excise Tax Act.

He said: Honourable senators, the amendments to the Excise Tax Act, which will be made if Bill C-198 is passed, appear to be unusually numerous and complicated. However, except for one small item all its provisions are either of a relieving nature or are made for the purpose of simplifying the act and the administration thereof.

Section 1 of the bill is a relieving section and seeks to remove a hardship arising from the existing legislation. Under the present section, when manufacturers sell two or more products in one package, and if one of the products is subject to excise tax, they are forced to pay excise tax on all the products in the package. Under this amendment tax will be collected only on the item which is subject to tax, and not on the whole package. For example, if a razor and brush and soap are sold together, and the razor is the only item subject to tax, heretofore tax was collected on the value of the three items; henceforth it will be collected on the razor alone.

Section 2 will correct an inequity which now exists. At the present time if you purchase from a dealer a tire which has been retreaded you, of course, pay sales tax, but if you bring him your own tire and he retreads it for you, tax is not now payable on the value of the work done and the materials supplied. Henceforth tax will be payable on the value of the work done and materials supplied by the dealer. This is the only increase of tax provided for in the bill.

Section 3 contains an amendment designed to assist members of the fur trade who have made representations to the minister concerning difficulties in the collection of tax on their products. This section is inserted therefore in the act at the request of the taxpayers who are concerned with the payment of the tax.

Briefly this section will impose sales tax at two levels. First, tax will be paid by the fur garment manufacturer on the fair value of the raw fur, plus the value of the work done and the materials supplied by the dresser and dyer, of whom there are eight in all Canada. Then when the fur is sold to the ultimate consumer the manufacturer may by virtue of the new section 47B, which will be enacted by section 6 of this bill, recover or receive a credit for the sales tax which he paid on the fair value of the raw fur and on the value of the work done and materials supplied by the dresser and dyer.

The new section also contains a number of incidental provisions which are necessary in order to make it fully operative.

I should point out that the section does not increase the amount of the tax to be paid—it merely alters the method of collection.

Section 4 is, I believe, by far the most important section in the bill. Section 4 together with section 9 and section 10(3) provide for a two-stage removal of sales tax on a comprehensive list of productive machinery and equipment over the next two years.

The tax remains in full force until April 1, 1967 at which date the rate is reduced to 6 per cent, and on April 1, 1968 the tax will be removed altogether.

The list of articles on which the tax will be first reduced and then removed will be found in the new Schedule V, enacted by section 9, and will be found on pages 14 and 15 of the bill. It is estimated that in the year 1967-68 the loss of revenue will be some $63 million and in 1968-69 some $165 million.

In addition to the relief proposed to be given by section 4, the full 11 per cent tax is remitted as at March 30 of this year on the articles which are listed in section 1 of Part XIII of the new Schedule III. Part XIII will be found at page 13 of the bill. The articles listed in section 1 of Part XIII are articles which are often rapidly expended in the manufacture or production of goods. These articles are normally in direct physical contact with the goods being produced and through wear and tear, or because of design changes, frequently need to be replaced. In many manufacturing and processing companies, amounts spent on these items are regarded as operating costs rather than capital expenditures. The loss of revenue because of these exemptions is estimated to be some $20 million yearly.

Section 5 merely brings up to date the reference to a Customs Tariff item.

Section 6. I have already referred to the new section 47B which authorizes the refunding of the first stage sales tax paid by fur merchants at the dressing and dyeing stage.

Section 47C, also found in section 6, is a new section and is introduced into the act to simplify the making of deductions or refunds in the cases provided for in the act. Examples are schools, hospitals, libraries, and the like. This section will authorize the minister to work out in consultation with the taxpayer entitled to the deduction or refund a formula whereby the amount of the deduction or refund will be an agreed percentage of the total sum expended in the construction of the building or the provision of the facilities.

Section 7 merely simplifies the tax imposed on lighters and electron tubes and provides a straight tax of ten cents per item in each case.

Section 8 of the bill repeals Schedule III of the act and substitutes a new Schedule III in place of the old one. Schedule III contains a list of all articles which are exempt from sales tax.

The substitution of a new Schedule III will serve two purposes. First, it will implement the new exemptions from sales tax. Second, it regroups all sales tax exemptions in alphabetical order in numbered parts and sections to allow for easier reference.

The new exemptions, not including those I have already dealt with, will in a full year mean an estimated loss of revenue amounting to a little more than $1¼ million.

The new exemptions cover a very large number of items, the most important from a revenue viewpoint being found in Part VI on page 9 of the bill. These are fuel oil for use in the generation of electricity and natural gas regardless of end use.

The other smaller items range from stained glass windows and steel stalls to false teeth.

The schedule contains all the articles now exempt, so that as I have already pointed out the bill does not impose any new taxation.

The final item worthy of mention is found in Schedule III, Part V item 20. It reads:

> Oleomargarine and margarine for consumption in the Province of Newfoundland.

This item, which fulfils a commitment made in the Terms of Union of Newfoundland with Canada, is not new. This exemption has been in force since 1949, but heretofore was granted by virtue of the Financial Administration Act. That procedure had, however, not been approved by the Auditor General, and following his recommendations the exemption is now being granted in the Excise Tax Act.

Honourable senators, if this bill receives second reading, I shall move that it be referred to the Standing Committee on Banking and Commerce.

Hon. John M. Macdonald: Honourable senators, it is not my intention at this time to comment at great length on this bill, which has been fully explained section by section by the sponsor (Hon. Mr. Cook). As he stated, the bill for the most part is of a relieving nature, and in many cases is a tidying-up operation. However, I think certain sections should be commented upon. For example, the sponsor mentioned that section 2 is to correct an inequity, and that hitherto there had been occasions when the tax was not collected on tires which were retreaded.

It is interesting to note that clause 2 brings in a new principle in this bill. As the minister himself mentioned in the other house, when he was speaking on the bill, until this amendment to the act, a federal sales tax did not apply to services. Now we have a precedent being created where a federal sales tax is being applied to a service—not only to materials but to the service given when a person brings a tire in to be retreaded. Once a precedent is established, as is being done now, whereby a service is taxed, we can expect this system to increase and many other services will be taxed in the future.

I agree that clause 4 is the most important clause of this bill. It removes the sales tax on production machinery in stages over a two-year period. The tax is to be reduced to 6 per cent on July 1, 1967 and is to be wiped out in 1968. If it is desirable to reduce or eliminate the sales tax on productive machinery over the next two years, why not do away with it now?

Honourable senators, when this tax was imposed, it raised much opposition. As you will recall, it was a tax on production machinery and also on building material. Now the Government is admitting it was wrong when it applied this tax to production machinery and it is going to right the wrong by instalments, a sort of repentance over the next two

years. But they say nothing about taking the tax off building materials, which to my mind is quite as important. I would urge the Government to do away with the tax on production machinery, not in two years time but, if they feel they cannot do it now, then do it all next year. They should also do away with the tax on building materials.

In regard to clause 3 dealing with furs, to arrive at the sales price, the bill says:

> ...the sale price of the goods shall be deemed to be either the aggregate of the current market value of the furs in their raw state...

Then, to arrive at that current market value, the next subsection says that, for that purpose:

> ...the minister shall determine the current market value of furs in their raw state in such manner as may be prescribed by regulation of the Governor in Council.

It was not many years ago that serious objection was raised in this chamber to the granting of such powers to the minister. I think it is a better practice if we do not leave things of that sort to the discretion of the minister. It is better if we spell out in the bill how such things should be determined. I draw that to your attention in the hope that in the amendments which come next year that section might also be amended.

The honourable sponsor of the bill explained, certainly to my satisfaction and I believe to the satisfaction of this house, the meaning and implication of the other clauses of the bill.

Honourable senators, we should not pass this bill without mention that a new principle is being established when we are taxing services. Furthermore, we should not pass the bill without objection being raised to the maintenance of these taxes on production machinery for a year, in fact for two years, and we should object also that no mention is made of repealing the tax on building materials.

The sponsor of the bill suggested that it might be sent to a committee. From my own point of view, and I can speak for this side, I doubt if there is anything which needs further explanation in committee and if the house feels it should be passed without reference to a committee there will be no objection on this side.

May I repeat, it is time we took a hard look at the language of our statutes to see if we could not make it easier for everyone to understand, even for those trained in the law. The language in this bill is very complicated. We should try to have these statutes reviewed to simplify the language so that it may be more readily understood by everyone.

Hon. G. Percival Burchill: Honourable senators, I wish to add my voice to that of Senator Macdonald (Cape Breton), in appealing to the Government to do away with the tax on building materials. There has been no more unpopular measure, so far as our corner of Canada is concerned, than the tax on building materials. It has affected everyone, including every young couple who want to build a home. I have heard most unfavourable comment in every possible direction regarding the tax on building materials and also regarding the tax on machinery for production purposes.

Therefore, I tell my honourable friend that I could not agree with him more when he says that that tax on building materials should be removed.

Motion agreed to and bill read second time.

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

Hon. Mr. Cook: Honourable senators, in view of the remark of honourable Senator Macdonald (Cape Breton) that there is no need to send the bill to a committee, unless some other senator wishes it to go to a committee, I would move that it be placed on the Orders of the Day for third reading at the next sitting.

On motion of Hon. Mr. Cook, bill placed on the Orders of the Day for third reading at the next sitting.

DIVORCE

REPORTS OF COMMITTEE ADOPTED

The Senate proceeded to consideration of reports of the Standing Committee on Divorce Nos. 711 to 751, inclusive, which were presented yesterday.

On motion of Hon. Mr. Croll, for Hon. Mr. Roebuck, Chairman of the Standing Committee on Divorce, reports adopted.

ATLANTIC DEVELOPMENT BOARD ACT

BILL TO AMEND—FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-213, to amend the Atlantic Development Board Act.

Bill read first time.

Hon. John J. Connolly moved, with leave of the Senate, that the bill be placed on the Orders of the Day for second reading at the next sitting.

Motion agreed to.

The Senate adjourned until tomorrow at 3 p.m.

APPENDIX

(*see p. 778*)

APPROPRIATION BILL No. 5, 1966

ANSWERS TO QUESTIONS ASKED IN DEBATE ON MOTION FOR SECOND READING, JUNE 1, 1966

GREAT LAKES FISHERY COMMISSION—LAMPREY CONTROL AND RESEARCH

Answer to question by Hon. Mr. Brooks:

The Great Lakes Fishery Commission was established by the Convention on Great Lakes Fisheries signed by Canada and the United States in 1954. The Commission is to formulate and co-ordinate research designed to determine measures needed to provide maximum sustained productivity of fish stocks of common concern, to recommend appropriate measures based on the results of this research, and to develop and implement a program to eradicate or minimize sea lamprey.

Attempts to halt the spread of the sea lamprey in the Upper Great Lakes began in the late 1940's, but by 1955 it had eliminated lake trout from Lake Michigan and most of Lake Huron. Lake trout catches in Lake Superior were declining rapidly and collapse of the fishery there appeared imminent. As the program was expanded, federal agencies played an increasingly important part and when the Commission was formed, the Fisheries Research Board of Canada and the U.S. Bureau of Commercial Fisheries, which were already at work on the problem, became its agents.

Early attempts at control were limited to the blocking of spawning streams with mechanical or electrical barriers. Chemical treatment of streams with a selective toxicant to destroy larva lampreys began in Lake Superior in 1958, and 105 of the 113 lamprey streams were treated once and 47 twice by the end of 1964. In 1965, 7 streams were treated for the first time and 27 streams were re-treated to destroy larvae which had become re-established since the previous treatment.

The catch at 24 barriers, operated to assess changes in lamprey abundance, dropped sharply from 71,111 in 1961 to 9,992 in 1962, the latter representing about 20 per cent of the average catch for the preceding five years. Although all known lamprey streams with the exception of one small tributary in northern Lake Superior have now been treated, the catch at the barriers has remained at about the same level—12,173 in 1963, 12,775 in 1964, and 12,407 in 1965. An examination of possible sources of this continuing infestation has focused attention on a concentration of lamprey which develops each fall below the locks in the St. Mary's River connecting Lake Superior and Lake Huron. Approximately 1,600 lamprey collected below the locks and at other locations in northwestern Lake Huron were tagged in 1965 to follow their movements and assess their contribution to the lamprey populations in Lake Superior and Lake Michigan.

The reduction in lamprey in Lake Superior has improved survival of lake trout and older fish have become more abundant. In the fall of 1964, substantial numbers of mature lake trout were observed on spawning grounds in western Lake Superior and subsequently in 1965 naturally produced trout were taken by trawls for the first time since 1953.

Commercial fishing for lake trout on Lake Superior has been restricted, on the recommendation of the Commission, to a sampling operation in which about 90,000 trout are taken annually for biological information. Some populations on offshore grounds are approaching a state where they can soon support fishing operations on a moderate scale. Inshore populations, however, require continued protection until natural reproduction is re-established.

In Lake Michigan, 93 of 99 lamprey streams have been treated once, and 18 twice since 1960. The catch of spawning lamprey at three assessment barriers has declined to about 30 per cent of the average catch for the period 1958 to 1962. A recent marked improvement in the catch of whitefish may be related to the reduction in lamprey.

During 1965, surveys were continued in Lake Huron, Lake Erie, and Lake Ontario to locate lamprey streams and collect information for planning chemical operations. Research was also continued on chemicals or combinations of chemicals with potential as lampricides and on certain phases of lamprey life history, such as the length of larval life, which could lead to improvements in operations. Where lamprey larvae have been studied intensively a minimum larval life of five years has been established and re-treatment at 5-year rather than 4-year intervals may be possible for most streams.

The 1966 lamprey control program will include a continuation of 1965 work in Lake Superior and an extension into Lake Huron. Electrical barriers will be operated on eight Lake Superior streams and eleven Lake Huron streams as check points to determine the actual number of returning adult lamprey spawners. A total of at least fourteen Lake Superior streams and eleven Lake Huron streams will be treated to kill lamprey larvae in these known spawning streams. Exploratory surveys will be continued in a number of predetermined streams in a search for additional lamprey spawning and rearing areas.

Surface trawling will be continued in the area near the Sault Ste. Marie Locks in an effort to gather additional information on the movement of adult lampreys from Lake Huron to Lake Superior.

FISHERIES—IMPLEMENTATION OF 12-MILE LIMIT

Answer to question by Hon. Mr. Hollett:

The Territorial Sea and Fishing Zones Act became law on July 16, 1964, and was proclaimed in force on July 23, 1964. It established a 12-mile fishing zone around the coast of Canada. The Act also empowered the Government to draw straight baselines from which the territorial sea and fishing zone could be measured. Until such time as any straight baselines are drawn, the 3-mile territorial sea and the additional 9-mile fishing zone is measured, in most instances, following the sinuosities of the coast.

In an irregular coastline such as that of Canada, baselines may be drawn in a number of ways. Large bodies of water are involved which, if enclosed by baselines, would affect the interests of other countries. Therefore, the Government has been negotiating with a number of countries which have been fishing for many years off the Canadian coast regarding the establishment of the proposed baselines.

These negotiations which have proved to be difficult and drawn out are continuing. The Canadian Government is now awaiting a response from the United States Government to proposals put forward by the Canadian Government designed to establish exclusive fishing zone rights for Canadian fishermen.

In the meantime, until the negotiations have been completed, the 12-mile limit for fishing is an established fact and is being enforced against all countries excepting those which have traditional fishing rights off our coasts and with whom we are carrying on negotiations.

ATLANTIC PROVINCES POWER DEVELOPMENT ACT

Answer to Question by Hon. Mr. Burchill:

The Atlantic Provinces Power Development Act, 1957-58 Statutes, chapter 25, provides for federal assistance to the Atlantic Provinces in making electrical power available for industrial purposes and at low cost. The Act permits the Minister of Mines and Technical Surveys, with the approval of the Governor in Council, to enter into agreements with any of the Atlantic Provinces for the construction, extension or completion of thermal power projects and for electrical transmission lines and terminal stations, with the required funds being loaned by the Canadian Government. The loans, provided through the Northern Canada Power Commission, are made from funds voted by Parliament for this purpose. Vote L40 of the Main Estimates, 1966-67, will appropriate $17,500,000.

General agreements under the act were entered into with the province of New Brunswick on February 14, 1958, the province of Nova Scotia on February 20, 1958, and the province of Newfoundland on January 3, 1962. Additional agreements in respect to

specific projects have since been negotiated. Construction is undertaken by the Northern Canada Power Commission in co-operation with the province concerned and a completed project for which loans have been made under the act is turned over to the provinces. The province is required to repay the full amount loaned, including interest, over a period of 30 years for thermal plants and over a period of 40 years for transmission lines and terminal stations.

Attached hereto is a summary of projects which have been approved for assistance under the Atlantic Provinces Power Development Act from its inception to June 13, 1966.

Table by Projects follows

THE ATLANTIC PROVINCES POWER DEVELOPMENT ACT

SUMMARY BY PROJECTS, TO 13 JUNE 1966 INCL.

	Date of Completion	Outstanding Principal Balance 31 Mar 66	
PROVINCE OF NEW BRUNSWICK			
Completed Projects (to 31 Mar 66 incl.)			
Bathurst-Dalhousie Transmission Line	Feb. 24, 1965	$1,217,519.48	
Bathurst Terminal Station	April 1, 1964	760,814.38	
Beechwood-Fredericton Transmission Line	Sept. 26, 1962	1,308,208.85	
Beechwood Terminal Station Extension	Sept. 26, 1962	332,198.95	
Fredericton Terminal Station	May 12, 1961	1,335,952.33	
Grand Falls-Beechwood Transmission Line	Dec. 29, 1961	773,358.18	
Grand Falls Terminal Station Extension	Mar. 31, 1962	74,652.22	
Grand Lake-Newcastle Transmission Line	July 24, 1963	1,592,319.11	
Grand Lake Terminal Station Extension	April 1, 1964	84,710.34	
Grand Lake Thermal Generating Station Extension	June 15, 1964	9,556,714.63	
Moncton-N.S. Border Transmission Line	Mar. 31, 1962	1,185,601.58	
Moncton Terminal Station Extension	Mar. 31, 1965	148,758.28	
Newcastle-Bathurst Transmission Line	Aug. 4, 1961	936,548.18	
Saint John-Fredericton Transmission Line	Mar. 31, 1962	2,144,852.79	
Saint John Terminal Station	Mar. 31, 1962	952,348.00	
			$22,404,557.30

	Authorized Cost Estimate	Funds advanced to 13 June 66 incl.	
Uncompleted Projects			
Bathurst Terminal Station (Extension No. 1)	$ 195,000.00	$ 2,133.05	
Courtney Bay Terminal Station	1,200,000.00	.....	
Dalhousie-Eel River Transmission Line	116,000.00	115,673.68	
Eel River-Quebec Border Transmission Line	485,000.00	340,991.57	
Eel River Terminal Station	981,000.00	870.664.36	
Fredericton Junction-Oak Bay Transmission Line	945,000.00	945,000.00	
Keswick-Beechwood Transmission Line	200,000.00	2,579.95	
Keswick Terminal Station	1,556,000.00	217,232.28	
Mactaquac-Bathurst Transmission Line	3,200,000.00	908,055.48	
Mactaquac-Keswick Transmission Line	580,000.00	24,119.06	
Moncton-Nova Scotia Border (No. 2) Transmission Line	775,000.00	607,930.63	
Moncton Terminal Station (Extension No. 2)	403,000.00	365,342.68	
Newcastle-South Nelson Transmission Line	395,000.00	394,632.50	
Oak Bay Terminal Station	300,000.00	248,369.49	
Saint John-Moncton Transmission Line	3,000,000.00	2,446,245.92	7,488,970.65
Total—All New Brunswick Projects			29,893,527.95

	Date of Completion	Outstanding Principal Balance 31 Mar. 66	
Province of Newfoundland			
Completed Projects (to 31 Mar. 66 incl.)			
Whitbourne-Peter's River Transmission Line	Mar. 31, 1963	$ 489,070.06	489,070.06

	Authorized Cost Estimate	Funds advanced to 13 June 66 incl.	
Uncompleted Projects			
Bay d'Espoir Hydro Electric Development	$ 17,700,000.00	4,414,444.13	4,414,444.13
Total—All Newfoundland Projects			4,903,514.19

THE ATLANTIC PROVINCES POWER DEVELOPMENT ACT

SUMMARY, BY PROJECTS, TO 13 JUNE 1966 INCL.—Concluded

	Date of Completion	Outstanding Principal Balance 31 Mar. 66	
PROVINCE OF NOVA SCOTIA			
Completed Projects (to 31 Mar. 66 incl.)			
Antigonish—West Bay Transmission Line	Mar. 31, 1961	$ 703,871.59	
Bear River—Big Falls Transmission Line	Mar. 31, 1962	54,955.49	
Cowie Falls—Sable River Transmission Line	Mar. 31, 1962	276,476.76	
Hunter's Mountain—Tarbot Transmission Line	Mar. 31, 1962	375,030.06	
Interconn. with N.S.L. & P.Co. Ltd. System	Mar. 31, 1961	79,317.08	
Maccan—N.B. Border Transmission Line	Mar. 31, 1961	334,517.39	
Maccan Terminal Station	Aug. 29, 1962	242,396.07	
Ruth Falls-Truro Transmission Line	Mar. 31, 1962	3,928.13	
Sissiboo Hydro-Weymouth Falls Transmission Line	Mar. 31, 1962	35,243.72	
Sissiboo Terminal Station	Aug. 29, 1962	132,125.26	
Trenton—Antigonish Transmission Line	Mar. 31, 1961	700,488.51	
Trenton Terminal Station	Mar. 31, 1962	287,846.53	
Trenton Thermal Generating Station Extension	Mar. 31, 1962	2,761,823.22	
Trenton—Truro Transmission Line	Mar. 31, 1961	122,350.63	
Truro—Maccan Transmission Line	Mar. 31, 1961	590,713.36	
Truro (Onslow) Terminal Station	Mar. 31, 1962	291,929.81	
West Bay—Hunter's Mountain Transmission Line	Aug. 29, 1962	50,607.37	
			7,043,620.98

	Authorized Cost Estimate	Funds advanced to 13 June 66 incl.	
Uncompleted Projects			
Antigonish-Salmon River Lake—Dickie Brook Transmission Line	$ 520,000.00	$ —	
Glace Bay Thermal Generating Plant (38 MW)	9,000,000.00	4,016,409.75	
Gold River—Westhaver's Elbow Transmission Line	288,000.00	286,019.51	
Maccan Terminal Station (Improvements)	53,000.00	37,843.09	
Maccan Thermal Generating Plant (Improvements)	23,000.00	4,749.30	
Milton Terminal Station	816,000.00	270,047.66	
Onslow—N.B. Border Transmission Line	1,437,000.00	757,205.31	
Onslow Terminal Station (Improvements)	10,000.00	9,104.62	
Port Hastings—Sydney Transmission Line	2,518,000.00	1,427,463.32	
Ruth Falls—Musquodoboit Harbour Transmission Line	282,000.00	203,039.73	
Sable River—Souriquois Camps Transmission Line	281,000.00	271,632.15	
Salmon River Lake—Indian Harbour Lake Transmission Line	210,000.00	—	
Souriquois Camps—Clements Ponds Transmission Line	285,000.00	150,053.59	
Trenton—Abercrombie Point Transmission Line	80,000.00	63,537.98	
Trenton—Port Hastings Transmission Line	290,000.00	271,385.49	
Trenton Thermal Generating Plant (Improvements)	93,000.00	90,663.95	
Westhaver's Elbow—Milton Transmission Line	1,160,000.00	664,288.74	
Westhaver's Elbow Terminal Station (Improvements)	317,000.00	152,609.91	
Yarmouth—Hebron Transmission Line	110,000.00	11,318.52	
			$ 8,687,372.62
Total—All Nova Scotia Projects			15,730,993.60
Total—All Projects			50,528,035.74

THE SENATE

Wednesday, June 29, 1966

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

Prayers.

COMPANY OF YOUNG CANADIANS BILL

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-174, to provide for the establishment of The Company of Young Canadians.

Bill read first time.

Hon. John J. Connolly moved, with leave of the Senate, that the bill be placed on the Orders of the Day for second reading at the next sitting.

Motion agreed to.

STATUTE LAW (SUPERANNUATION), AMENDMENT BILL, 1966

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-193, to amend the Public Service Superannuation Act, the Canadian Forces Superannuation Act, the Defence Services Pension Continuation Act, the Royal Canadian Mounted Police Superannuation Act, the Diplomatic Service (Special) Superannuation Act, the Intercolonial and Prince Edward Island Railways Employees' Provident Fund Act and the Canadian Corporation for the 1967 World Exhibition Act.

Bill read first time.

Hon. John J. Connolly moved, with leave of the Senate, that the bill be placed on the Orders of the Day for second reading later this day.

Motion agreed to.

DOCUMENTS TABLED

Hon. John J. Connolly tabled:

Order in Council P.C. 1966-1080, dated June 9, 1966, authorizing under section 21 of the Export Credits Insurance Act, refund by the Export Credits Insurance Corporation to the deHavilland Aircraft of Canada Limited of unearned premium under Policy issued April 23, 1964, under authority of Order in Council P.C. 1964-455, dated March 26, 1964, pursuant to section 21B of the said Act, chapter 105, R.S.C., 1952, as amended 1960-61. (English text).

Order in Council P.C. 1966-1048, dated June 6, 1966, authorizing under section 21 of the Export Credits Insurance Act, long term financing by the Export Credits Insurance Corporation for the sale by Northern Electric Company Limited, Montreal, Quebec, of telecommunications equipment and associated technical services to the Organization of Telecommunications of Greece Ltd., Athens, Greece, pursuant to section 21B of the said Act, chapter 105, R.S.C., 1952, as amended 1960-61. (English text).

PRIVATE BILL

UNITED INVESTMENT LIFE ASSURANCE COMPANY—AUTHORITY TO PRINT COMMITTEE PROCEEDINGS

Hon. Salter A. Hayden, Chairman of the Standing Committee on Banking and Commerce, presented the following report of the committee on Bill S-40, to incorporate United Investment Life Assurance Company:

> Your committee recommends that authority be granted for the printing of 800 copies in English and 300 copies in French of its proceedings on the said bill.

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

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

Report adopted.

REPORT OF COMMITTEE

Hon. Mr. Hayden, Chairman of the Standing Committee on Banking and Commerce, reported that the committee had considered Bill S-40, to incorporate United Investment Life Assurance Company, and had directed that the bill be reported without amendment.

THIRD READING

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

Hon. Mr. Leonard: Honourable senators, with leave of the Senate, I move that this bill be read the third time now.

Motion agreed to and bill read third time and passed.

AUTOMOTIVE PRODUCTS

CANADA-UNITED STATES AGREEMENT—AUTHORITY TO PRINT COMMITTEE PROCEEDINGS

Hon. Salter A. Hayden, Chairman of the Standing Committee on Banking and Commerce, presented the following report of the committee to which was referred the subject matter of the Agreement concerning Automotive Products between the Government of Canada and the Government of the United States of America, signed on January 16, 1965 and tabled in the Senate on March 3, 1965:

> Your committee recommends that authority be granted for the printing of 800 copies in English and 300 copies in French of its proceedings on the said Agreement.

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

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

Report adopted.

BANKRUPTCY ACT

BILL TO AMEND—AUTHORITY TO PRINT COMMITTEE PROCEEDINGS

Hon. Salter A. Hayden, Chairman of the Standing Committee on Banking and Commerce, presented the following report of the committee on Bill S-17, to amend the Bankruptcy Act:

> Your committee recommends that authority be granted for the printing of 800 copies in English and 300 copies in French of its proceedings on the said bill.

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

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

Report adopted.

REPORT OF COMMITTEE—COMMONS AMENDMENTS CONCURRED IN

Hon. Salter A. Hayden, Chairman of the Standing Committee on Banking and Commerce, reported that the committee had considered the amendments made by the House of Commons to Bill S-17, to amend the Bankruptcy Act, and recommended that the Senate do concur in the said amendments, without any amendment.

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

Hon. John J. Connolly: Honourable senators, I move, with leave of the Senate, that this report be adopted now.

Hon. Jacques Flynn: Honourable senators, the record should not reflect that this report indicates any unanimity in respect of the acceptance of the amendments made to this bill to amend the Bankruptcy Act in the other place.

The committee was, of course, unanimous as to all the amendments of no importance, namely, those numbered 2, 3, 4, 5, and 6 as they appear on page 657 of the *Minutes of the Proceedings,* but such was not the case with respect to the deletion made of section 3A(8) as proposed by clause 3 which would have made applicable to the enlarged powers of the Superintendent of Bankruptcy the provisions of Section 126A of the Income Tax Act.

Honourable senators, I think the record should contain an indication of what is provided by section 126A of the Income Tax Act. Everybody knows that it deals with solicitor-client privilege, but I want to put on the record the definition of such solicitor-client privilege. Section 126A, which was enacted by 4-5 Elizabeth II, chapter 39, defines it as follows:

> "Solicitor-client privilege" means the right, if any, that a person has in a superior court in the province where the matter arises to refuse to disclose an oral or documentary communication on the ground that the communication is one passing between him and his lawyer in professional confidence.

I shall read also subsection 2 of Section 126A:

> Where a lawyer is prosecuted for failure to comply with a requirement under section 126 to give information or to produce a document, he shall be acquitted if he establishes to the satisfaction of the court
>
> (a) that he, on reasonable grounds, believed that a client of his has a solicitor-client privilege in respect of the information or document; and

(b) that the lawyer communicated to the Minister, or some person duly authorized to act for the Minister, his refusal to comply with the requirement together with a claim that a named client of the lawyer has a solicitor-client privilege in respect of the information or document.

I do not think I need read the rest of the section; it is quite lengthy. However, I want to establish that this solicitor and client privilege is one in favour of an individual and not one in favour of a lawyer and, secondly, that a lawyer cannot hide behind this solicitor and client privilege to do anything which is in any way wrong or fraudulent.

By inserting in clause 3 the application of this principle contained in the Income Tax Act, I think we improved the Bankruptcy bill, and I do not think it would put any roadblock in the way of the efficient application and enforcement of the amendments that are brought to the Bankruptcy Act by this bill.

In the other place, of course, they were afraid there would be misinterpretation by the public. I doubt that this is a valid argument, and I think it was made clear in committee this morning that there was no valid argument for deleting this provision. The bill would have been much more efficient if the provision had remained in it. I am very sorry that the laudable efforts of our Chairman to include the provision in the bill failed. I only hope that the application of the principle will be respected in practice.

The Hon. the Speaker: Honourable senators, it has been moved by the honourable Senator Connolly (Ottawa West), seconded by the honourable Senator Vaillancourt, that this report be adopted. Is it your pleasure to adopt the motion?

Hon. Mr. Hayden: On division.

Motion agreed to and report adopted, on division.

DIVORCE

WHITESIDE REPORT ADOPTED

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the committee's report No. 752, and moved, with leave, that the said report be taken into consideration now.

He said: Honourable senators, you will have noticed that this is a single report, and of course some explanation is due the house. There is the birth of a baby in prospect, and I am going to protect that baby if it is possible. I shall give only such details as seem to be necessary.

The respondent and correspondent are both connected with the Canadian Navy in Halifax. There is no doubt about the proof of adultery, and the committee has passed the recommendation of the Commissioner for the granting of a divorce.

Information has since reached us that nature has taken its course and a baby is in prospect. I have in my hand a telegram addressed to Senator Welch, which he very kindly handed to me and which states that a child is to be born.

It has always been the practice of the committee, to the extent of our ability, to protect an oncoming child. For instance, in the hearing of a petition we refuse to put on record the birth certificate of an illegitimate child. The fact that a child was born is all the evidence that we require, and we do not put on our record something which in years to come may be embarrassing to the child. When a child is in prospect, although we may have very little sympathy for the parents, the child is not to be held responsible for the conduct of its parents. Therefore, when the marriage of the parents is within sight, we facilitate matters to the extent of our ability.

Honourable senators, in view of the situation which we all understand, I am asking for the adoption of this report, with leave, now.

Report adopted.

NOTICE OF INQUIRIES

Hon. Jean-François Pouliot: I have two inquiries to make, and I presume that they will be answered when the Senate meets again in the fall. They are as follows:

POPULATION OF CONSTITUENCIES

No. 1. What is the population of each of the constituencies of Canada, as described in Part II of the *Canada Gazette* of June 20, 1966?

LEGAL FEES

No. 2. Who were the solicitors, lawyers, counsel and notaries public who received fees or payments for travelling expenses from the Government of Canada or its agencies during the three years ending June 30, 1966, and how much was paid to each one?

TRANSPORT AND COMMUNICATIONS COMMITTEE

LEAVE TO MEET DURING SITTINGS OF THE SENATE

Hon. John J. Connolly: Honourable senators, I move, with leave of the Senate, that the Standing Committee on Transport and Communications be authorized to meet during sittings of the Senate.

Hon. Mr. McCutcheon: That sounds very ominous, Mr. Leader.

Hon. Mr. Connolly (Ottawa West): The Standing Committee on Transport and Communications is scheduled to meet this evening. As it is expected that the Senate will be sitting this evening, this motion is necessary to allow the committee to meet while the Senate is sitting.

Again I make an appeal to honourable senators who are on the committee to attend the meeting and to those who are not on the committee to make every effort to give their attendance here in the chamber.

Motion agreed to.

CUSTOMS TARIFF

BILL TO AMEND—THIRD READING

Hon. John J. Connolly moved the third reading of Bill C-200, to amend the Customs Tariff.

Motion agreed to and bill read third time and passed.

CANADA STUDENT LOANS ACT

BILL TO AMEND—THIRD READING

Hon. John J. Connolly moved the third reading of Bill C-197, to amend the Canada Student Loans Act.

Motion agreed to and bill read third time and passed.

EXCISE TAX ACT

BILL TO AMEND—THIRD READING

Hon. Eric Cook moved the third reading of Bill C-198, to amend the Excise Tax Act.

Motion agreed to and bill read third time and passed.

PRIVATE BILL

LA SOCIÉTÉ DES ARTISANS—SECOND READING

Hon. Jean-Paul Deschatelets moved the second reading of Bill S-41, respecting La Société des Artisans.

He said:

[*Translation*]

Honourable senators, through this bill, the Société des Artisans wants to make five amendments to its charter. I hope to be able to give you in a few words the main points of those amendments and I will do it very briefly for two reasons. In the first place, they are minor, noncontroversial amendments which have been examined by the Superintendent of Insurance. In the second place, if the honourable senators approve its principle on second reading, this bill will be referred to the Committee on Banking and Commerce for a clause by clause study.

There are five proposed amendments.

1. Section 5 amends the French text of the charter to use the same words which are found in the general insurance act of Canada—namely "fraternal society for mutual protection"; therefore, this is a purely technical amendment.

2. Section 12 is to legalize a practice which has become established within the Society, that is, to allow the convention to delegate to the general council the power to set up insurance plans and ratio of premiums. As a matter of fact, it is always the general council which does that. Hence, there is nothing new here.

3. Section 13 requires the members of the executive council to reside in the City of Montreal or its suburbs. The Society believes that it would be proper and advantageous if the general council could choose a candidate to the executive council without taking into account his place of residence.

4. Section 15 has become useless since the fund has disappeared and the Society wants that section deleted from the charter.

The fifth amendment requires a little more explaining because it deals with a new section. Through section 5A, the Society wants to have the right to accept re-insurance from other insurance companies; re-insurance can be defined as the sharing of an insurance risk.

It must be recalled here that the Société des Artisans is a co-operative life insurance company founded on December 28, 1876: there are very few insurance companies in Canada which can claim the honour of celebrating their centennial in 10 years. That explains why some of the Society's powers are obsolete and must be brought up to date in order to allow it to compete fairly with other insurance companies.

The Society does not have today the power to re-insure, with the result that if at any time the Society feels that the risk is too heavy for it, it calls on another insurance company to share it; but if that second company wants to do the same thing and asks the Society to assume an insurance risk, the Société des Artisans must refuse because it does not have the power to do so. Therefore, the Society feels that in all fairness it must enjoy the same privileges granted to all the other insurance companies which are not co-operatives in order to be able to transact business on an equal footing. That is the scope of section 5A.

Honourable senators, I have summarized briefly but satisfactorily, I hope, the scope of those five amendments. If senators have some questions to ask, I will be glad to answer them. I will then move that this bill be referred to the Committee on Banking and Commerce.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Deschatelets, bill referred to the Standing Committee on Banking and Commerce.

DIVORCE

RESOLUTIONS ADOPTED

The Senate proceeded to consideration of Resolutions numbered 657 to 696, inclusive, which were presented yesterday.

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, moved the adoption of the following resolutions:

Resolution 657, for the relief of Jean Margaret Sedgwick Rippon.

Resolution 658, for the relief of Diane Goldberg Kaplansky.

Resolution 659, for the relief of Jean Canton.

Resolution 660, for the relief of Roger James Cavanagh.

Resolution 661, for the relief of Lise Lavigne Charest.

Resolution 662, for the relief of Ronald George Chapman.

Resolution 663, for the relief of Freda Baumholtz Kupchik, otherwise known as Freda Baumholtz Kupchick.

Resolution 664, for the relief of Irene Robichaud Sugar.

Resolution 665, for the relief of John Joseph Edmund de Ste. Croix.

Resolution 666, for the relief of Wynard Russell Haynes.

Resolution 667, for the relief of Giovanni (John) Cattani.

Resolution 668, for the relief of Bernadette Gisele Laperriere Dupuis.

Resolution 669, for the relief of Alma Denise Marion Humphreys Chipman.

Resolution 670, for the relief of Arlene Gail Mindlin Dalfen.

Resolution 671, for the relief of Vera Blanche Vauchel Calladine.

Resolution 672, for the relief of Muriel Louise Maron Mendelsohn.

Resolution 673, for the relief of Anthony Dumaresque Harris.

Resolution 674, for the relief of Alfred Seagrave Joseph Pollock.

Resolution 675, for the relief of Micheline Paule Josephine Boulanger Thiry.

Resolution 676, for the relief of Michelle Petit Payette.

Resolution 677, for the relief of Paulette Andree Mille Canakis Eberhardt.

Resolution 678, for the relief of Frank Willoughby Kennedy.

Resolution 679, for the relief of Catherine Witty Heath Sanford.

Resolution 680, for the relief of Mary Rose Pender Ross.

Resolution 681, for the relief of Marie Claire Eva Lucille Berlinguette Ioannou.

Resolution 682, for the relief of Christiane Brigitte Sander Ehrhardt.

Resolution 683, for the relief of Elizabeth Ann Fay Waldner.

Resolution 684, for the relief of Joseph Brian.

Resolution 685, for the relief of Genia Sekler Tuchner.

Resolution 686, for the relief of Pauline Evelyn Bowles Thompson.

Resolution 687, for the relief of Marjorie Elizabeth Schwartz Lorain.

Resolution 688, for the relief of James Frederick Morelli.

Resolution 689, for the relief of Marguerite Dion Zarichuck, otherwise known as Marguerite Dion Zarechuck.

Resolution 690, for the relief of Rae Wiseman Breitbart.

Resolution 691, for the relief of Mary Georgina Robb Lavallee.

Resolution 692, for the relief of Marie Armandine Pauline Bertrand Midforth.

Resolution 693, for the relief of Joseph Philippe Adrien Lapointe.

Resolution 694, for the relief of Narcyz Wieslaw Kulikowski.

Resolution 695, for the relief of Edwin Wilton Gibson.

Resolution 696, for the relief of Monique Paquette Tetreault.

Resolutions adopted, on division.

RESOLUTIONS PRESENTED

Leave having been given to revert to presentation of petitions:

Hon. Mr. Roebuck, Chairman of the Standing Committee on Divorce, presented the following resolutions:

Resolution 697, for the relief of Karin Monika Witzke Koehn.

Resolution 698, for the relief of Carol Ann Fleming Chalupka.

Resolution 699, for the relief of Arthur Edward Joseph Levasseur.

Resolution 700, for the relief of Edward Wearne Prinn.

Resolution 701, for the relief of Kjell Andresen.

Resolution 702, for the relief of Vera Margaret Allerton Eden.

Resolution 703, for the relief of Patricia Yurkowski Rondeau.

Resolution 704, for the relief of Irene Cashian Polson.

Resolution 705, for the relief of Mary Evangeline Snow Hazelhurst.

Resolution 706, for the relief of Louise Elizabeth Schmid Whitaker.

Resolution 707, for the relief of George Edward Parsons.

Resolution 708, for the relief of Mary Howard Hunter.

Resolution 709, for the relief of Winifred (Winnifred) Jean Willis Dodds.

Resolution 710, for the relief of Irene Cecilia MacKelman Chyzenski.

Resolution 711, for the relief of Norah Jane Gouett Pearson.

Resolution 712, for the relief of Samuel Herbert Greisman, otherwise known as Peter Barry.

Resolution 713, for the relief of Sophie (Sophia Manteli) Mantelis Katselis.

Resolution 714, for the relief of Joan Edna Furmager Trussler.

Resolution 715, for the relief of Alberte Jacqueline Maury Pechdo.

Resolution 716, for the relief of Sandra Susan Claudia O'Reilly Dillon.

Resolution 717, for the relief of Frank Noble Thompson.

Resolution 718, for the relief of Bessie Margaret McCluskey Kerr.

Resolution 719, for the relief of Anna Staczek Wojcik.

Resolution 720, for the relief of Jean Graham Moir Morrison Crossman.

Resolution 721, for the relief of Denise Florine Van Daele DeGeer.

Resolution 722, for the relief of Fred John Smith.

Resolution 723, for the relief of Ernest Auguste Andre Rouffort.

Resolution 724, for the relief of Sharon Anne Miller White.

Resolution 725, for the relief of Joan Ann Pringle Harland.

Resolution 726, for the relief of Olive Kowalchuk Prengel.

Resolution 727, for the relief of Susan Kathleen Goldman Nowicki.

Resolution 728, for the relief of Gail Margaret Hislop Derocher.

Resolution 729, for the relief of Ciobotaru Rivka Leibovici.

Resolution 730, for the relief of Joseph Antonio Mattia.

Resolution 731, for the relief of Kenneth Edward Major.

Resolution 732, for the relief of Elsie Maud Florence Ann Garner Hodges.

Resolution 733, for the relief of David Padro.

Resolution 734, for the relief of Renee Benesch Freitag.

Resolution 735, for the relief of Marie Claudette Jeannine Patricia White Fay.

Resolution 736, for the relief of John Matuzewiski.

Resolution 737, for the relief of Patricia Mary Collom Whiteside.

He said: I might explain that the last report is the one to which I addressed myself previously.

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

Hon. Mr. Roebuck: Honourable senators, I move that these resolutions be considered at the next sitting.

Motion agreed to.

EXCHEQUER COURT ACT

BILL TO AMEND—SECOND READING

Hon. A. K. Hugessen moved the second reading of Bill C-201, to amend the Exchequer Court Act.

He said: Honourable senators, this is a very short, simple bill the purpose of which is to change one section in the present Exchequer Court Act.

As honourable senators know, the Exchequer Court is a federal court which deals largely with claims coming under federal jurisdiction. Its headquarters are in Ottawa and its judges and registrar reside here, but it has control over matters which are delegated to it throughout the entire country. The present act permits judges of the court to sit anywhere in Canada where there is an Exchequer Court case to be tried, and, as honourable senators who are members of the legal profession know, judges of that court do in fact sit in various centres throughout the country as the occasion may arise.

In connection with the operation of the Exchequer Court away from Ottawa, it has been decided to appoint as deputy registrars of the court officials of the provincial courts in Toronto and Vancouver. It is felt, and I think rightly so, that there is no purpose in appointing full time special assistant registrars in these places because there would not be sufficient work for them to do, and such work as does arise in these places can easily be carried out by some of the present court officials. Arrangements have been made for that purpose. These assistant registrars will be required to issue writs, receive payment from lawyers of the court fees and provide other services in connection with the issue of various legal documents.

The only difficulty in this connection arises under the provisions of section 80 of the present act, which reads as follows:

> 80. All fees payable to the Registrar under this Act shall be paid by means of stamps issued for that purpose by the Minister of National Revenue, who shall regulate the sale thereof; and the proceeds of the sale of such stamps shall be paid into the Consolidated Revenue Fund of Canada.

These provincial officials have objected to the idea of being burdened with the task of having to sell these stamps for the Exchequer Court and having to account to Ottawa for the sale. They have also suggested that inasmuch as they are provincial officials dealing with federal matters, any fees paid for stamps should not be paid to the Consolidated Revenue Fund but should form part of the provincial court revenue which would be applied to the costs of their providing these services for the Exchequer Court.

The Minister of Justice has agreed that these are reasonable representations, and the sole purpose of this bill is to substitute for the present section 80 a new section 80 as follows:

> 80. (1) All fees payable to the Registrar under this Act shall be paid into the Consolidated Revenue Fund of Canada and the Registrar shall regulate the collection of such fees.

Then, subsection 2 provides:

> (2) Subsection (1) does not apply to fees collected by an official of a provincial court, acting as a Deputy Registrar of the Exchequer Court in accordance with any arrangement in that behalf made by the Minister of Justice, and any fees so collected shall be retained and dealt with in the same manner as amounts paid as provincial court fees.

As honourable senators will see, it is a very simple, technical business. If the house sees fit to give second reading to this bill, and if any honourable member wishes to send it to one of our standing committees, I would have no objection. However, I do feel that since this is a simple matter of comparatively small ministerial import it is hardly necessary to send it to a committee.

Hon. John M. Macdonald: Honourable senators, let me say at the outset that I do not see any need to send this bill to committee. It is actually a change of somewhat minor importance, and is completely understood by reading the bill.

I do not think there can be any objection to the fact that these provincial officers are to be made deputy registrars of the Exchequer Court. I note the appointment of a full-time deputy registrar in the City of Montreal, and part-time deputy registrars in Toronto and Vancouver. Since deputy registrars are being appointed, it might be well to appoint one to each province. True, it is in these larger

centres that the greatest volume of the Exchequer Court's work arises, but occasionally cases are heard before the Exchequer Court in the smaller provinces, and it might be a matter of convenience were a deputy registrar appointed to each province.

When I noted that the use of legal stamps is to be discontinued, it struck me that this is perhaps just another example of our becoming more modern and the fact that automation has taken over, even in the use of the law stamps, as a stamping machine is to be used rather than have an official affix stamps.

We are becoming modern in one respect, and yet we are retaining the old-fashioned fee system. I believe the time is approaching when in all these cases the fee system will have to be done away with.

Hon. Mr. Connolly (Ottawa West): Not lawyers' fees!

Hon. Mr. Macdonald (Cape Breton): No, I would hesitate to recommend that lawyers' fees be eliminated. In most cases the fees taxed for lawyers are far below what they should be.

Hon. Mr. Connolly (Ottawa West): Hear, hear.

Hon. Mr. Macdonald (Cape Breton): Perhaps at some time when these acts are being considered, the question of officials being on a fee basis should be given consideration. It might be well if they were placed on a salary basis. As I understand it, the idea of the fees being paid to the provincial officials is simply to reimburse the provinces for the extra work the officials do and perhaps for office space and other such items.

Certainly there can be no objection to the bill as it stands, and I suggest that there is no need to send it to a committee at this time.

Motion agreed to and bill read second time.

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

Hon. Mr. Hugessen moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

ATLANTIC DEVELOPMENT BOARD ACT

BILL TO AMEND—SECOND READING

Hon. Charles McElman moved the second reading of Bill C-213, to amend the Atlantic Development Board Act.

He said: Honourable senators, I am pleased to have this opportunity to move second reading of Bill C-213, not only because it has great benefits in store for the Atlantic provinces, but also because it gives me my first opportunity to address myself to the Senate. With your leave I would like to make a few general remarks before proceeding to the bill.

First of all, I extend my compliments to you, Mr. Speaker, for the expert and considerate way in which you preside over the deliberations in this august chamber. It will be my endeavour to cause you no difficulty in the course of future deliberations.

I should also like to express my admiration for the Leader of the Government in the Senate, the honourable Senator John Connolly. It has been my great privilege to know him well over a period of years, and he has earned my deep respect for his evident and great ability and his absolute consideration for and dedication to Canada and Canadians generally. He has had my sincere friendship over those years because of the warmth of his personality, good humour and kindness that he displays at all times.

Hon. Senators: Hear, hear.

Hon. Mr. McElman: My high regard for him has grown even more as I have watched him perform his onerous duties here with calm determination and efficiency.

May I also express my regards to the Leader of the Opposition, the honourable Senator Brooks, a highly respected citizen of my home province. Although our efforts and aspirations have often pointed in different directions in things political, I share with all New Brunswickers a warm regard for his outstanding record of public service over a period of many years. His dedication to the improvement of our province and the welfare of its people is indisputable, and I salute him accordingly.

Hon. Senators: Hear, hear.

Hon. Mr. McElman: Honourable senators, my appointment to the Senate came exactly three weeks short of 20 years following my first active association with public affairs in New Brunswick. During those years it has been my privilege to become intimately familiar with the trials and tribulations of the everyday administration of public affairs and the heartaches and endless hours that go into decision and policy-making; the moments of great but usually quiet satisfaction that come with accomplishments; the despair and

then the noisy outbursts that come when things go wrong.

It is with this background that I wish to express my deep admiration for the Prime Minister, the Right Honourable Lester B. Pearson, and for the leadership he is giving to Canada during one of the most difficult and trying periods in our history as a nation. It is easy to lead when the state of the nation is placid, but, I suggest, during these past few years Canada has been—and probably will be for several years to come—anything but placid. Our nation and our people have been looking over the very foundations upon which our federation was built. There appears to be little question that the foundations were soundly constructed but, like any structure of well-nigh 100 years, a bit of repair may become necessary. With continued patience and understanding, those repairs can be made and the structure itself will be stronger and even more admirable.

At the same time, our society is changing and the public mind is bombarded by the instantaneous news media to the point where it becomes almost impossible to cope mentally with what is loosely known as "the news". I am sure many would share my view that the programs entitled, "The News of the Day" might more appropriately be referred to as "the sensations of the day". In any event, we are living in strange times, when the patience of all of us is often sorely tried. I am personally grateful that, in these particular times, we have a very human individual of unbounded patience at the helm of the nation. And to those who bemoan various situations and try to lay the blame for many difficulties at the door of our Prime Minister, I would say: Thank God his presence and patience have been available to the nation. I shudder to think of what could have been the outcome of certain situations these past few years had Mr. Pearson not used his talents to teach the Canadian people that compromise is honourable and preferable to the taking of an unyielding stance in many circumstances.

I offer my grateful thanks to all honourable senators who have welcomed me to this chamber and have made me feel at home in these new surroundings. I find the work both interesting and enjoyable and, I might say, a marked change from the hurly-burly of partisan activity I became used to over so many years. I hope that if I should revert to my former state on occasion I will not unduly offend honourable senators.

Bill C-213, to amend the Atlantic Development Board Act, is quite straightforward. I am sure all honourable senators who share a concern that the Atlantic Development Board achieve the purpose for which it was established will have read the debate on this bill in the other place and the evidence given by Dr. E. P. Weeks and other staff members before the Standing Committee of the Senate on Finance. On both of those occasions detailed explanations were given, as well as explicit information concerning current and past activities of the Board.

Very briefly, the amendments propose, first, that the ceiling of the aggregate total of amounts that may be credited to the Atlantic Development Fund be raised from $100 million to $150 million; secondly, that the Board be enabled to enter into contractual agreements with other than provincial governments or their agencies without the approval of the Governor in Council, although the approval of the Governor in Council will still be required for all contracts and agreements entered into with provincial governments or their agencies, and other contracts require only Treasury Board approval; and thirdly, that the Board be enabled to establish user charges in relation to any program or project that it might undertake, and that revenues accruing from such charges may be credited to the Atlantic Development Fund and expended by the Board without affecting the new ceiling of $150 million which is established by this act.

Let me elaborate briefly on the background of the Atlantic Development Board and some of its accomplishments. The Board was established in 1963 for the purpose of stimulating or fostering the growth and development of the economy of the Atlantic region of Canada, comprising the provinces of Newfoundland, Nova Scotia, New Brunswick and Prince Edward Island. By a later amendment, the Atlantic Development Fund was set up to cover the Board's share of costs of programs and projects undertaken to achieve this purpose. The ceiling of that fund was set at $100 million. It should be stated that at the time of the establishment of the fund a commitment was made by the Government that the fund would be increased as and when it became necessary. This amendment, in part, is the meeting of that commitment. A similar commitment has been made for the time when this addtional amount may be fully committed.

In conversation, and in some press reports, I note a degree of misunderstanding of the present need for increasing the fund, and also

what some people regard as a lack of evidence of concrete results from the programs and projects in which the Board has involved itself. First of all, the fund has not been totally spent. In fact, the actual total expenditure from the fund to date is only slightly in excess of $25 million. However, the Board does not simply agree to make handouts to the provinces or their agencies, or to particular industries. After reaching agreement on a specified project the Board contributes its share in stages, depending upon the progress of the actual work on the project, and only after the other party or parties to the agreement have injected capital of their own.

Although only $25 million of the fund has actually been spent, virtually the whole of the $100 million has now been committed on specific projects, such as electric power development, trunk highways, the provision of adequate supplies of fresh water for industrial or processing purposes, anti-pollution programs, industrial parks, basic research facilities and so on. Some of these projects are approved but not yet started. Others have been under way for some time but will not be completed for another one, two or more years—and here I am referring to the huge hydro power projects now under construction at Mactaquac in New Brunswick and Bay d'Espoir in Newfoundland. So, the $100 million is virtually committed for current and future expenditure on already approved projects.

Understandably, the Atlantic Development Board is in no position to make further commitments on essential programs and projects until Parliament makes provision for additional funds to meet such costs. In fact, it is prevented from making further commitments beyond the amount of money already provided for, and that is one of the reasons for the bill now before us.

I should like to pay tribute to the dedicated work of the members of the Board, under the able chairmanship of Mr. Ian M. MacKeigan, Q.C., of Halifax, and its highly competent staff under the guidance of its executive director, Dr. Ernest P. Weeks. It is to their credit and to the credit of all concerned, that the activities of the Board have been kept free of partisan considerations. This desirable situation, I would hope, will continue.

Projects are approved only on the basis of their economic validity. Every care is taken to avoid duplication of effort in matters that would properly be undertaken by departments or agencies of either the provincial or federal governments. Equal care is taken to ensure that projects that could and should be undertaken by industry itself are not made the subject of handouts or subsidies by the Board.

Approval is given only where exceptional costs and circumstances would either prevent or unreasonably delay the undertaking of a desirable project in a given location, and is given by the Board only after the most exhaustive examination of all the factors involved and when there is an assurance that the program or project will, indeed, promote the more rapid growth and development of the economy of the Atlantic region.

I will not enumerate all of the projects in which the Board is involved in the several provinces. I should like, however, to refer to one of the most important fields in which it has concerned itself, namely, that of electrical energy.

As honourable senators are aware, for decades the lagging economy of the Atlantic provinces has been exemplified in the statistical fact that our people have consistently suffered a level of unemployment about double that of the nation as a whole, and an average income which is approximately one-third less than the national average. The expansion of industry and commerce necessary to overcome these deplorable circumstances has been retarded by numerous factors, but one of the principal roadblocks has been a lack of abundant supplies of electrical energy at reasonable rates.

Since World War II New Brunswick has taken steps to reduce its outrageously high power costs through the installation of much larger thermal generating units, and the development of several hydro-electric sites. My friend Senator Edgar Fournier was largely responsible for one of these hydro developments. The returns from these investments are proven in the astounding load growth on the system, which is well in excess of the national average. This means industrial expansion and jobs.

With the rapid development of our forest and base metals industries during recent years, it has become necessary to plan for future major expansion of our electric generating facilities, both hydro and thermal. The provincial power commission proceeded with the installation of much larger and more economic thermal units at several locations to fit in with load demands. In recent weeks

another generating station with the largest capacity to date has been announced for Dalhousie on the northeast shore.

In order to maintain the essential balance in our system between thermal and hydro generating facilities, the power commission reached the conclusion that the hydro potential on the Saint John River should be further developed through construction of a huge power dam at Mactaquac, 16 miles above the capital city. This is the most costly and ambitious project of its kind ever contemplated up to this time in the Maritime provinces. The immensity of it raised doubts concerning the financial capacity of the province to see it through to a successful conclusion. It is indicative of the new spirit, courage and determination prevailing in New Brunswick and the Atlantic area generally that the decision was taken to proceed with the project despite the burden it would place upon our financial capacity. Yet, the scheduling of the project, in so far as the immediate development of the full potential of the site is concerned, remained in some doubt.

This is where the Atlantic Development Board came into the picture. They examined carefully the economics of the project itself and the projected favourable impact it would have on the industrial development of the province, including its beneficial effect in the power grid that we now share with Nova Scotia and to a limited degree with the State of Maine—which we expect soon to tie-in with Quebec and Prince Edward Island.

They studied all of these factors and recommended to the Government of Canada that a grant of $20 million be made toward the $110 million cost of this project. Their recommendation was approved and the grant authorized. Full and immediate development of the potential of the site became a certainty and industry was assured of the availability of adequate blocks of energy at reasonable cost.

Honourable senators, this factor alone was largely responsible for industry decisions to speed up the development and processing of our vast base metals deposits and the injection of scores of millions of dollars in the expansion of our pulp and paper industry. This means several thousand additional good-paying year-round jobs for New Brunswickers. It is a tribute to the foresight and courage of the Robichaud administration and to the practical and effective activities of the Atlantic Development Board.

So often in past years prospective industries have passed us by due to unavailability of large quantities of power at reasonable cost. We hope that we will experience no more of this in the foreseeable future.

Similarly, in Newfoundland, the hydro project at Bay d'Espoir is under construction at double the initially planned capacity, due to financial participation by the Atlantic Development Board.

At Trenton in Nova Scotia a major coal-fired thermal generating station is about to proceed with Atlantic Development Board assistance. This assistance has been instrumental in having the size of the plant increased from 100,000 kilowatts to 150,000 kilowatts—a more economic size of unit.

The decision had been reached that the Atlantic Development Board would install a submarine electric power transmission cable from the mainland to Prince Edward Island to tie that province into the Maritime power grid. Now that the causeway has been started, the cable will be carried by it and Prince Edward Island will have access to adequate sources of energy at much lower costs than at present.

The Atlantic Development Board is also deeply involved in the studies that are under way in respect of the tidal power potential at the head of the Bay of Fundy, which, if feasible, could inject vast quantities of electrical energy at reasonable cost into a much larger power grid that would include a tie-in with the New England States.

Perhaps I have taken more of the time of the Senate than I should have on this occasion, but I felt it important to take this one field of many in which the Atlantic Development Board is involved to indicate to honourable senators the extremely valuable contribution that is being made by the board in the improvement of the economy of the Atlantic region.

The real and lasting effects are not presently altogether in evidence, but the years immediately ahead will show the dividends in increased employment and income for our people when the projects now under way and in the planning stages come to effective completion.

In truth, every citizen, and the respective governments of the four Atlantic provinces, look forward to the day when there will be no need for the Atlantic Development Board or an Atlantic Development Fund. That will mean that we will have achieved our joint

purpose of bringing the Atlantic area economy up to the level of the nation and that we of the Atlantic provinces, in good economic health, will be making our full and satisfying contribution as equal partners in this great Canada of ours.

That day will not be tomorrow, but with continued and intelligent attacks upon our economic ills, that day is drawing much closer and is within our reach.

Honourable senators, you will have gathered from my comments, I am sure, that my ardent support is with the Atlantic Development Board and its staff. I warmly commend to you the passage of this bill.

Hon. Orville H. Phillips: Honourable senators, first I must congratulate the honourable Senator McElman for his excellent explanation of the bill, this being his first address in this chamber. The ease with which he delivered his remarks was really no surprise to me, for I knew that he had for some time been executive assistant to Premier Robichaud of New Brunswick. I was reading just the other day that Premier Robichaud has now become termed "the fastest tongue in the east", and I am sure that the honourable senator had much to do with coaching and training him along the way to that title.

Hon. Mr. Brooks: The premier did not need very much.

Hon. Mr. Phillips: The introduction of this bill covered a number of brief notes I had made. Reference was made also to the appearance of the officials of the Atlantic Development Board before the Finance Committee of the Senate. This was one of our better committee meetings. We all had an opportunity to ask questions freely, to which we received answers.

I was greatly impressed with the answers given by Dr. Weeks. I have known him for some time, and he is never at a loss for words. He is able to take a poor situation and make it sound really excellent. That is a quality that many politicians wish they could develop.

I noticed that recently the Board advertised for a public relations or public information officer. I was rather surprised, because I have had the opportunity to hear Dr. Weeks and other members of the Board give a public accounting at meetings of organizations such as the Board of Trade, and these people do an excellent job in explaining the function of the Atlantic Development Board, its objectives, and the progress it is making in achieving these objectives. If any honourable senators have the opportunity to hear such explanations by them at any time, I heartily recommend them to do so.

There is no doubt that there is need of further development in the Atlantic provinces. The honourable Senator McElman mentioned the fact that salaries in the Atlantic provinces are roughly one-third less than the national average. I would like to elaborate by pointing out that there are 60,000 full-time employees in the Atlantic provinces earning less than $2,000 per annum. Many of them are married and must support a family on less than $2,000 per annum. We must have assistance to bring our income level up to the rest of Canada. After all, we in the Atlantic provinces feel that we had a great deal to do with developing this country, and we would like to share in its full benefits as fully as any other region of Canada.

The Atlantic Development Board has spent a great deal of time and concentration on power development, and this is certainly necessary. However, it is of course most discouraging when one hears of the small number of jobs created by the Board. I was impressed with the manner in which the secretary of the Board explained this before the committee. However, a foundation has been laid for the years ahead on which the Board can build and give further assistance to power development.

I would like to see the Board move in the direction of not only establishing industry in the Maritimes, but in helping us obtain the information we can supply to new industries approaching the Maritimes and making inquiries.

In the town of Summerside, in which I live, the Atlantic Development Board assisted in establishing an industrial park. I have found that when various industries make inquiries concerning this, the information they require is not readily available and very often there is no one in the area to get the information for these firms and they tend to forget about establishing in the area.

I always look at an economist with some doubt as to his viewpoints. The best description I have heard of an economist is that he is someone who has an idea for spending someone's else's money. I am not too anxious to see too many more economic surveys carried out by the Board, because when you get into surveys there is always a time lag.

You set a certain date for the survey to be completed, but the economist runs into difficulties and the report is always late and you keep backing up the schedule all the time. I feel that Parkinson could produce a new law based on economic surveys and royal commissions, that is, that they seem to expand to fill in time as well as to increase the number of employees.

The basic change in the bill is to add another $50 million to the fund. I do not wish to create the impression that I am ungrateful for the addition of $50 million to be spent in the Atlantic provinces, but I would merely point out that, on returning to the Senate on Monday, I read in the Moncton paper about a meeting of tourist associations in that city over the weekend to discuss the development of the Fundy Trail. This involves a tourist road through New Brunswick and Nova Scotia. This group, which is probably the most active, decided that the most hopeful source of action would be the Atlantic Development Board, but they also estimated that the Fundy Trail would cost $25 million, or one-half of this increase. Therefore, we are really not giving the Board any surplus money to use.

The previous speaker made reference to the power cable to Prince Edward Island. Here is the only place I find myself in disagreement with the Atlantic Development Board. The P.E.I. Causeway, in its surveys and original planning, always conveyed to me, and certainly to all Islanders, that one of its great advantages would be the ready means of transferring the cheaper electric power from New Brunswick and Nova Scotia to Prince Edward Island. We became accustomed to the idea, and in fact accepted that a power cable would be incorporated and would become an original part of the causeway. Now we find that, through some change, it is the responsibility of the Atlantic Development board.

As you know, the Board has been very careful to establish a ratio and spend a certain amount of its funds on each of the four Atlantic provinces. About $5 million is held in reserve for placing the power cable on the P.E.I. Causeway. We feel we have got the short end of the stick, as the expression goes, in this distribution. I hope that with the new funds the Atlantic Development Board will move to restore a greater percentage of their expenditure in Prince Edward Island.

Honourable senators, I am happy to support the bill, and I see no particular need to refer it to a committee—not because of the fact that we are approaching a deadline which interests us also but, rather, that it is only two weeks since the Board was before the Finance Committee. For that reason, I see no purpose in sending the bill to committee.

Hon. Edgar Fournier: Honourable senators, I would like to compliment my good friend for the fine explanation he has given of this bill. He has shown ability and knowledge, and he has demonstrated that he has the interest of the people of his province at heart.

I will not be too critical of the Board. They are doing a fairly good job, and I would like to compliment them on the assistance they are giving to the development of electric power in the Maritime provinces.

As we all know, the Board is not supposed to be unduly partisan. However, as the Board is acting under the recommendation of the provincial government, it is sometimes directed to political attention and not always in the interest of the taxpayers.

First of all, I would like to see the Board initiate some of its own projects and in New Brunswick there would be many. I am one who is on record as not being agreeable to the board's spending money for public works. The reason for this is that in New Brunswick 90 per cent of the Trans-Canada Highway is paid for by the federal Government, and what is left of our rural roads and back country roads could be dealt with out of provincial funds.

Instead of spending that money on public works, which could come out of other concerns, I would recommend to the Board that we come to the assistance of our ship-building industry. We have a dry dock in Saint John which was doing very well since the subsidies of 35 per cent came in. I remember that last year that was cut down to 25 per cent. I would recommend that the Board put in the 10 per cent and make up the difference. That would be a tremendous help to our shipbuilding industry which is staggering under difficulties.

I compliment the Board on what they have done. I am glad to see Dr. Weeks is here to listen to my remarks. I hope he will give attention to my request for assistance for the ship-building industry by paying the difference between the 25 and the 35 per cent. It would do away with politics. No one is going to tell me that there is no politics involved in these bits of road work that are being done around the province, under assistance from the A.D.B.

Motion agreed to and bill read second time.

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

Hon. Mr. McElman moved that the bill be placed on the Orders of the Day for third reading at the next sitting of the Senate.

Motion agreed to.

CANADIAN DAIRY COMMISSION BILL

SECOND READING

Hon. A. Hamilton McDonald moved the second reading of Bill C-205, to provide for the establishment of a Dairy Commission for Canada.

He said: Honourable senators, I do not think it is necessary to give a long explanation on second reading of this bill. This legislation is of major importance, not only to the dairy industry of Canada but to the consuming public. However I do not think a long explanation is necessary, as this legislation has had virtually the unanimous support of all parties in the other place. The legislation was prompted by various farm organizations and the Dairy Council. I am sure that honourable senators could not help but be well aware of the provisions of this legislation, because of the publicity that has been given to this demand over the past few years.

This is the first piece of legislation I know of which sets up a commission which will have responsibility across Canada for the production and marketing of a farm product. We all know that there are many boards and commissions dealing with farm products in Canada but, without exception, I believe they are all confined to a given area of Canada or to less than 100 per cent of the total production in our country. This bill is breaking new ground in that it will put into the hands of this commission the responsibility for administering the production and marketing of dairy products from coast to coast in Canada.

One of the major problems that has confronted the dairy industry over the years—in fact, one of the problems that confront the producers of agricultural products generally—is the fluctuation in the volume of the product and a consequent fluctuation in price. Of course this does no good to either the producer or the consumer.

We can think of many occasions when dairy products were in surplus in Canada, and consequently we had depressed prices which were of little benefit to the producer and of no lasting benefit to the consumer. Once you have a commodity in surplus production, depressed prices follow. Soon you find the producers going out of production, your surpluses disappear and you find yourself then faced with a demand for a product that is not available. Consequently, prices increase rapidly and this, I again suggest, is of no lasting benefit to the producer and certainly is of no benefit to the consumer. So, the vicious circle goes round and round—overproduction, lower prices; underproduction, higher prices.

We have had virtually chaos in the dairy industry and in other agricultural industries in Canada for many years, and it is my belief that this legislation, if passed by this house, will certainly go a long way to solve this particular problem.

We only need to look back to 1963 when we had chaotic conditions in the dairy industry because of, I suggest, surpluses. The demand was made at that time for the setting up of a commission similar to that provided for in Bill C-205. You will recall, I am sure, that in 1965 when the Government of the day announced their support prices for dairy products for that year they also announced that provision would be made for the setting up of a dairy commission. This announcement brought an immediate response from organized farmers and the dairy industry generally in support of the Government's intention to bring forward this particular piece of legislation.

I think at this point we must remember that under our Constitution the responsibility for agricultural production and marketing controls is largely provincial. However, when an agricultural product is being moved from one province to another, or from this nation to another nation, then it becomes a federal responsibility over which the provinces have no jurisdiction.

This legislation makes provision for the federal commission to work in co-operation with the provincial boards across Canada to control the dairy industry. It is my sincere hope that this will bring some stability to production, to the prices paid to the producers and to the prices that will be charged to the consumers. I hope this will mean that we can develop in Canada a dairy industry that will meet the needs of the Canadian people generally, both as consumers and as producers.

Bill C-205 makes provision for the appointment by order in council of three members to this Board, and of course they will have a second consultative committee of nine mem-

bers whose experience and advice will be available to the three-member Board. I understand that in appointing people to these boards the industry generally will be kept in mind, as will the producers, the processors and the consumers. It seems to me that these are the people who ought to have representation on a commission of this type.

In order that the commission may operate, naturally it will have to have some finances, and provision is made in the bill for three sources of finance to the commission. First, the amount required for the implementation of the federal dairy support program will be provided under the provisions of the Agricultural Stabilization Act; second, the amounts required for the commission's own administrative operations will be provided by a vote of Parliament; and, thirdly, the commission will be empowered to raise funds through levies and licences.

It is again my understanding that the moneys raised through levies and licences can be used for the promotion of dairy products in Canada and, I presume, abroad.

I mentioned earlier that the commission will be working in co-operation with the provincial boards across Canada, and the legislation makes provision that if the provinces require this commission to administer some parts of their own programs on their behalf, that will be possible.

In conclusion I can only say to you that it is my hope that this Board can do for the dairy farmers of Canada and for the consuming public what the Canadian Wheat Board has been able to do for the western farmer in the production of wheat. I am not going to get into any discussion about the Canadian Wheat Board other than to say that I think it would be a stronger board and would serve Canada better if it were to manage the production of all cereal grains in Canada rather than just a part. I am glad to say that this commission will be handling the production and sale of dairy products across Canada.

If it is the wish of honourable senators to have this bill referred to a committee, I am prepared to move that it be referred to the Standing Committee on Banking and Commerce. It may be, however, that you would like to proceed with it without reference to committee. It is a matter for honourable senators to decide.

Hon. G. Percival Burchill: May I ask a question at this stage? In the various provinces we have our own provincial dairy commissions. I know we have a very active one in the Province of New Brunswick which fixes prices to the consumer, and so on. How will this proposed commission work in with the provincial commissions?

Hon. Mr. McDonald: As I have tried to point out, this will work in harmony and co-operation with the provincial boards, such as your provincial board in New Brunswick. We have now arrived at the situation in Canada where milk produced in, for example, New Brunswick may not of necessity be consumed there. In Saskatchewan we are going to have to import milk, and it is not possible for the Saskatchewan provincial board to deal with milk coming in from another province. I do not anticipate any problems in this regard. The provinces in fact have asked the federal Government for this type of legislation on many occasions in the past, and I think we can have complete harmony between the provincial boards and this federal commission.

Hon. Harry A. Willis: Honourable senators, I want it clearly understood that I speak to you today as a farmer.

I congratulate the sponsor of this bill. I have secretly hoped that my friend, Senator Harry Hays, a previous Minister of Agriculture, would be the sponsor of this bill because when I was buying Holsteins and he was auctioneer I paid more for those I bought than he got for me for those I sold. Therefore, for personal reasons I was hoping he would be the sponsor. Nevertheless, we had a very able man sponsoring this bill.

Honourable senators, I think this is the first time in her history that Canada has had a lawyer as Minister of Agriculture.

Hon. Mr. Hayden: That is very good.

Hon. Mr. Willis: I will tell you about that in a minute; you just listen.

True to lawyer's form and lawyer's techniques, he is developing the same instincts as he had when he was in his law office. I commend him for what he is attempting to do on behalf of the farmers of Canada, but I criticize the way in which he is attempting to do it. Like a lawyer, he announced amid acclaim in March of this year that the farmers were going to get $4 per hundredweight for their milk. Naturally, that perked up the farmers all over Canada regardless of political affiliation and regardless of the province in which they farmed. That, as I say, was the

announcement of the Minister of Agriculture, Mr. Greene.

Then in May 1966, about six weeks after he made that announcement, the Department of Agriculture published a leaflet which was distributed widely throughout Canada to all farmers, entitled "A Letter to the Farmer—It Pays to Know Everything." I do not know whether he was thinking that he was enunciating legal principles to the farmers when he said, "It Pays to Know Everything."

Hon. Mr. McCutcheon: "The truth shall make you free"!

Hon. Mr. Willis: In any event, in that letter which was distributed widely he also reemphasized what he had announced in March.

Then in his notes for an address in Crysler, Ontario on June 11 last his opening remarks were:

> I would like to spend a few minutes discussing the new dairy program that came into effect on April 1.

And he went into it again with another six pages of the same thing he had said in March, and much the same thing as appeared in the leaflet in May.

Despite the fact that on June 20 he moved in the other place a resolution with respect to this bill and then on June 23 spoke to the bill itself—which I will come to later—much to my surprise and shock yesterday I received in my mailbox at the post office here a letter—I suppose all honourable senators and probably all members of the House of Commons received a similar one—and what does it say? It says, "Subject: Minister explains dairy policy." This is dated last Friday, June 24, and I received it yesterday, Tuesday, at noon.

Thinking I was going to speak yesterday afternoon, I really could not believe my eyes when I saw this letter in which he again attempts to explain the way some misunderstandings he said occurred in the announcements, and that people were taking it wrongly and misinterpreting it. As I say, I suppose I was not the only one he was seeking out because he did not know I was going to speak on this bill, and I imagine everybody received a copy. That is four or five times the minister has sought to enunciate what his dairy policy is, despite the fact that he spoke in the other place on June 20 and June 23.

Then, yesterday morning in the *Globe and Mail*, a much-honoured paper in the City of Toronto, in the second section, on the front page there appeared this headline, "Ottawa Backs Probe Into Milk." The sponsor should have mentioned that the Department of Agriculture at Ottawa had already appointed someone to investigate the price of milk in the Province of Ontario. This news item announced:

> Backed by a grant from the federal Department of Agriculture, Brian B. Perkins will investigate the effects of milk pricing policies on the returns to the producers.

Honourable senators, with the background I have recited as to what the minister has stated on five occasions, the Department of Agriculture, with this bill already passed in the other house and then before the Senate for consideration, announces that a professor of economics in the Department of Agriculture at Guelph University—and he must be all right, but I do not know him at all—is going to start investigating the effects of milk-pricing policies in the Province of Ontario, and that investigation is going to take approximately two years. Where is the legislation? Where is the guiding influence of the Department of Agriculture for Canada? I think it is at cross-purposes.

Then Mr. Greene issued his "writ" as a lawyer, and he appeared on June 20 before the other place in the resolution stage and explained it by saying:

> It is the first bill that will provide a legislative base for the establishment of a commission with Canada-wide responsibility for an agricultural commodity.

I want you to note the words, "with Canada-wide responsibility".

Then later in the same explanation, at page 6657, the minister went on to say:

> Under our constitution, the responsibility for agricultural production and for marketing controls lies largely with the provinces. However, when agricultural commodities cross interprovincial or international boundaries, federal authority is involved.

So there is no doubt whatsoever about it, the minister himself stated in the other place that the control of milk prices is a federal matter.

Then later in the debate on the bill itself he reiterated much the same thing as he had said in the resolution stage, and asked the other place to accept what he said in the resolution stage, to go along with what he intended to say during the debate itself.

My honourable friend the sponsor said that all parties in the House of Commons voted for it unanimously, but if he reads the proceedings both in the resolution stage and in the debate he will see there were grave questions asked both by the official Opposition and the N.D.P. and Social Credit members. They commended the minister for bringing in such a bill, but wanted to know what he was going to do for the farmers.

When he introduced that bill, honourable senators, he knew as well as we know that there were various rates already set by various provinces for the price of whole milk. For instance, the Province of Quebec has no set price, so the people in that province can willy-nilly market their milk in any other province if they can meet the competition. The Province of Ontario has a price, and it is $3.25.

Hon. Mr. Burchill: The whole province?

Hon. Mr. Willis: Yes, the whole province. It is $3.25, and that is where the minister got his figure of $4. He was going to add 75 cents and that would bring it up to $4, but he forgot—I know the honourable Senator Burchill knows, because he asked the question he did—that there are other costs involved. There are transportation costs and various other involvements which would not be covered by the 75-cent increase.

Therefore, I say that this bill is one that does not apply fairly to all provinces. I think that if we are asked to approve a bill of such a far-reaching nature as this one, it should apply equally to all the provinces and we should make sure that each province has a set price.

Section 121 of the British North America Act—and this applies to what the minister said about this being a federal matter—states:

> All articles of the Growth, Produce, or Manufacture of any one of the Provinces shall, from and after the Union, be admitted free into each of the other Provinces.

That is why I argue that this is not a provincial matter at all. It is a federal matter, and the reason there are such goings on in some of the provinces is because of the promise which was made several times by the Minister of Agriculture that they would get $4 per hundredweight for their milk.

Now, let us look at the bill itself. Section 2(b) defines "dairy product". Just listen to what a dairy product is under this bill:

> ..."dairy product" means milk, cream, butter, cheese, condensed milk, evaporated milk, milk powder, dry milk, ice-cream, malted milk, sherbet,—

I had some last night.

> —or any other product manufactured wholly or mainly from milk.

Hon. Mr. Connolly (Ottawa West): What flavour, Harry?

Hon. Mr. Willis: Lemon—and that is what this bill is, and it goes on to say that is what it is.

Of course it appoints a commission of three persons whose tenure of office is such that there will always be a membership of three. Their salaries and expenses are subject to the approval of the Governor in Council, no doubt on the recommendation of the Minister of Agriculture.

Honourable senators might be interested in subsection 5 of section 3 which reads:

> A member ceases to hold office upon reaching the age of seventy years.

That is not 75 years, as in this chamber.

Then, as if a commission of three members were not enough, provision is made for a consultative committee, and it has how many members? The number is nine. So you have three commissioners, and you have nine members of the consultative committee—whatever that means. I would think that three commissioners would be sufficient. but if there has to be a consultative committee, then it should have a membership of ten so that there could be equal representation of all the provinces of Canada. It is my opinion that that is what is required, and this bill should be amended accordingly. From where are the nine members to come? My honourable friend, the sponsor of this bill (Hon. Mr. McDonald) said they would all be experienced dairymen. I hope they are, but I think that each province should be represented on that consultative committee.

My honourable colleague next to me says that Newfoundland does not have a dairy industry, but Senator Hollett says it does.

This bill goes on in section 8 on page 3 to say:

> The objects of the Commission are to provide efficient producers of milk and cream with the opportunity of obtaining a fair return for their labour and invest-

ment and to provide consumers of dairy products with a continuous and adequate supply of dairy products of high quality.

Hon. Mr. McCutcheon: Who defines "efficient"?

Hon. Mr. Willis: As far as I can tell, it is the minister himself, although it is not stated specifically in the bill.

The bill then provides for the powers of the commission, which are that they can store dairy products themselves; they can ship them; they can make payments for the benefit of producers of milk and cream as they see fit; and paragraph (c) of subsection 1 of section 9 provides that they can

> make investigations into any matter relating to the production, processing or marketing of any dairy product, including the cost of producing, processing or marketing that product.

Honourable senators know that at the meeting of the Standing Committee on Banking and Commerce this morning a lot was said about a provision of the Income Tax Act and an amendment to the Bankruptcy Act, but I have never in my life seen a measure with such provisions as to policing as this. It is away ahead of the amendments to the Bankruptcy Act, and of the provisions of the Income Tax Act.

Subsection 3 of section 9 provides that the Commission may make rules as it deems necessary for the regulation of its proceedings, for the fixing of a quorum, and so on. Under the heading of "Duties of Commission" the commission has to report once a year, following determination by the Governor in Council, pursuant to the Agricultural Stabilization Act, of the total amount to be paid by the Agricultural Stabilization Board to the commission for the purpose of stabilizing the price of milk and cream. From that I suppose the Agricultural Stabilization Board is going to remain in existence, but why that is necessary under this setup I do not know.

Section 12, under the heading "Regulations"—and this is the most iniquitous part of all—reads:

> (1) The Governor in Council may make regulations regulating the marketing of any dairy product, including regulations
>
> (a) providing for the marketing of any dairy product on a quota basis;
>
> (b) designating the agencies through which any regulated product shall be marketed;

Then listen to paragraph (c) which is at the top of page 5:

> (c) providing for the issue of licences to persons engaged in the production or processing of a regulated product for market, prescribing the fees therefor and providing for cancellation or suspension of licences;
>
> (d) prohibiting persons from engaging in the marketing of any dairy product, or any class, variety or grade thereof, in whole or in part except under the authority of a licence.

In the Province of Ontario we have hotel licences, and we have licences for other businesses that are being carried on, but according to my interpretation of this bill it means that every farmer who has a dairy herd must be licensed, and any person who sells ice-cream must be licensed, and any person who sells or deals in any of these products which I have enumerated, and which cover everything from milk production down, must be licensed by this commission under this bill.

The bill provides that the commission may appoint inspectors, and that the inspectors may go around and look into the books of any particular licensed individual, whether he be a farmer or an ice-cream seller, and such farmer or ice-cream seller must keep books. Section 18 provides:

> The Commission may appoint or designate any person as an inspector for the purposes of this Act.

And section 19 reads:

> (1) An inspector may at any reasonable time enter any place in which he reasonably believes there is any regulated product and may require any person to produce for inspection or for the purpose of obtaining copies thereof or extracts therefrom, any books, records or documents relating to that product.

That means that farmers, ice-cream sellers, or any one dealing in these products, must be licensed and must keep books. The farmers will not have time to milk the cows if they are required to keep books and have an inspector coming around and looking at them. Any honourable senator who was born and raised on a farm, as I was, before I went to university, knows that the farmer and the farmer's wife have no time to keep books such as that. They would have to employ a man to do it, and anybody who knows anything about farming knows that it

is all a farmer can do to get a hired man, quite aside from getting a man to keep books for him.

Section 21 provides:

> (1) Every person who, or whose employee or agent, contravenes or fails to comply with any provision of this Act or any regulation made thereunder is guilty of an offence and liable
>
> (a) on summary conviction to a fine not exceeding five hundred dollars or to imprisonment for a term not exceeding six months or to both such fine and imprisonment.

Then subsection 2—and this made my blood run cold—provides:

> In a prosecution for an offence under this section it is sufficient proof of the offence to establish that it was committed by an employee or agent of the accused whether or not the employee or agent is identified.

That certainly refutes the common law that a man is not to be convicted until he is proven guilty, and that he should not be proven guilty on the evidence of somebody who is no longer in his employ or who cannot be identified. But that is what this bill says. However, in all fairness, it does go on to say:

> Where it is established in any prosecution for an offence under this section that the offence was committed by an employee or agent of the accused, it is a defence to the accused that he exercised all due diligence to prevent the commission of the offence.

That alleviates it somewhat, but in my opinion it is of very little help.

Hon. Mr. McCutcheon: It still puts it backwards.

Hon. Mr. Willis: It certainly puts it backwards. It puts the responsibility upon the accused, and my lawyer friends here know that it is the law of this country that a man is not guilty until he is proven to be guilty in a court of law. On my interpretation of this bill, all that has to be done by the inspector, or whoever it is this commission sends out to a farm or to an ice-cream establishment, or to those places that sell sherbet or powdered milk and such products, is to ask that the books be produced, and look them over, and if he sees some irregularity in them he can whistle the man into court. I would say that this section will not provide that man with a fair trial. That is why I oppose this bill strenuously.

Perhaps the principle of the bill is in the right direction. It is intended to help farmers, because they need help. However, this is the way the bill has been drawn. I am not suggesting that the Minister of Agriculture, because of his legal training, inserted these sections, but I think he has listened to some of his legal advisers in the department. It is my opinion that this act does not achieve what it is intended to achieve.

Hon. T. D'Arcy Leonard: Honourable senators, in the light of the remarks of the sponsor of the bill (Hon. Mr. McDonald) and Senator Willis, I would like to make a suggestion to the house.

Honourable senators will recall that when we were dealing with Supplementary Estimates (A) the other day Senator Brooks called attention to some items in those Estimates, one of which was for some $3,700,000 under "Agriculture", by way of payments to farmers with respect to drought losses last year. As a result of his calling attention to that item, I have been in touch with the office of the Minister of Agriculture and asked him to be present at the meeting of the Finance Committee, or to have a senior officer of his department present, if he cannot be available himself. That meeting will take place tomorrow morning at 11 o'clock.

Therefore, I make the suggestion that if this Dairy Commission bill is to be referred to a committee, it might be convenient to send it to the Finance Committee, which will meet tomorrow, at which time the minister, or a senior official, could deal with both items in the Supplementary Estimates.

Hon. Mr. Willis: Honourable senators, I realize that we do not know what will take place at the Finance Committee meeting tomorrow, I would like to be present, but unfortunately I cannot be there. Perhaps the committee will get along better without me, but I want to make it clear that I cannot be present.

Hon. Mr. Leonard: Am I to understand from what the honourable senator has said that he will not be available at all tomorrow?

Hon. Mr. Willis: I shall not be available at all. I shall be attending a directors' meeting in Toronto.

Hon. A. J. Brooks: Honourable senators, I had intended to make fairly extensive remarks on this bill, but I do not plan to do so now.

I wish to congratulate the honourable Senator McElman on his presentation of the Atlantic Provinces bill. It was his first speech in the Senate, and he certainly conducted himself very well indeed. At the same time I wish to thank him for the kind remarks he made regarding myself. I do not think they were altogether deserved, but we all like to hear such remarks whether they are deserved or not.

Hon. Mr. Hugessen: They were well deserved.

Hon. Mr. Brooks: I congratulate Senator McDonald, the sponsor of the bill. He is a very busy man in the Senate. He has sponsored many bills. This of course, indicates that quite a few agricultural matters are receiving attention, which is all to the good and as it should be.

I also congratulate the honourable Senator Willis for his careful analysis of a rather difficult bill. That is one reason I shall have only a few remarks to make on the bill. The honourable senator deserves credit. He is a good lawyer. I do not know whether or not he considers himself to be a good farmer.

I had been looking around to find a dairy farmer to make remarks on this bill, and the only one I could find was my good friend Senator Willis. I was a little discouraged, though, when he mentioned the fact that the dairy stock that he had auctioned off did not bring a very good price, and that he had to pay a much higher price for new stock. Probably he is not quite as good a farmer as he is a lawyer. This is a subject of great importance. One has only to read the press, listen to the radio, or watch television nowadays, to realize that this matter of the dairy farm is a serious one. I express the same hope as Senator Willis did, that this act will be of some benefit to the dairy farmers of Canada.

My chief reason for rising to speak is not that I know much about dairying, but that I come from and represented for quite a number of years one of the finest dairy sections in Canada. My town of Sussex and the surrounding country is called the dairy centre of the Maritimes. My constituency is a dairy-producing region and supplies the City of Saint John with most of its milk. In Sussex we have two large cheese and butter factories, and the whole economy of that part of New Brunswick is more or less bound up with the dairy industry. Our people are worried about the dairy industry and are sincere in making their demands at this time.

Listening to the radio this morning, I heard a farmer's wife complain that farmers are not getting the $4 increase for milk that they were promised. The gentleman who replied to her explained that the $4 is not paid for the milk that is sold and distributed to the consumers here in Ottawa, but is paid for milk used in the making of cheese, butter, powdered milk and so on, and that there is a higher price for the milk which the consumer buys. The dairies, which had previously paid $5.25, raised that amount to $5.75. I believe that is correct.

Hon. Mr. Burchill: That is correct.

Hon. Mr. Brooks: But as this lady also pointed out, while the dairy pays only $5 per hundredweight for milk, the charge to the consumer is $14. Of course, as my good friend Senator Willis pointed out, there is considerable expense in connection with the delivery of milk, transportation and so on. These are all expenses which must be borne. However, in my opinion, the farmer is not getting his fair share of the production of this essential commodity.

We also heard this morning that the cost of living is going up two points. The lady to whom I referred also complained that the farmer was being blamed for the increase in the cost of living, which is most unfair, because again I point out that while the farmer receives a small amount of the increases in these farm commodities and the subsidies paid for them, the producers and others get their share, and sometimes very little of it gets back to the farmer.

I would like to quote to honourable senators a few remarks made by some of the dairy farmers in the Maritime provinces. These comments are taken from the Halifax *Chronicle*:

> According to briefs presented by the United Milk Producers Association dairy farmers in the Maritimes are paid less than workers in other parts of the economy—

Of course that is a fact which is all too well known.

> —receive a negligible amount of Government aid and come in for much adverse publicity . . .
>
> These views were expressed by the president of one of the milk and cream producers' associations at a meeting held in the Maritimes.
>
> This brief reported that while the incomes of wage and salary workers had

increased by 94 per cent since 1949, dairy farmers had experienced only a 54 per cent increase. If measured in constant 1949 dollars and an allowance for a return on capital was deducted from farmers' incomes, there has actually been a 10 per cent decrease.

Again, it was pointed out in regard to the federal Government's subsidy program, "Federal subsidies are handed out in such small amounts to the average dairyman that after the surplus milk is considered, there is no subsidy left".

It was considered at this meeting that the one and a half cent per quart increase dairy farmers received last year adds up to nothing in the long run.

And this is a quotation from the Chairman:

Our take home pay has not increased because we have more surplus now.

The honourable Senator McDonald spoke about the increases not only to workers but other branches of the farming industry.

We know that in the past few years the wheat farmers of the West have become wealthy, or at least have been making a lot of money. I am sure my good friend Senator Aseltine will confirm that statement.

I also know that the potato producers, for instance, in my own province have been making money, as have many of the producers of various fruits in different parts of Canada. But the dairy farmer is the one farmer who has not been on the list of those making money or prospering.

I very seldom mention personal experiences, but may I say that when I was home last week I met quite a number of farmers. One old gentleman of over 80 years of age came to see me—not particularly about dairying, although he is a dairy farmer. He told me how he and his son were making out. He said there was no money in dairying now. I quote his words: "When I was running the farm I used horses and there was very little expense; my son is operating the farm now and he has all the modern machinery, which he has had to purchase, leaving him very much in debt, and we are not making a success at all." He added that to supplement his work on the farm his son got a job in my town, Sussex, which is 15 miles from his farm. He gets up at 5 o'clock in the morning, and he and his wife and one other of his family milk 17 head of cattle. At 8 o'clock he has to be in Sussex for his work, and he is there until 5 o'clock in the evening when he comes home and helps to milk the 17 head of cattle.

Hon. Mr. Aseltine: By machinery?

Hon. Mr. Brooks: Yes. That is what I say—he has had to buy machinery, and he is trying by this method to pay for it.

I know the situation very well, as I know many of the farmers around Sussex. They are all having difficulties, in the same way as all farmers across Canada.

I welcome this legislation. I do not know whether it will be a success or not. I sincerely hope it will, because I do not know of any farming assistance more needed in Canada today than this legislation to help the dairy farmer.

Hon. Mr. Power: Who wants to drink milk?

Hon. Mr. Brooks: Babies do. Senator Roebuck and I agree that we must look after the babies—as he told us earlier this afternoon. Therefore, we must encourage the dairy farmer. I think that is a logical conclusion to reach.

I hope that this legislation will increase the income of the dairy farmer and result in putting more people on the farm. That is something it may help to bring about. For some years more and more farms are being deserted. I hope the dairy farm will become the great milk-producing factor. I believe 14,000 left the farms last year in Canada, and more are leaving all the time. I am keen that this legislation should be a success, that it should improve the lot of the dairy farmer and keep more men in the dairy business and more farmers on the farm.

Hon. Mr. Roebuck: Honourable senators perhaps I will be pardoned for a discordant note.

Hon. Mr. Hugessen: Another farmer?

Hon. Mr. Roebuck: Yes. I am a farmer all right, but I am not speaking as a farmer now, though I might do so equally with my friends across the way.

Hon. Mr. Brooks: You do not have to make your living on the farm.

Hon. Mr. Roebuck: That is true. I do not know but that I might have made a better living on the farm than I have made in the city. The actual fact is that I represented for some years a constituency in one of the great cities of Canada and I know something about the need in the cities for milk. I know what it

means to the children, to the coming generation, to have a proper supply of milk at a price that the parents can afford. I have been somewhat amazed as I listened to some of the eloquent remarks which have been made. I congratulate Senator McDonald on the wonderful explanation he gave of this bill, and also those who followed him.

It strikes me as remarkable that, with all those eloquent addresses we have heard in the interests of the dairy industry, we have not heard one person yet suggest anything about the consumer. I have some sympathy for the dairyman and the farmer and I know something about their difficulty. I passed my boyhood on the farm and in those days we did not milk cows by machinery. I milked my share of the cows, both morning and night—by hand.

Hon. Mr. Brooks: So did I.

Hon. Mr. Roebuck: I know something about farming and all the rest of it, but I know an immense amount about the needs of consumers in our cities.

The very purpose of this bill is to set aside competition, which is the regulatory principle of our civilization, and to fix prices in the interests of the dairy industry; and I see nothing in it that suggests any protection for the consumer.

Hon. Mr. Brooks: Might I ask the honourable senator a question at this point? I can see what he is leading up to. If the farmer is receiving $3 to $4 a hundredweight for his milk, and if the consumer is paying $14, where are you going to make the deduction?

Hon. Mr. Roebuck: I see nothing in the bill which answers that question. The middleman may be making an exorbitant profit. I do not know. The farmer may be getting less than his due. But we regulate that in all other industry by competition.

When the price is higher than the services rendered justify, then others come in and compete. Equally, when the price is too low, some drop out. So you have natural forces regulating industry and commerce and protecting the consumer. There is nothing in this bill that in any way suggests that the rights and the interests of the consumers will be protected in relation to these particular products.

Milk, cheese and all other products of her majesty the cow are subject to this bill. I am a little worried about it. I am not quite satisfied that the interests of the consumer and his family—the coming generation—are at least thought about in this matter. I hope this bill will go to a committee.

Honourable senators, now I am going to speak, not as a farmer but as a lawyer. I am not so sure that this bill is well drawn. For instance, on page 2, it says:

> Property acquired by the Commission is the property of Her Majesty and title thereto may be vested in the name of Her Majesty or in the name of the Commission.

Of course, you do not vest a title: you vest the property. It is the property that is vested—and not in the name of Her Majesty. If it is to be vested, it is vested in Her Majesty or in the Commission.

I do not know what they are talking about when they speak like that, whether they are talking about the vesting of the property acquired by the Commission or about the registration of the title. The title is not vested in anyone. You might talk about the title to a piece of land being vested in someone, but that is not correct English. What you say is that the property, the land, is vested in the individual and the title accordingly is registered in his name.

The lawyers who drew this particular clause should reconsider it.

Hon. Cyrille Vaillancourt: Will the honourable senator permit a remark? Every province has a provincial council or board, and every provincial board fixes the price from the producer to the consumer. It cannot be regulated by this law; the provincial law regulates the provincial price.

Hon. Mr. McDonald: Honourable senators—

The Hon. the Speaker: I must warn honourable senators that if Senator McDonald speaks now it will have the effect of closing the debate.

Hon. Mr. McDonald: Honourable senators, first I wish to refer to the question raised by honourable Senator Roebuck and to his statement that there is no protection in this bill for the consuming public. I suggest that is not quite true.

As I tried to point out in my opening remarks, one of the greatest problems in agriculture today, whether it be the dairy or other industry, is the instability of supply and demand. Prices go sky high, and many new producers get into production of milk and other commodities, and those already in production expand their facilities and you get

overproduction and falling prices. I suggest that neither of these conditions is good for either the producer or the consumer. If this commission works as I think it will, it will mean we will have a price for dairy products in Canada that will encourage production to meet the demand, but will not encourage a surplus or a deficit of the product. If we have sufficient dairy products to meet the demand in Canada, we will have stable and fair prices.

The honourable senator also mentioned the fact that competition often regulated the price of a product. To my knowledge there is no competition in the sale of whole milk in Canada today. The sale of whole milk is administered by the milk control boards in the provinces.

Hon. Mr. McCutcheon: It is not as it is between Ontario and Quebec.

Hon. Mr. McDonald: In the provinces themselves they are controlled by milk control boards, which set the prices paid by the consumer and charged by the producer.

Hon. Mr. McCutcheon: That is where the product is produced and sold in the same province.

Hon. Mr. McDonald: This applies where the product is produced and sold in the same province, that is right. There is a special situation in the border areas of Ontario and Quebec.

Hon. Mr. McCutcheon: This is going to affect interprovincial marketing.

Hon. Mr. McDonald: We now have a situation where many areas are deficient in production which were not deficient before. It seems to me that this commission is going to be good for Canada. If a certain area of the country is more suitable for the production of milk than others, why should it not be produced there and moved into areas where the supply does not meet the demand? I believe this legislation will help to encourage the movement of milk and dairy products from areas where there is a surplus to areas where there is a deficiency.

Hon. Mr. McCutcheon: I agree with much of what my honourable friend said, but it does not answer the point raised by Senator Roebuck—it underlines it.

Hon. Mr. Brooks: In Newfoundland they do not have a surplus of milk, but I read the other day that we are reducing the tariff on margarine coming in.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. McDonald, bill referred to the Standing Committee on Finance.

BUSINESS OF THE SENATE

Hon. John J. Connolly: Honourable senators, I have an announcement to make. I am informed that in the other place they have foregone the private members' hour between five and six, and they propose to sit until 11 o'clock this evening. Perhaps they are making some progress.

I think at this stage and in view of the next item on the Order Paper, it would be convenient for all if the Senate now took recess, to reassemble at the call of the bell at approximately eight o'clock.

Hon. Arthur W. Roebuck: Honourable senators, before we adjourn may I deal with a matter of some little importance at this stage.

Honourable senators will remember that I suggested not long ago that in the notices of meetings of committees there should be included some information as to what it was proposed to discuss at the meetings.

I have in my hand four notices that have come to me while we have been sitting. One is with reference to the Standing Committee on Finance, which I see is to consider supplementary Estimates. The second is with reference to the Standing Committee on Banking and Commerce, which is to consider the automotive agreement. But I have two others, one relating to Miscellaneous Private Bills and the other on Transport and Communications, and no mention is made on either notice of what is to be discussed at these meetings.

We are all busy people and I do not see why we should not have the names of the bills as well as the numbers included on these notices. If this were done, it would not be necessary for each one of us to look up the number to ascertain whether the bill is one in which we are particularly interested.

May I ask our Leader to use his good offices to have the officials put the name of the bill as well as the number on the notice.

Hon. Mr. Connolly (Ottawa West): Would it be satisfactory if there were some reference to the bill? Some of the titles are rather long.

Hon. Mr. Roebuck: As long as the substance of the bill is mentioned, it will be satisfactory.

Hon. Mr. Connolly (Ottawa West): I will see about having that done.

The Senate adjourned during pleasure.

At 8 p.m. the sitting was resumed.

HEALTH RESOURCES FUND BILL

SECOND READING

Hon. Daniel A. Lang moved the second reading of Bill C-199, to provide for the establishment of a Health Resources Fund to assist provinces in the acquisition, construction and renovation of health training facilities and research institutions.

He said: Honourable senators, it gives me great pleasure this evening to address the Senate in connection with Bill C-199, because I know that it contains objectives which will commend themselves to all senators, and I feel sure that in principle this bill will meet with a most responsive reception in this chamber.

Briefly, by way of background, I think this bill might be looked at as a joint effort between the federal Government and the provinces and in an area which requires immediate attention.

Honourable senators will remember that last July the Prime Minister made a public announcement to the effect that it was the intention of the Government to set up a health resources fund. Subsequent thereto an *ad hoc* committee was established of federal and provincial officials to look into the needs and the extent of those needs in this area, and it made certain recommendations. These recommendations were considered at a federal-provincial meeting of health ministers held last September, and out of those deliberations has come the legislation we have before us tonight.

In essence, briefly the bill establishes a fund within the Consolidated Revenue Fund of $500 million known as the Health Resources Fund, and the bill provides that this fund will be expended over the next 15 years, including this year and ending in 1980. The $500 million is divided and dealt with somewhat differently as to the various parts thereof. Firstly, and most important, $300 million is to be divided among the provinces on a per capita basis. Secondly, $175 million is to be divided according to the dictates of the situations from time to time arising, and is to be primarily directed towards areas that are of a national as opposed to a peculiarly provincial concern. The remaining $25 million is set aside for the benefit of the Atlantic provinces, to be used by them jointly and really in recognition that they are working with a less advantageous fiscal base, to compensate for this factor and to give them some degree of equality with the rest of the country herein.

Honourable senators, if I might direct your attention to the bill itself for a few moments, you will see it is, in essence, quite simple and straightforward. I think it is worth while underlining the preamble, to remind honourable senators that this bill is primarily to assist the provinces. Indeed, it is envisaged under the terms of the bill itself that the funds expended will not be $500 million but double that amount, or $1,000 million.

Hon. Mr. McCutcheon: Where is that in the bill?

Hon. Mr. Lang: I presume, honourable senators, this is the carrot and that the provinces will respond to the opportunity to participate. I might say from what reading I have done on the background of this, that in many ways the provinces themselves understand the needs in this area as well as or even better, in some cases, than has been the appreciation at the federal level.

I think it is important to look at the interpretation section of this bill, where is defined the meaning of "health training facility," because those three words appear throughout the bill. It is towards the development of these facilities that the fund is to be directed.

Clause 2(c) reads:

> "health training facility" means a school, hospital or other institution, or any portion thereof,
>
> (i) for the training of persons in the health professions or in occupations associated with the health professions—

"The health professions," I assume, would mean the medical, dental and nursing professions, and the associated occupations would include those such as radiology and physiotherapy.

The three words "health training facility" also mean an institution, school or hospital for the conducting of research in the health fields.

Turning now to clause 3 of the bill, honourable senators will notice that there the fund itself is established within the Consolidated Revenue Fund as a special account and it is

to be appropriated from time to time up to a total of $500 million, as required.

Subclause 4 of that clause provides for the expenditure of these moneys in respect of any costs incurred for a health training facility subsequent to January 1 of this year and up until December 31, 1980.

The next clause, 4, makes provision for the contributions to be paid out of the fund, and paragraph (a) provides for 50 per cent of the reasonable cost of the planning or designing of any health training facility, and paragraph (b) 50 per cent of the reasonable cost of acquiring, constructing or renovating any building for use as a health training facility.

As I mentioned previously, the fund is divided into three parts. Under section 4(2) $300 million is set aside on the per capita basis, while subsection 3 provides that $175 million be allocated from time to time in any province by the Governor in Council. This leaves the $25 million to which I referred earlier which is to be allocated specifically for the benefit of the Atlantic provinces. This is provided for in section 5 of the bill. This amount of $25 million may be used jointly by the Atlantic provinces to supplement what grants they may otherwise receive under the per capita provisions in the previous section.

Section 6 makes certain exclusions in connection with the computation of the capital cost of these health training facilities. It excludes such items as the cost of land, interest payable, any amounts paid out of the Consolidated Revenue Fund, and amounts payable by a province towards the cost of acquiring, constructing or renovating the facilities. These costs are already coming out of governmental pockets—either federally or provincially—and their inclusion in a formula for computing the cost would obviously cause inequities.

In the next clause certain conditions are attached to these moneys, and these are primarily for the purpose of assuring an orderly development of the program according to pre-arranged plans.

Honourable senators will note that section 7 of the bill provides that an application for payment out must be submitted to the Minister by the government of a province under a program approved by the Advisory Committee, to which I shall refer later, and for the development of health training facilities in the province for the next five years. This section goes on to provide that the health training facility in respect of which the contribution has been requested has to be included within the overall provincial plan.

The next important section of the bill is section 8 which sets up an Advisory Committee to the Minister, and upon which, it is to be presumed, the Minister will rely for advice in respect to specific projects put forward. The committee will consist of 11 members—one to represent each of the ten provinces, and the other being the federal Deputy Minister of National Health who will serve as chairman of the committee. The powers of this committee, in terms of internal regulation, are thereafter set out. Clause 11 delineates its duties, namely, that of advising the Minister on any program for the development of health training facilities submitted to him by the government of a province—from which, I might add, all proposals must come forward—and advising the Minister, at his request or on its own initiative, on matters relating to a health training facility in respect of which a province has requested a contribution under this bill.

I feel singularly ill-equipped to deal adequately with the problem this bill is designed to alleviate. It is a problem that is known and one with which all honourable senators are familiar. However, we must remind ourselves time and again of its significance in terms of the future of our population. Many of us know that we in Canada have a great tradition in the medical field—a tradition that is probably second to none in the world. To every layman there comes to mind names like Banting, Best, Penfield, Farquharson, Gallie, Graham, and countless others. There is a large number of Canadians who have contributed greatly to medical science, not only here but abroad, and whose contributions have been recognized on a world-wide basis.

Honourable senators should be reminded, I think, that some of our great traditions in the field of medicine developed in a day when private initiative was displayed by men of outstanding ability, and when the science was being developed by men of tremendous personal dedication. I would submit that today many of the conditions which made these outstanding contributions possible do not exist, but are now overwhelmed by the massive expansion of medical knowledge, the tremendous increase of and diversity in skills, and the high degree of specialization that has accompanied these developments. Accordingly, we are faced with a challenge of the first magnitude in this field, and it is a challenge that we cannot fail to meet. I need

only remind honourable senators of the recommendations of the Hall Commission, and of how extensive and far-reaching they were. Among those recommendations was the target objective of doubling our student enrolment in our medical schools by 1970. The task presented by such an objective staggers the imagination of any man familiar with the interstices of developing medical schools.

While we may be aiming at a target of that magnitude it would be advisable to remind ourselves that since the last war, in the age group of from 20 to 24, the percentage of medical students has dropped from 3.5 to 3.2, while within that same age group university enrollment has risen from 7.1 per cent to 8.9 per cent. I do not need to underline the consequences to the country if this trend should continue. Why are we not enrolling into our schools a sufficient number of our young people, or why, having enrolled them into our schools, do we lose them abroad as we are doing by the thousands every year?

I would suggest that possibly we have failed to recognize rapidly enough the changing times and conditions surrounding this high calling, and I hope, and I know that all senators will share with me a hope, that this bill will be a first step in the right direction.

I know the late Dr. Ray Farquharson with whom many of you were familiar, time and again in his reports as head of the Medical Research Council raised the warning cry. Dr. Farquharson was a man of many great attributes, and he ranks among those who have lent high colour to our Canadian tradition in medicine. If I may make a personal observation, I had an experience after the death of Dr. Farquharson which revealed to me that he was a man who not only spoke about things but did them.

Recently I was confined in a unit in the Toronto General Hospital, known as the Ray Farquharson Clinical Investigation Unit, which unit was established through Dr. Farquharson's own individual efforts and with what private support from philanthropic persons he could muster. Within this small unit, which consists of twelve beds only, some remarkable developments are taking place, and the research provided in this small unit is going to have far-reaching effects, that are going to be possible only because of one man and his perseverance and dedication.

Men like Dr. Farquharson must be given all the support that our country can lend to them while they seek to provide the atmosphere of challenge for our young people in these fields, and which challenge we seem to be singularly failing to provide today, particularly in the one area of research.

Mr. Charles Gundy of Toronto is a man with tremendous philanthropic motivation, and I know he is familiar to most of you. Recently he chaired a large committee consisting of some of the finest brains in medicine and science and in the academic field in Canada. Last December that committee published a book on medical research in Canada. I commend the reading of it to every senator here, because only in so doing can full recognition of the opportunities and challenges and the dangers that lie ahead of us be understood.

That report points out that it takes from eight to ten years to plan, build and staff a new medical school. It takes another eight to ten years beyond that period when those who have graduated from that school will be scientists and teachers capable of playing a role in another such school.

I anticipate that some honourable senators will say, recognizing the extent of this problem, that $500 million provided by the federal Government if matched by an equal amount of money in every province still will not touch the heart of the problem. However, I suggest that in this field money, and money alone, will not do it. We must have people. But money is where we must start, and to the extent that money can do it we must provide it to help attract the best brains of our counry in this vital area.

I think all we can say about the quantum here is that it was determined upon the advice of the most knowledgeable people in Canada on the subject and represents primarily a sum of money which can properly be utilized at this time in the development of health training facilities at as rapid a rate as possible, considering the personnel and technical problems accompanying it.

Honourable senators, I commend not only this bill but the purpose behind it to your favourable consideration, and stress particularly that unless environmental conditions can be produced today in Canada which will train and retain for us the bright young minds that should be prepared to enter the medical field, then very shortly we shall be suffering a disadvantage which could cumulatively from year to year become greater and eventually get beyond our control. We have the opportunity, we have the challenge now, and I am sure that this piece of legislation is just the first of our responses to it.

Hon. M. Wallace McCutcheon: Honourable senators, I have listened with a great deal of interest to Senator Lang's introduction of this bill. I would of course be very interested to know who these advisers were who suggested that this amount was the right amount, yet I do not think even Senator Lang, as a director of the University of Toronto, can agree on that.

The history of the thing is very simple. We have the Hall Report, which made certain recommendations and has been in the hands of the Government for two years. The Government in its normal fashion has ignored some of the fundamentals of the report and has seized on what it thought were the flashy things that could gain votes.

May I say that I was a member of the commission which brought in the Hall Report, as honourable members know, but I had no part in writing the report or the recommendations. I have publicly criticized some parts of the report. There are other parts with which I am in complete agreement.

The Hall Report set out certain priorities. They wanted to have a conference within six months of the date of the report. Of course everybody knows here that there was no such conference held. And they said that pending that conference there should be the designation of wards in mental hospitals in which patients are receiving active or convalescent care, and tuberculosis hospitals, as facilities under the Hospital and Diagnostic Services Act.

That was something that certainly the majority of the provinces wanted, but it has not happened. We heard nothing of the Hall Report until the election. Then, on September 23 Mr. Pearson announced that the Government was prepared to spend $500 million over the next 15 years to provide medical, dental and other professional research and training facilities. He said in a press release that the Government would be prepared to spend $33 million a year. I ask Senator Lang how much the University of Toronto is going to spend for 15 years to build and equip facilities for a health research and training centre. I do not know what Mr. Pearson means by health research, because there is nothing about research in this bill. I shall come to that presently.

The then Minister of Health, Miss LaMarsh, said later that only $12 million to $15 million might be spent the first year, that $33 million would not be the upper limit. She said it should be regarded as a pool of funds that would reach half a billion dollars.

Whether you accept the upper limit of $500 million over a 15-year period or the lower limits, the program is totally inadequate to meet the real needs. Five hundred million dollars over a period of 15 years works out at just over $33 million a year, and this program is an absurdity when it is measured against the need. The figure of $500 million was pulled out of the air during an election campaign in order to impress people. Of course $500 million sounds like a lot of money—

Hon. Mr. Connolly (Ottawa West): It is.

Hon. Mr. McCutcheon: —but it has no relation to what the Hall Commission said and no relation to what the Bladen Commission said. It is just a figure pulled out of the air for election purposes. In the Province of Ontario alone—and the Prime Minister of Ontario has stated this publicly—the province is committed to $500 million in this field over the next 10 years.

Then we turn to the bill and we start to wonder. The bill, in the typical fashion of a government which is now getting very sensitive about federal-provincial relations, says that the $500 million shall be spent in this way:

> that proportion of three hundred million dollars that the population of that province, according to the census taken in the year 1966, is of the population of Canada—

So there is the absolute right of the provinces.

I take the Province of Ontario merely as an example because I know more about that province than I know about the others, and I take a rough figure of 6 million people in Ontario and 20 million people in Canada, so I say that is $90 million. But our requirement is $500 million. There is $175 million left free, and I add that to our $90 million, and I say we are still not doing very well.

Then—and I agree with this completely—there is $25 million available for the Atlantic provinces. But this is typical of the legislative façade that we are up against from this Government which picks out what it thinks would be the flashy thing to do. It hoped to win an election on it. It does not even start to solve the problem.

There are a number of things I want to know when this bill goes to committee. I

want to know whether there is $33 million available annually for 15 years or whether the Province of Ontario can get $100 million next year if it demonstrates it must spend the money. There is nothing in the bill to indicate that.

The real weakness in the bill—aside from its complete inadequacy, which anyone who has read the whole report would realize—is that all it is doing is providing bricks and mortar, and bricks and mortar are not enough in this field.

Mr. Justice Hall, speaking in Ottawa in December last, said:

> To maintain the 1961 physician-population ratio means the number of physicians in active practice in Canada must go up by a minimum of 466 each year.

That is not enough to keep up the ratio that he thinks is necessary if his recommendations are implemented, and if medicare, as predicted by various statements of ministers of the Crown, comes in; this is just to keep up the present situation. He continued:

> So it will be recognized that the extra 466 required each year is not going to be due in any way to the proposal for a national health service.

Then he goes on to say:

> This same reasoning applies to dentists, nurses and all other health personnel who labour in the health service fields.

Well, I could talk for some hours on this, but I think I can make the point without talking too long.

What did the Hall Commission recommend? They said there were 12 medical schools in Canada, all of which had to be expanded, and their advisers, who, generally speaking, were on the staff of those medical schools, said they thought that within their physical limitations they could be expanded by 15 per cent, and then they said there must be five new schools. You can build as many buildings as you want in this country, and you can call them medical schools, but they will not work unless you have the personnel to staff them. That is the thing that is completely ignored by the Government—completely ignored!

The Hall Commission says that they will need 770 new faculty posts. I see around me here a number of members of boards of governors of universities, and I ask them how easy is it going to be to get 770 new faculty posts in medical schools in the next six years. That is what the Hall Commission says we need. My friends who are in the medical profession tell me that we need 1,000, but let us settle for 770. The fact is that we can build all the buildings we want, we can put up the bricks and mortar, but honourable senators, there are hospitals in this country that have their wards closed because there are no nurses. The federal Government put up this miserable $2,000 per bed, but the wards are closed. Let us get down to fundamentals. The fundamental thing is manpower. Bricks and mortar are important, but manpower is far more important. Manpower means education, it means on-coming grants to education, and it means provision for research.

Let me just refer to the Province of New Brunswick. My Leader (Hon. Mr. Brooks) knows something about that. Here is an article about the Province of New Brunswick published in the *Globe and Mail* of June 11. I think it is accurate. The average ratio of medical men to population in Canada is about 1 to every 870; it has not improved for some time, and unless we have a lot more medical schools it is going to deteriorate. We need 466 net additions to our medical population—and I mean net additions. There are the people who die, the people who retire—

Hon. Mr. Connolly (Ottawa West): And there are those who emigrate.

Hon. Mr. McCutcheon: According to the Hall Commission this requirement is just to keep the level. This is the situation in New Brunswick. There are only a few more than 500 practising in the province—one for every 1,230. The average age is approaching 45 years, and is rising. I will not read this.

Hon. Mr. Brooks: Every other province steals them from us.

Hon. Mr. McCutcheon: No, my honourable friend is wrong. Let me quote from this:

> Of the 90 applicants from New Brunswick—

You see, honourable senators, medical schools are not like schools of the social sciences and the humanities. You can put 150 or 200, or even 400, people into a lecture room in a school of social sciences or the humanities. They will get a mighty poor education, but they will get something. That cannot be done in a medical school.

This refers to the situation in New Brunswick, and remember that New Brunswick has no medical school. New Brunswick con-

tributes to Dalhousie which runs the medical school for the Atlantic provinces.

> Of the 90 applicants from New Brunswick for medical training next fall, Dalhousie has accepted 10 and medical schools elsewhere have accepted four.

A study has been set up to consider this in the Province of New Brunswick—I cite this because it is typical—and it estimates that it will take ten years and more than $30 million from the time the go ahead is given to graduate the first class of doctors.

Hon. Mr. Brooks: There is no dearth of students.

Hon. Mr. McCutcheon: No, there is no dearth of students. But this idea that we are solving any problem by building monuments without any teachers in them is just ridiculous.

The Leader of the Government, no doubt, knows more about this than I do, but a brief was presented to the Government recently on this very matter. It was presented not by people without knowledge of it, because the chairman of the committee was Mr. C. L. Gundy, the President of Wood, Gundy and Company and the Chairman of the Board of the Hospital for Sick Children in Toronto, which is a world renowned institution. Among other people associated with him was Dr. McCreary the Dean of the Faculty of Medicine of the University of British Columbia, who was also one of the chief consultants for the Hall Commission. What did they do? They urged the Government to provide $150 million in capital grants for research facilities by 1970. Of this about $93 million would pay for research space in the new and expanded medical schools already planned, and about $57 million would equip that space. They advocated an increase in the operating grants for medical research from the current $14 million to $80 million per year by 1970.

We cannot find the teachers to staff the new medical schools that are proposed unless we increase the research grants. Nineteen per cent of the physicians and surgeons of this country have come here since the last war as immigrants. That source is drying up. They are the practitioners, after all; they are not the teachers. We are looking for teachers, and I might say in passing that the situation I am describing is not exclusively one in the medical field. It applies in other fields also, but I am talking at the moment about the medical field. We cannot obtain the thousand new teachers that we need in this field—the Hall Commission says we need 770, but my friends in the field tell me we need a thousand so I shall use that figure—unless we provide proper research facilities for them, and those research facilities are going to be very expensive. That is why this brief says that operating grants for medical research must be increased from the current $14 million to $80 million per year by 1970.

There is nothing about that in this bill. We are just going to build bricks and mortar. The tragedy of it is that this is a field in which all ten provinces are quite prepared to have the federal Government intervene with matching grants and no question of opting out. Research is one field in which all ten provinces are prepared to take grants.

This brief goes on to say:

> Unless support to medical research is provided at the suggested levels as rapidly as possible, a deterioration in the standards of Canadian medical schools and in the quality of health care provided to the Canadian people is in prospect.

I should have started this by saying what my friends in the medical profession have been telling me for several years, but which I have seen in print only in the last few days, and that is that three or four of Canada's twelve medical schools would have great difficulty in passing the United States standards of accreditation. If that is the situation we want in this country then I point out it is the situation we are rapidly approaching. We, of course, compare ourselves to the United States. We buy Cadillac cars and high-powered Buicks, and so on. The United States federal funds for medical research approximate $1.3 billion per year. What is the Medical Research Council grant in Canada? It may be something a little over $15 million this year. I think it has passed the $15 million mark by a few dollars. We hear a great deal about maintaining our sovereignty and so on. Well, you do that only with a certain amount of sacrifice, and by doing only the things that are necessary.

I happen to be the chairman of an institute which brings people back from the United States, and which receives large grants from the United States at a time when the United States is closing down on its grants to Canada. We are able to do this because we have excellence and perfection. I suggest that that is the sort of thing we need.

Honourable senators, I am going to vote for this bill. Somebody said to me earlier today

that half a loaf was better than nothing. I have decided that a sixth of a loaf is better than nothing. But let us see what the bill provides.

It provides that Ontario has an absolute right—I am sure the other provinces could make out a similar case, but I am talking about Ontario because I know it—to its proportion of $300 million. For easy figuring I am assuming that the population of Ontario is six-twentieths of the total population, although I may be a little low in that, so Ontario gets $90 million over 15 years. But these things are not cheap, and Ontario is already committed to $500 million over the next ten years. Is the federal Government going to pick up its proportion of the bill? The basic health sciences building alone that we are building at the University of Toronto is going to cost over $35 million. Senator Bourget understands these things. This is, as I say, a sixth of a loaf. We will vote for it, but it is a facade. It does not demonstrate any awareness on the part of this Government of the seriousness of the problem that faces it.

I would add this, that their failure to realize it will affect many other provinces more adversely than it will affect the Province of Ontario. I am not speaking for Ontario, I am using Ontario as an example. I think the federal Government should be prepared to explain itself. Perhaps the minister will explain himself in committee and tell us whether this money will come annually. After all we do not want it annually; we want it when we need it, because we have to make plans for financing. Perhaps he will tell us what he is going to do about these other matters that I have talked about, such as research, and so on. I could quote the Hall Commission Report which says that every student of medicine should be paid $2,000, and in a graduate school be paid more. I agree with that. There are many things I did not agree with, but I do agree with those things because I think first things should be done first, and these are the first things that should be done first.

I am getting tired of this business of picking a figure out of the air and flaunting it around as an election program, because the man on the street does not know what $500 million means. Even I do not know what it means, but I know it is not adequate.

Honourable senators, all I say is that I shall vote for this crumb that we are now being offered.

Hon. L. P. Beaubien: Honourable senators, I have listened to our learned friend with a great deal of interest, and I agree with everything he has said. I am for this bill; I am not against it in any way.

It seems to me, however, that we are looking at this problem, and so many other problems with which we are confronted, from the wrong angle. This afternoon we talked about the bill for the establishment of a dairy commission for Canada, and I believe we were asked to spend $100 million. There are endless problems, and there are countless bills in which we are asked to vote amounts of money. I am sure that all these measures do a tremendous amount of good. If we spend $100 million here and another $100 million there, a lot of good to the country is bound to result; it cannot help but do good. The only difficulty is that we have to find the $100 million first.

To my mind, we should be trying to concentrate on finding something to feed the goose that lays the golden egg, but we do not seem to think of that.

I recall that at the beginning of World War II one of my closest friends became president of Dominion Textiles, following his father's death. That was in 1939. In taking over this large empire he was a little worried and he said to me, "Louis, the corporation tax has been raised to 16 per cent. It is going to break us."

Hon. Mr. McCutcheon: Sixteen per cent; that is dreadful.

Hon. Mr. Beaubien (Bedford): Of course, the corporation tax is now 53 per cent.

Honourable senators, to my mind Canada is in very close competition with the United States of America. We have a border, for better or worse, of 3,000 miles. We speak the same language and we have exactly the same way of doing things as they have on the other side of the border. In the United States of America they have cut the corporation tax to 48 per cent, while ours is 53 per cent. I have not checked these figures—and you can make figures look like one thing or another—but roughly speaking our taxation on income is about the same as in the United States except that an American can, if he wishes, divide his income with that of his wife. If you are earning $25,000 you both put in an income tax return for $12,500. I do not have to tell you that it makes quite a difference.

We have been endowed in Canada with vast natural resources, and that is the only

reason we have been able to spend money like drunken sailors—and for good purposes. I am not at all against people spending money. I do not feel that when it is suggested that money be spent for good causes, members either here or in the other place are trying to get votes. I am not thinking of that at all. But I do say that if you take note of how our budgets have gone up over the past 25 years, you are staggered. The per capita spending is enormous. We have only been able to do that because of our vast natural resources. We own almost everything, and we have the greatest market in the world right at our doorstep. We produce iron ore, copper, nickel, and a multitude of other commodities, and are able to sell them to anybody who can pay us in hard cash.

If we could only make the climate in Canada a little more favourable for those who want to come here and go out and battle, and work to produce something, we could entice people from all ranks of life to Canada. You know that if we have to fight a war we can raise two or three billion dollars somehow. If we could raise two or three billion dollars by cutting our taxes, and get people to come here and work and produce, it would be a good thing for Canada.

Sure, it is wonderful to do something for the old, the sick, and others, but they are not going to bring dividends to Canada. However, if we could cut our taxes and thereby have money to spend, making it profitable for people to come to Canada to work, to build factories and do other things—and we can do it—that is all to the good. We can never do that if we keep on saying we have got to spend $200 million for instance, for medicare. We can pay for all these things if we bring down our taxes. Then Canada will be the place it should be, the best place to make a living.

It does not make sense to keep our taxes higher than the richest country in the world and at the same time try to do more than any other country by way of giving benefits to everybody. If our people get all the benefits in the world it just means that our dollar will go down in value.

I feel that we are going in the wrong diection, and no one suggests that we cut taxes. When our doctors, scientists, and other trained persons leave us and go to the United States, they do so in order to get higher salaries. If the United States can take a few of our skilled people it is a paltry number in relation to its large population. Why can we not attract Americans to Canada? They have a population close to the 200 million mark; surely we can attract five million of them a year. To do so would put this country on the map. I really think that it is something we should try to do.

Hon. Orville H. Phillips: Honourable senators, after listening to Senator McCutcheon's remarks, I should like to speak briefly. I enjoyed his remarks very much and basically I am in agreement with him. This bill is too late and another bill reached the resolution stage in the other place too early. We are not prepared in Canada to institute medicare, simply because we have not the necessary trained people to undertake it.

I am not going to enter into any argument with Senator McCutcheon. I must say that I am glad he does not agree with all the recommendations of the Hall Commission. I do not agree with all of them. He emphasized that we needed to spend more money on research in order to get medical teachers.

Probably one point was missed, and I would like to take a moment to elaborate. The people in the medical and health professions are like anyone else, they like to get a return on their investment. It may sound strange, but a specialist, particularly in medicine has a tremendous investment in cost of training. I should like to illustrate my point by a particular instance.

A young doctor doing post-graduate training at the Neurological Institute in Montreal pointed out to me the number of years it was going to take him to become fully qualified in neurosurgery: eight years in public school, four years in high school, four years for his Bachelor of Science, for years in medical school, plus one year of internship. Then in this case, in the particular course that he was following, it would take him nine years' post-graduate study, plus the fact he would have to spend five years in practice to be fully recognized in his field. In other words, this young man would spend 35 years of his life preparing for his profession. Then he would have 15 or probably 18 years in which to earn a full lifetime's earnings and to recover his investment in his education.

I think this is the great difficulty in getting teachers in medical schools today. We must help them not only through the post-graduate training—and a medical teacher must have the best of post-graduate training—he has to have an average medical salary while he is training. Then when he accepts a teaching

position he has to be a dedicated individual and be interested in training more people in his particular field, because he accepts a lower salary than he would make in general practice. I feel we have not only to help him through his post-graduate studies but also assist the university in paying him at least the average income for his particular post-graduate field.

If we do that, then we have hope of obtaining the thousand teachers that are needed. I agree with Senator McCutcheon that we do need a thousand medical teachers in Canada, and I see no hope of attaining that goal unless we move in the direction that I have suggested. This is just my opinion. I think it is a practical one, and I hope the Government will give consideration to doing it.

Hon. G. Percival Burchill: Honourable senators, I rise to congratulate Senator Beaubien (Bedford) on the wonderful speech he made. I think it was excellent, that it was sound common sense. It is a pity that more speeches like that cannot be made across Canada.

Hon. Mr. Connolly (Ottawa West): We do not sit often enough at night.

Hon. Mr. Burchill: Senator Beaubien ought to make more speeches in this chamber.

Hon. Senators: Hear, hear.

Hon. Mr. Burchill: We do not hear from him enough. What he said tonight, to my mind, is absolute common sense, and I am sure it would be good for the whole Canadian thinking climate if more speeches like that were made across this nation.

May I add that I had expected my friend Senator Gershaw, the dean of medicine in this chamber, to say something on this bill. I was waiting for him to speak, but he shook his head and indicated that he was not going to say anything.

Senator McCutcheon spoke of conditions across Canada, as did the sponsor of the bill, Senator Lang, both speaking no doubt from the standpoint of Ontario. Senator McCutcheon spoke too of the scarcity of doctors in New Brunswick. I endorse everything he said.

Conditions in New Brunswick are very bad as far as the medical profession is concerned, particularly in my section of the province. I have been charged on this trip to Ottawa to secure a general practitioner for the Town of Chatham. Those of us in this chamber who know Chatham realize it is a thriving town and the site of a very large R.C.A.F. station, and it has a population of about 5,000. It always had many excellent doctors, but three young medical practitioners that I can think of as I speak tonight have left that town to train in specialized medicines. So the town is now scarce of doctors, and I have been charged, as I say, with the responsibility of trying to persuade the air force to release one of their doctors who was stationed in Chatham and who indicated while he was in Chatham that he might be persuaded to practise in the town.

I have a letter in my briefcase from Hotel Dieu, the large hospital in Chatham, and they are very much concerned about the medical situation in that town. Senator Brooks, Senator Fournier (Madawaska-Restigouche) and Senator Fergusson are all very familiar with this situation. From Chatham across to Fredericton, a distance of 108 miles through the Miramichi Valley, there is not one medical practitioner, with the exception of Dr. Hamilton of Doaktown who is semi-retired and is not too active. That is a very serious situation, and I am speaking now particularly of the rural sections of this country. There is a great dearth of medical practitioners.

I am not going to say tonight how we should proceed to increase the number. I have read a lot about the problem. In fact, I saw something the other day to the effect that annually 200 Canadian doctors were leaving for the United States where they receive better salaries and living conditions and other benefits. In any case, I go along with Senator McCutcheon that something certainly should be done to build up the number of our medical practitioners because I feel there is a great shortage, not only of medical practitioners but of nurses and all others connected with the ministry of healing.

We hear and anticipate that medicare will be introduced in a very short time, and if it is introduced I wonder where we are going to obtain qualified people to staff it. That seems to me to be the problem.

However, I want to put on the record the fact that there is a great shortage of general medical practitioners today in rural sections of this country, and that whatever is to be done should be done quickly.

Hon. Mr. McCutcheon: Honourable senators, if you will allow me to be out of order for a moment, I am delighted to have heard

what Senator Burchill has said and, in particular, the warning flag that he raised about medicare. I will say no more; I will just say that he raised the warning flag.

What I did want to say, and I am sorry I did not say earlier, was that had Senator Sullivan been able to be here this evening he would have taken my place in this debate and would have performed much more ably than I have.

Hon. Mr. Connolly (Ottawa West): You did all right.

Hon. Mr. McCutcheon: Unfortunately, he was ill, and thus was unable to be here.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Lang, bill referred to the Standing Committee on Banking and Commerce.

PUBLIC UTILITIES INCOME TAX TRANSFER BILL

SECOND READING

Hon. Earl W. Urquhart moved the second reading of Bill C-211, to authorize the Minister of Finance to transfer to the Provinces a proportion of the income tax payable by certain public utility companies.

He said: Honourable senators, Bill C-211 seeks permission for the Government of Canada to provide for the payment to the provinces of 95 per cent of the income tax paid to the federal Government by certain public utility corporations on that part of their income arising from their public utility operations.

This bill will enable the federal Government to carry out an undertaking given to the provinces in July 1965. Some years ago an arrangement was made whereby 50 per cent of the federal tax was transferred to the provinces of Canada. It might be well for the information of honourable senators if I were to outline briefly the history of this tax transfer arrangement between the federal and the provincial governments.

In 1947, as an integral part of the Dominion-Provincial Tax Rental Agreements Act, the federal Government agreed to transfer to the provinces a portion of the federal income tax paid by electrical, gas and steam utilities. Under that agreement the federal Government undertook to pay one-half of the federal income tax paid by these utilities, subject, of course, to certain conditions. Under the Tax Rental Agreements Act of 1952 this sharing arrangement was continued for an additional five years, and when that agreement was concluded in 1957 the federal Government undertook on each subsequent five-year revision of the fiscal arrangements to continue the 50 per cent share. It is well to note that in addition to providing in 1947 for the payment to the provinces of one-half of the income tax paid by certain privately owned public utilities, the Government of Canada provided in the following year for a tax concession to these corporations.

In the year 1948, when the general tax rate was 50 per cent of taxable income, the rate on the taxable income of these public utilities was reduced to 43 per cent. While the 7 per cent rate advantage has been reduced over the years, these corporations remain subject to a corporate income tax rate that remains 2 per cent less than the general 47 per cent corporate tax. This provision is contained in Section 85 of the Income Tax Act, and I bring this to the attention of honourable senators because many of the provisions of this bill are modelled on that section.

The federal Government's decision to increase this transfer to the provinces from 50 per cent to 95 per cent of the federal tax was based on the constant and unremitting representations from several provinces of Canada. Many provinces argued that privately-owned gas and electrical utilities were at a competitive disadvantage as compared with publicly owned utilities, and accordingly this disadvantage was a deterrent to private companies in developing new power sites and sources. It was further argued that this disadvantage was most evident in those provinces which depended largely on private companies for the generation or distribution of electrical energy and gas, and that if this disadvantage were continued the provinces might be obliged to consider the nationalization of these utilities. Both British Columbia and Quebec will serve as illustrations on this point. After very careful consideration, the Government of Canada accepted the power of the provincial arguments as to the effect upon the consumers of electrical energy and gas of the differential treatment of utilities.

I presume that honourable senators now are wondering why the Government did not undertake to transfer 100 per cent of the federal tax to the provinces. The answer to that is very simple. The reason is that the federal Government needs to retain some five per cent of the federal tax revenue to com-

pensate it for the dividend tax credit it continues to give to shareholders of these Canadian corporations.

Honourable senators may also wonder why the Government did not meet the request of some of the provinces by abolishing the federal income tax on such corporations. Some argued that if it is desirable to give these corporations tax relief, it would seem simpler to do so by exempting them from taxation rather than transferring the federal tax to the provinces who might in turn pass it back to the corporations.

This approach was considered and rejected for several reasons. First, the federal Government would have to continue to assess these corporations for their liability under the Old Age Security Tax. Second, the federal Government was obligated under the Tax Collection Agreements with eight provinces to assess and collect the provincial corporation income tax on these corporations. Third, many of the larger public utilities earned income from sources other than their public utility operations, and it would be impossible to exempt this income without jeopardizing the corporation income tax structure. Fourth, while certain provinces wished to pass the tax saving on to the consumers by a reduction in utility rates, other provinces did not wish to lose the revenue they were presently sharing, or the additional revenue that they would receive under the new sharing arrangements. Some provinces preferred to use the additional revenue for other purposes such as the construction of rural transmission lines. Fifth, if the federal income tax were abolished, the shareholders in these corporations would cease to be eligible for the dividend tax credit.

As it was evident that Canada would have to continue to assess these corporations for taxes, and in order to allow the provinces the freedom to adopt the policy most acceptable to each of them, it was decided to continue to subject these corporations to federal taxation and remit the federal revenue to the provinces in the expectation that the provinces would employ the funds in the best interests of their consumers.

Having clarified those points, there is another point that must be clearly understood. The public utility corporations to which this legislation applies are those whose main business is the distribution and sale to the public of electrical energy, gas and steam, or the generation and sale for distribution to the public of electrical energy and steam. It is the federal income tax paid by these corporations that this legislation proposes to transfer to the provinces of Canada.

I think it would be helpful if I were to refer to the relevant provisions of the Income Tax Act. Section 85 of Part I of the Income Tax Act, to ensure that the 45 per cent rate applies only to corporations that are genuinely in the public utility field and does not extend to corporations that may, incidental to their main activity, generate or sell electrical energy, gas or steam, requires that a corporation to be eligible for the lower rate must receive more than one-half of its total gross revenue from such distribution and sale, or generation and sale. Likewise, Part I of the Income Tax Act, to ensure that the lower rate of taxation does not apply to corporations that are merely providing electrical energy, gas or steam, mainly for subsidiaries or parent company, and are not serving the public, requires that a corporation to be eligible for the preferred tax rate must receive more than one-half of its gross revenues from sales to persons with whom it deals at arm's length.

Bill C-211 incorporates conditions analogous to the above provisions in Part I of the Income Tax Act.

It must be clearly understood that where a corporation qualifies under the Income Tax Act for the preferred rate, that rate applies only to that portion of the corporation's income which arises from its distribution and sale or generation and sale to the public. It is 95 per cent of this portion of the qualifying corporations' federal tax that will be paid to the provinces. When the 95 per cent share of the federal tax is determined, that amount will be paid to the province or provinces in which the distribution and sale or generation and sale is made to the public.

This bill proposes that the 95 per cent sharing arrangement shall apply to the income tax paid by the eligible corporations on income earned only after December 31, 1965. But it is the intention of the Government to continue to apply the present 50 per cent sharing arrangements to the tax paid on income earned up to and including December 31, 1965, and provisions are made in the Estimates to cover the taxation year ending in 1964 and further authority would be requested to cover the 1965 calendar year.

It will be immediately apparent to honourable senators that there is a delay of two years between the taxation year in which the profits are earned and the year the 50 per

cent share is paid to the province. Apart from the time lag allowed all corporations in the filing of the tax returns, additional delay is necessitated by the need to segregate those corporations in respect of which the 50 per cent sharing arrangement applies and then to re-process their income tax returns to determine the tax revenues to be shared and the province or provinces to whom payment is to be made.

I am sure that this bill will meet with the approval of all honourable senators. I have personally held the view for some time that this legislation was not only desirable but completely justified if we are desirous of preserving the continuation of privately-owned public utilities.

Hon. Edgar Fournier: Honourable senators, I can assure you that at this late hour my remarks will be brief.

I am not rising in protest or to be unduly critical of Bill C-211. However, I wish first to congratulate Senator Urquhart who gave us very comprehensive information on the matter. His vast parliamentary experience was easily noticeable, and I am sure was well appreciated by all.

It is not my intention to elaborate on what was said. I prefer rather to limit myself to what was not said, by pointing out what seems to me to be a matter of embarrassment, and to ask a few questions.

First, the amendment seems to have a particular significance to Brinco, a Newfoundland corporation, which for the last 13 years has explored all aspects and possibilities of developing the Hamilton Falls—today called the Churchill Falls; and I will say a few words about that project in a few minutes.

The amendment seems to open wide a field of potential headaches for the federal Government, since the bill is confined to generation and distribution of electrical energy by steam or gas, and to industries in the sales of gas to the public.

This bill, as was said by my honourable colleague, opens the door to the federal Government to reimburse, or transfer, if you wish, to the province some 95 per cent of the 52 per cent paid by some public utilities for corporation income tax.

The title of the bill is well named "Public Utilities." Having said that the bill had potential headaches for the federal Government, the term "Public Utilities" could very easily spread to a very wide field, such as the production or distribution of gasoline, telephone services, which are usually listed as public utilities, transportation services, such as metros, subways, buses and even taxis. Many more could be listed.

In an article in the *Financial Post* of May 7, 1966, under the title, "Tax Rebate Plan would lower cost of electricity," some presidents other than those mentioned in this bill were somewhat critical of the bill. One president stated, "One more example of taxation discrimination in the field of energy." However, if this bill is going to be beneficial to the consumers and not so much to the profit of the utilities, the bill has some merit.

I would like to know if the reimbursement or transfer of revenue made from the federal treasury is to be done direct to provincial treasuries *carte blanche* without any specified assignment, or if the payments will be made direct to the utilities concerned. According to the bill, payments have to be made to the provinces. If this is so, what assurance have we that the funds will reach the right or deserving utilities and that the fund in the end will serve the purpose for which it is intended?

My second question is: Who will benefit from the bill? Does it include all utilities in the sales of gas to the public and all utilities in the production of electricity by steam or gas? I happen to know some utilities that are in very good standing and need no assistance. Will they be entitled to the reimbursement also by the province? Where will the Government draw the line between who qualifies and who does not?

My third question is: Will there be a time limit on those refunds to the provinces? Will they be renewed year after year automatically without any deserving consideration? It will be interesting to note next year how much of those refunds reached the consumer's pocket.

This brings me to another question. What benefit will my Province of New Brunswick derive from this bill, since the New Brunswick Electric Power Commission is operated by the province? To my knowledge, today only the City of Fredericton derives electrical service from a public utility. New Brunswick has no gas service, except a small company in the Moncton area. Under the circumstances, this measure will certainly not be beneficial to New Brunswick, except to a very small degree, while the richer provinces, which

have the privilege of natural gas services from several utilities, will benefit on a much larger scale.

Honourable senators, if this money is paid to the provinces *carte blanche*, I fail to see how it will assist the Brinco project in any way, unless by special arrangement not included in the bill.

It is true that the bill itself does not mention Brinco, but several news media have mentioned Brinco as a major gainer—and I hope they were right.

I may be out of order, but if this bill is to have the effect of bringing forward the construction of this vast project, I am all for it, for I am a strong believer in Brinco. During my time as chairman of the New Brunswick Electric Power Commission I used to follow the progress of Brinco very closely. I had the opportunity to visit the site as a guest of Brinco. I did that in the interests of the people of my province, because Brinco would bring assistance not only to our power problem but would resolve the question for many years to come.

In New Brunswick, due to our location, we must be sure that the transmission lines are not to be too far away. From such a transmission line to our system the New Brunswick Electric Power Commission could tap on to our New Brunswick and Nova Scotia grid system, and with the Prince Edward Island causeway extend the grid system as planned. So, to me, Brinco is a must.

I am somewhat worried about the delays, for many reasons. Nuclear power is at our doorstep. However, with the potential of Churchill Falls the available market for power and the latest method of energy transportation—by which the line loss has been reduced from 9 or 10 per cent to less than 2 per cent by converting alternating current to direct current and using converters at the other end of the line, at distribution centres, to reconvert it to the standard alternating current—this has solved many of the financial problems of the company. I hope to see some day a national grid across the nation. With the potential hydro of British Columbia, the coal and gas of the prairie provinces, the nuclear power facilities of Ontario, the tremendous hydro potential of Quebec, and the resources we have in the Maritimes, no doubt this could be one of the world's greatest power grid systems.

I will certainly support this bill. I hope those who will have the responsibility of carrying it to its successful conclusion will make sure that these payments will reach the right people and that the money will be used for the purpose for which it is intended.

Hon. J. Harper Prowse: Honourable senators, I would like to make just one comment, so there will be no misunderstanding about this bill.

It is that this bill does not bestow special privileges on anyone. What it does is to remove the unequal imposition of a tax on people, which has the effect of penalizing those people who still retain confidence in the capacity of private enterprise to provide a public service.

In the Province of Alberta practically all the natural gas systems—and the exceptions would be the City of Medicine Hat, the town of Lac-la-Biche and the town of Coleman—are provided by private enterprise. A great deal of the electricity and all the rural electricity is provided by private enterprise.

Under the present system those companies have to be taxed and it means that in the Province of Alberta the consumers of those utilities pay a tax, whereas if they lived in provinces where the utility was publicly owned and publicly administered they would not pay a tax.

Purely on the matter of principle that it seems improper and unfair in this country to penalize people for continuing to give practical effect to their belief in free enterprise, I submit, honourable senators, that this bill deserves your support.

Motion agreed to and bill read second time.

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

On motion of Hon. Mr. Urquhart, bill placed on the Orders of the Day for third reading at the next sitting of the Senate.

STATUTE LAW (SUPERANNUATION) AMENDMENT BILL, 1966

SECOND READING—DEBATE ADJOURNED

Hon. Maurice Bourget moved the second reading of Bill C-193, to amend the Public Service Superannuation Act, the Canadian Forces Superannuation Act, the Defence Services Pension Continuation Act, the Royal Canadian Mounted Police Superannuation Act, the Diplomatic Service (Special) Superannuation Act, the Intercolonial and Prince Edward Island Railways Employees' Provi-

dent Fund Act and the Canadian Corporation for the 1967 World Exhibition Act.

He said: Honourable senators, the main purpose of Bill C-193 is to provide for co-ordination between the Canada Pension Plan and a number of acts dealing with the superannuation of members of the Public Service. While this objective is readily understandable in principle, I can assure you it is very complex in detail. Its complexity stems from the fact that many statutes govern the superannuation position of employees of the Public Service. In fact, this bill now before us amends no fewer than seven acts, and they are: the Public Service Superannuation Act, the Canadian Forces Superannuation Act, the Defence Services Pension Continuation Act, the Royal Canadian Mounted Police Superannuation Act, the Diplomatic Service (Special) Superannuation Act, the Intercolonial and Prince Edward Island Railways Employees' Provident Fund Act and the Canadian Corporation for the 1967 World Exhibition Act. I should add here that the amendments to the Defence Services Pension Continuation Act and the Canadian Corporation for the 1967 World Exhibition Act are for purposes other than correlation with the Canada Pension Plan, and I will speak to those in detail at a later stage in my remarks.

I fear that this grouping puts this bill in that class of bills that has been described as omnibus. However, I am sure honourable senators will agree that it is not only highly desirable that the amendments to the various acts to which I have referred should come into effect at the same time, but that they should be considered collectively as they relate to and deal with the superannuation position of the very large grouping known as the Public Service.

Turning to the bill itself, may I deal first with the amendments that are proposed to integrate the Public Service Superannuation Act. This act is perhaps the one that is best known to us. It covers nearly all civil servants, or 70 per cent of the Public Service, broadly defined. In developing the amendments proposed to integrate the Public Service Superannuation Act with the Canada Pension Plan, the Government was guided by a desire to translate into a law as faithfully as possible two principles. The first principle is that the total contribution paid by the employee and by the Government on the salaries on which contributions are now being paid should not be increased. In order to accomplish this, a portion of the contribution is to be diverted away from the Public Service Superannuation Fund to the Canada Pension Plan Fund or the Quebec Pension Plan Fund, as the case may be.

Perhaps I can best illustrate this by an example. For a male contributor to the Public Service Superannuation Fund the reduction will be from 6.5 per cent to 4.7 per cent—the difference of 1.8 per cent will be contributed to the Canada Pension Plan—of that portion of salary from $600 to $5,000 per year, the range that is subject to Canada Pension Plan contributions. For female contributors, the result of the diversion to the Canada Pension Plan Fund will be a reduction from 5 per cent to 3.2 per cent in respect of contributions in the same $600 to $5,000 per year salary range.

These reductions in the rate of contributions payable to the Public Service Superannuation Fund means that the benefits payable out of this fund will likewise have to be reduced. I should note here that this reduction in benefits from the fund will be in respect of service beginning January 1, 1966, which, of course, is the date on which the Canada Pension Plan came into effect. In providing for this reduction of benefits payable from the Superannuation Fund, the second principle comes into play, namely, that the combination of benefits under the Public Service Superannuation Act and the Canada Pension Plan should not be less than the benefits which would have been payable under the formula for the Public Service Superannuation Fund prior to these amendments in respect of contributors as of December 31, 1965 and who remain continuously employed until they retire on immediate annuities.

The second principle, therefore, envisages that such a person who withdraws from employment after January 1, 1966, shall be entitled to a pension which will be at least equal to that to which he would have been entitled under the Public Service Superannuation Act, if there had been no adjustment made to it as a result of this integration with the Canada Pension Plan. I should point out here, of course, that no person who retired prior to January 1, 1966—that is to say, prior to the coming into force of the Canada Pension Plan—is in any way affected by the proposed integration measures of this bill.

Honourable senators, translating this second principle into law has given rise to certain paradoxical situations in respect of a limited number of cases, and I will be speaking about this fact a little further on in my remarks.

Before leaving the discussion of the procedure by which the Public Service Superannuation Act is to be integrated with the Canada Pension Plan, it might be useful to give some information as to the source of the two principles which guided the integration.

It was not long after the Canada Pension Plan was announced that requests for the adoption of the two principles I have mentioned were made to the Government. These requests came from the staff associations themselves. In response to these requests, the Minister of Finance referred to his advisory committee on the Public Service Superannuation Act the question of developing a formula which would meet these requirements in so far as that act was concerned. The advisory committee which is made up of equal representation from the official and staff sides of the Public Service of Canada, prepared and recommended to the minister the formula which is incorporated in this bill. The minister then informed the National Joint Council of the Public Service of Canada of these proposals before deciding to recommend them to the Government. Only after the National Joint Council endorsed the advisory committee's proposals did the Government decide to accept them and to recommend them to Parliament, as has been done in this bill. I mention this to emphasize the degree to which the representations of the Civil Service staff organizations were involved in the consideration and development of these proposals before they were approved by the Government.

Before turning to the procedures describing how the four other pension funds this bill proposes are to be integrated with the Canada Pension Plan, may I first observe that in no other case was it possible to use exactly the same approach as that developed for the Public Service Superannuation Act. A number of features account for this, foremost of which are the low average age, and consequently high cost of pensions payable to members of the armed forces and the R.C.M.P., and the general circumstances of contribution and benefits of the other two, and more minor pension funds affected by this bill.

The procedures whereby the Canadian Forces Superannuation Act and the Royal Canadian Mounted Police Superannuation Act are to be integrated with the Canada Pension plan can be considered together, as the features of both plans are quite similar. On the contributions side, the arrangement is simple enough. The amount of the Canada Pension Plan contribution will be deducted from the 6 per cent contribution rate now being paid by contributors to the Canadian Forces Superannuation Account and the R.C.M.P. Superannuation Account on earnings between $600 and $5,000. On the first $600 of earnings and on earnings in excess of $5,000, the 6 per cent rate will continue as formerly.

On the benefit side, there will likewise be complete integration of benefits so that in the case of normal retirement, benefits now payable under the existing superannuation laws would continue to be payable as a charge against the existing superannuation account until age 65. But, from age 65 on, when the Canada Pension Plan benefit becomes payable, the Canada Pension Plan benefit will be offset by a corresponding reduction in the amount of benefit continuing to be paid after age 65 from the armed forces or R.C.M.P. Superannuation account.

The effect of these proposals is to integrate the pension contributions and benefits of more than 95 per cent of the members of the regular forces and more than 80 per cent of the members of the R.C.M.P. with the Canada Pension Plan. This result should be gratifying to those senators who were members of the Joint Committee on the Canada Pension Plan two sessions ago. They will recall that the committee urged, and the Government agreed, to leave the door open for members of the armed forces and the R.C.M.P. to be brought into the Canada Pension Plan. In the result, nearly all made it through that door.

Perhaps I should mention that the superannuation benefits of the remaining 5 per cent of the regular armed forces and the remaining 20 per cent of the R.C.M.P. are governed by the Defence Services Pension Continuation Act, and the R.C.M.P. Pension Continuation Act, respectively. These acts cover persons who enrolled in the armed forces prior to World War II and persons who became members of the R.C.M.P. prior to 1949. Both continuation acts feature more generous benefits than those provided under the Canadian Forces Superannuation Act and the R.C.M.P. Superannuation Act. The relevant cost factors are such that it has not proved possible to devise an equitable formula to bring persons subject to these continuation acts under the Canada Pension Plan.

Honourable senators, I do not propose to go into the detail of the formula by which the Diplomatic Services (Special) Superannuation

Act and the Intercolonial and Prince Edward Island Railways Employees' Provident Fund Act are being integrated with the Canada Pension Plan. Suffice it to say that they are each unique because of the special conditions of contributions and benefits that obtain for these two funds. May I simply say that those with an actuarial bent will find the details of the integration formulas proposed for these two acts in clauses 78(3) and 90 respectively.

Honourable senators, this completes the very general remarks I had intended making in respect of the integration proposals contained in the bill.

In addition, the measure now before us proposes certain other changes to the various acts being amended, and I would like to draw your attention briefly to some of the more significant ones.

Perhaps the most important of these are the changes proposed in the Public Service Superannuation Act to introduce a degree of "portability" of benefits. Clause 18 of Bill C-193 extends the power of the minister to enter into reciprocal pension transfer agreements with any employer with an approved pension plan. This, in practice, means a type of plan which is registered for income tax deduction purposes. A further change extends the provision in the existing law under which actuarial equivalent benefits may be payable prior to the age of 60 under the Public Service Superannuation Act, while other clauses would compel a locking-in of contributions made after a date to be proclaimed by the Governor in Council, in the case of a person retiring after the age of 45, with at least ten years of pensionable service.

I might also say that it is the introduction of this concept of portability of pensions which is responsible for many of the amendments in the Diplomatic Service (Special) Superannuation Act where, as a result, benefits will henceforth become payable as a matter of right instead of being subject to a grant by the Governor in Council.

Honourable senators, the bill also provides for the removal of the present ceiling of $5,000 on the death benefit. In its place will be a provision setting the amount of death benefit at the multiple of $250 equal to or next above the salary of the employee. Actuarial advice indicates that this feature can be added to the plan for civil servants without jeopardizing its fiscal soundness.

Members of the regular forces have also been included under this plan and will be eligible for the larger amounts of benefit. This will be done by adding a new Part 3 to the Canadian Forces Superannuation Act.

One further proposed change that I would like to single out is that which relates to the limitation which now exists on the amount of pension a former officer of our armed forces may receive if he is subsequently employed in the Public Service of Canada. The bill contains a provision which will make this control more flexible. It will give the Governor in Council power to determine the extent of any adjustments to be made.

Honourable senators, in closing may I be permitted to observe that in a certain sense the bill before us is no stranger to the Senate. Its central provisions were foreshadowed in our consideration of the Canada Pension Plan at which time, it will be recalled, the Government set out its views of how public service pension plans could be integrated in the pension plan. Additionally, Bill C-193 has itself been the subject of examination in the Joint Committee on the Public Service which was set up early this session, and I would like briefly to speak of the examination it received in that forum.

The study of the bill in the joint committee started Thursday, June 16, and was completed on June 22. All Civil Service associations or federations who had an interest in the bill were notified to appear and the following organizations presented briefs: Association of Canadian Forces Annuitants, The Civil Service Federation of Canada, The Civil Service Commission, and The Canadian Unions of Postal Workers.

It was my privilege to serve as one of the co-chairmen on the joint committee, and discussions on the bill and the briefs were most informative, even if somewhat difficult for informed laymen—and I don't pretend to be one of them—to follow. However, I am sure I speak for all members of the joint committee when I say how grateful we are for the expert guidance provided us by two outstanding officials of our Public Service. I refer, of course, to Dr. George Davidson, Secretary of the Treasury Board, and Mr. Hart Clark, Director of the Pensions and Social Insurance Division of the Department of Finance.

Honourable senators, the proceedings of the joint committee have been printed and have been available for several days now, so may I simply observe that much of the discussion centred on the effects of the "lock-in" provisions of the bill. It was argued that the locking in of contributions of persons who

retire after age 45 and after ten years of service is, in fact, a loss of privilege from what obtained previously. But it should be noted that the lock-in clause itself serves, if I might put it this way, a wider goal in that it ties in with the measures for portability which this bill contains.

Another anomalous situation was discussed in committee. This relates to the position of two persons who retire and who have service after January 1, 1966. Their entitlement to benefits rests on their pension position in the Public Service Superannuation fund and for the Canada Pension Plan. It was pointed out that if one decides to take employment again, he would get benefits only from the Public Service Superannuation fund, while the other who remains retired would get benefits from the Canada Pension Plan as well.

The situation appears to be this: Both will receive identical treatment in respect of their benefits from the Public Service Superannuation fund but the person who takes another employment will be affected by the conditions governing payment of pension under the Canada Pension Plan. Depending on the level of his earnings, payments of benefit under the Canada Pension Plan may be suspended until such time as he retires from his known nongovernmental employment, at which point he would be reinstated at what would then presumably be a somewhat higher level than the Canada Pension Plan.

The committee also considered the question of decisions being made by the Minister of Finance or the Minister of National Defence without appeal to the Treasury Board. The Minister of National Revenue before the joint committee indicated the Government was prepared to re-examine its position here. And it is gratifying to note that amendments were introduced in committee in the other place to provide for appeal to the Treasury Board from the decisions of the ministers to whom I have referred.

Honourable senators, as I said at the outset, this is a very complex bill, and I do not pretend to know or to have understood everything about it, even when it was explained in committee. I think that some honourable senators who were also members of the committee will agree with me on that. I have attempted to give a straightforward explanation, and I hope my remarks have clarified and not confused the issue in your minds. The bill has received very careful consideration at the hearings of the joint committee, and I am confident that the details of the bill translate faithfully into law its principles, and I urge the Senate to give it its favourable consideration.

On motion of Hon. Mr. Macdonald (Cape Breton), for Hon. Mr. O'Leary (Antigonish-Guysborough), debate adjourned.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, June 30, 1966

The Senate met at 3 p.m., Hon. Maurice Bourget, P.C., Acting Speaker, in the Chair.

Prayers.

DOCUMENTS TABLED

Hon. John J. Connolly tabled:

Supplementary Estimates (B) for the fiscal year ending March 31, 1967. (English and French texts).

Report of Canadian Patents and Development Limited for the fiscal year ended March 31, 1966, certified by the Auditor General, pursuant to sections 85(3) and 87(3) of the Financial Administration Act, chapter 116, R.S.C., 1952. (English and French texts).

Report of Crown Assets Disposal Corporation, including its Accounts and Financial Statements certified by the Auditor General, for the fiscal year ended March 31, 1966, pursuant to section 14 of the Surplus Crown Assets Act, chapter 260, and sections 85(3) and 87(3) of the Financial Administration Act, chapter 116, R.S.C., 1952. (English and French texts).

Report of the Canadian Commercial Corporation, including its Accounts and Financial Statements certified by the Auditor General, for the fiscal year ended March 31, 1966, pursuant to sections 85(3) and 87(3) of the Financial Administration Act, chapter 116, R.S.C., 1952. (English and French texts).

Report on the Administration of the Canada Labour (Standards) Code for the fiscal year ended March 31, 1966, pursuant to section 49 of the said Code, chapter 38, Statutes of Canada, 1964-65. (English and French texts).

Report on the Operations of the Municipal Development and Loan Board, including its Accounts and Financial Statements certified by the Auditor General, for the fiscal year ended March 31, 1966, pursuant to section 20 of the Municipal Development and Loan Act. chapter 13, Statutes of Canada, 1963. (English and French texts).

News Release issued by the Treasury Board concerning increases in rates of pay for certain classifications of civil servants, together with extract from the minutes of a meeting of the Treasury Board held at Ottawa, June 29, 1966. (English and French texts).

He said: Honourable senators will note that I have tabled Supplementary Estimates (B). Normally, I make a motion at this time to refer such supplementary Estimates to the Standing Committee on Finance. However, on this occasion they are very short and deal with only two loan items. Therefore, I think there is no need to refer them to the committee. They can be explained when they arise in the normal course under the Appropriation Bill.

PRIVATE BILLS

LUTHERAN CHURCH IN AMERICA—CANADA SECTION—REPORT OF COMMITTEE

Hon. A. K. Hugessen, for Hon. Mr. Bourget, Chairman of the Standing Committee on Miscellaneous Private Bills, reported that the committee had considered Bill S-39, to incorporate Lutheran Church in America—Canada Section, and had directed that the bill be reported without amendment.

THIRD READING

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

Hon. Mr. Hugessen: Honourable senators, as this is an uncontested church bill, I suggest we might consider giving it third reading now. With leave, I move third reading.

Motion agreed to and bill read third time and passed.

THE EVANGELICAL COVENANT CHURCH OF CANADA—REPORT OF COMMITEE ADOPTED

Hon. Mr. Hugessen, for Hon. Mr. Bourget, Chairman of the Standing Committee on Miscellaneous Private Bills, reported that the committee had considered Bill S-38, to incorporate The Evangelical Covenant Church of Canada, and had directed that the bill be reported with the following amendment:

Page 6: Delete clause 18.

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

Hon. Mr. Hugessen: Honourable senators, with leave of the Senate, I move that this report be adopted now, although, inasmuch as there is an amendment to the bill, I will

not suggest that it be given third reading today. Perhaps I should explain to the house the amendment proposed by the committee.

This amendment deletes clause 18 from the bill, which is to incorporate an ecclesiastical body known as The Evangelical Covenant Church of Canada. Clause 18 is rather peculiar; indeed, in my experience I have not seen a similar clause. It would allow the corporation to change its name if it wished by deleting the word "Evangelical", or by substituting another word for "Evangelical". This is a very unusual power that the corporation sought. However, after discussion, they reached the conclusion that it would be difficult to get Parliament to agree to such a power.

I have in my hand a letter from the counsel for the promoters of the bill in which they explain that they have agreed to the deletion of clause 18. With the concurrence of the house, I will read this letter:

> When the above-mentioned Bill was being orginally drafted, the Church expressed to us the desire to be given the power to change its name from time to time as it might decide. As a result of our own advice, corroborated by Senate Councel and others, we advised the Church that Parliament would find the granting of such latitude unacceptable.
>
> The underlying thought behind the Church's desire for the broadest powers with respect to its name was that in the years to come a change or changes might be desirable in order to accommodate the opinions and practices of other similar congregations in Canada which might wish to join the Evangelical Covenant Church of Canada.
>
> Clause 18 as it appeared in the bill was drafted as a compromise. However, the Church on further consideration came to feel that the true purpose, in asking for the flexibility of name might not be understood by the members of its several congregations. Specifically it came to be feared that Clause 18 might be interpreted as evidencing a particular theological attitude relating either to the emphasis or de-emphasis of the evangelical aspect of the Church's doctrine.

So they withdrew section 18 for reasons I think we all agree are good. That is the explanation of the amendment.

Report adopted.

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

Hon. Mr. Hugessen moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

CANADIAN NATIONAL RAILWAY BILL

CONSTRUCTION OF BRANCH LINE NEAR STALL LAKE, MANITOBA AND OF BRANCH LINE NEAR WATROUS, SASKATCHEWAN—AUTHORITY TO PRINT COMMITTEE PROCEEDINGS

Hon. A. K. Hugessen, Chairman of the Standing Committee on Transport and Communications, presented the following report of the committee on Bill C-210, respecting the construction by Canadian National Railway Company of a line of railway in the Province of Manitoba from the vicinity of Stall Lake on the Chisel Lake Subdivision of Canadian National Railways in a northeasterly direction for a distance of approximately 12 miles to a point in the vicinity of Osborne Lake in The Pas Mining District of that Province, and of a line of railway in the Province of Saskatchewan from the vicinity of Watrous on the Watrous Subdivision of the said Railways in a northeasterly direction for a distance of approximately 18 miles to a point in the vicinity of Guernsey in the Regina Mining District of that Province:

> Your committee recommends that authority be granted for the printing of 800 copies in English and 300 copies in French of its proceedings on the said bill.

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

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

Report adopted.

REPORT OF COMMITTEE

Hon. Mr. Hugessen, Chairman of the Standing Committee on Transportation and Communications reported that the committee had considered Bill C-210, respecting the construction by Canadian National Railway Company of a line of railway in the Province of Manitoba from the vicinity of Stall Lake on the Chisel Lake Subdivision of Canadian National Railways in a northeasterly direction for a distance of approximately 12 miles to a point in the vicinity of Osborne Lake in The Pas Mining District of that Province, and

of a line of railway in the Province of Saskatchewan from the vicinity of Watrous on the Watrous Subdivision of the said Railways in a northeasterly direction for a distance of approximately 18 miles to a point in the vicinity of Guernsey in the Regina Mining District of that Province, and had directed that the blll be reported without amendment.

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

Hon. Mr. McDonald moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

CANADA LABOUR (SAFETY) CODE BILL

REPORT OF COMMITTEE ADOPTED

Hon. A. K. Hugessen, Chairman of the Standing Committee on Transport and Communications, reported that the committee had considered Bill S-35, respecting the prevention of employment injury in federal works, undertakings and business, and had directed that the bill be reported with the following amendments:

1. Page 3, line 37: After "equipment," insert "vehicles,".

2. Page 4, line 20: After "use" insert "and disposal".

3. Page 4, line 35: After "on" insert "or to be carried on".

4. Page 4: Immediately after paragraph (i) insert the following as new paragraph (j).

"(j) prescribing mechanical standards for vehicles and equipment;".

5. Pages 4 and 5: Reletter present paragraphs (j) to (p) as paragraphs (k) to (q) respectively.

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

Hon. Mr. Hugessen, with leave of the Senate, moved that the report be taken into consideration now.

He said: Honourable senators, I wish to explain briefly the amendments which have been read. They are quite minor amendments, mostly verbiage, to clear up certain points.

After considerable discussion and debate in committee, they were accepted by the Minister of Labour and his officials, who agreed they improved the text of the bill. We had the benefit of having the minister present at two long sittings of the committee. We went into the bill quite thoroughly. We had one or two representations from labour organizations, and I think they were satisfied with respect to the particular matters which interested them.

On the whole, we were satisfied that this is a good bill regarding Canadian labour safety regulations and that its application will be sufficient to fill up any gaps which exist in those regulations.

Honourable senators, as this is a Senate bill, it has to go to the House of Commons. It has been on the tapis for quite a long time. We have given it our best consideration. I would be happy to see it go to the House of Commons as quickly as possible, so that they may deal with it and have it become the law of the land. If that meets with the approval of the Senate, I would move concurrence in these amendments and, following that, but only with the unanimous consent of this house, that the bill be read the third time right away.

Hon. Jacques Flynn: Would the honourable senator explain one amendment, which I did not grasp, in reference to motor vehicles?

Hon. Mr. Hugessen: I believe my honourable friend is referring to section 7, on page 4 of the bill, dealing generally with the regulations which the Governor in Council could make.

As the honourable senator will recall, there are many such paragraphs, ranging from (a) to (p). One of the regulations inserted in this amendment would allow the Governor in Council to prescribe mechanical standards for vehicles and equipment. It was suggested in that form, I believe, by the counsel for the trucking employees. It was considered by the Government officials, who thought it would be well to insert that as one of the things about which the Governor in Council could make regulations in connection with safety matters.

Hon. Mr. Flynn: Would the honourable senator explain exactly what would be the field of application to motor vehicles? Would this enable the Government to deal, for instance, with the general problem, which is outside the scope of the bill, of the safety

devices for all motor vehicles? If this is the purpose, it is certainly outside the scope of the bill.

Hon. Mr. Hugessen: The bill, constitutionally, can deal only with matters which come under the federal power. Under the Winner case, as the honourable senator knows, the Privy Council decided that interprovincial trucking was a matter of federal power, falling within the competence of Parliament. I can quite understand that in connection with interprovincial trucking or international trucking to the United States it would be valuable to allow the Governor in Council to issue regulations prescribing mechanical standards for vehicles and equipment.

Hon. Mr. Flynn: As long as the honourable senator can assure the house that we are not enlarging the scope of the bill which is simply enabling legislation for the Government in the labour field which is its own, I do not see any problem. But I think we would be enlarging the scope and dealing with something which is completely outside the scope envisaged by the bill when it was introduced, if we were to deal with all problems concerning motor vehicles.

Hon. Mr. Hugessen: I quite agree, but I do not think that this wording, concerned with one of the many subjects on which the Governor in Council could make regulations, adds very much to it. It is all within the scope of the general requirements of the act which is specifically limited by section 3 to works subject to the jurisdiction of the Parliament of Canada.

Hon. Arthur W. Roebuck: Honourable senators, I wish to make a short comment in connection with this measure.

Honourable senators will probably remember that when it was before the house in the first instance I said that it was an exceedingly valuable bill, so valuable in fact that I took a rather strenuous objection to section 3, subsection 3, which exempted its application to the operation of railroads, aircraft and ships. I was especially interested in its impact on railroads, and I was able to say at that time how long a period had elapsed in which the railroad men had demanded some safety measure such as this. I illustrated my point by citing the fact that on the Canadian Pacific Railway from one side of Canada to the other, men on the diesels were obliged to drink from a tin pail and out of a common tin cup. This is highly unsanitary and out of date.

This matter came before the committee, and at this stage I want to compliment the chairman on his diplomacy and courtesy and on the effective way in which he operated as chairman of that committee. We had three representatives who were high officials of various railway unions who took the same line as I have taken and who told us, from their personal knowledge, of what was taking place, and about the buck passing from one department to another *ad nauseam* as to responsibility.

The minister appeared before us and gave us much of his time and a great deal of thought. Generally speaking, he said that while the railroad men were excluded at the moment from the immediate application of the bill, power was reserved in the bill for the Governor in Council to apply it in the future in whole or in part as occasion might require.

At the last meeting we had a message from the Chairman of the Board of Transport Commissioners in which he intimated that if the railroad unions made an application, which he rather suggested had not been effectively made in the past, full consideration would be given to this matter. In consequence of the assurance of the minister that these matters will not be allowed to drift, and that should the railroad commission find themselves without jurisdiction or if nothing was done, his department would then take it in hand. With that assurance and with the emphasis that has been laid upon the evils of the present situation as they now exist, the representatives of the railway unions were satisfied that we should pass the measure. Of course they and I would have liked to have this measure applied to railroads just as it applies to all other organizations within our control. I think it should do so. The power of the Board of Transport Commissioners, for instance, to appoint inspectors to see that sanitary arrangements are properly applied does not exist. They have no such authority. They may pass an order directing certain things to be done—and no doubt they have certain means of investigation—but they have no powers so full or so effective as the powers provided in the bill itself.

While I would like to have seen the bill applied to all railroads for the protection of the men in a sanitary way, the representatives were fairly well satisfied, and I felt I was quite prepared to vote for the bill then as I am now.

Once again I congratulate the committee and particularly its chairman for the effective way in which they have dealt with this matter. We sent the labour men away satisfied; we sent the minister away satisfied; and even I was pretty well satisfied.

Report adopted.

THIRD READING

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

Hon. Mr. Hugessen: With leave of the Senate, I move that the bill be read the third time now.

Motion agreed to and bill read third time and passed.

INTERPRETATION ACT

BILL TO REVISE—REPORT OF COMMITTEE ADOPTED

Hon. Salter A. Hayden, Chairman of the Standing Committee on Banking and Commerce, reported that the committee had considered Bill S-9, to revise and consolidate the Interpretation Act and amendments thereto, and to effect certain consequential amendments to the Canada Evidence Act and the Bills of Exchange Act, and had directed that the bill be reported with the following amendments:

1. Page 10: Strike out lines 1 and 2 and substitute the following:

"(6) Words importing male persons include female persons and corporations."

2. Page 12: Strike out line 38 and substitute the following:

"(a) in the Province of Quebec, for so long as such days are non-juridical days by virtue of an Act of the legislature of that Province, the Epiphany; the"

3. Page 22: Add to the Schedule the name "Guyana".

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

Hon. Mr. Hayden, with leave of the Senate, moved that the report be taken into consideration now.

He said: Honourable senators, may I say a brief word of explanation. We are not really making any biological changes in the first amendment proposed to the bill. In the bill it is provided that words importing one gender shall include all other genders. We found that too difficult to absorb, and we did not exercise any judgment in the matter that was new or unusual.

We decided that what was in the present act was much better phraseology and, therefore, we restored what is in the present act:

> Words importing male persons include female persons and corporations.

Hon. Mr. Connolly (Ottawa West): There is no definition of "corporation"?

Hon. Mr. Hayden: No, there is no definition of "corporations".

The second amendment had to do with the meaning of the word "holiday" when it occurs in any statute. The bill provides, among other things, that in the Province of Quebec when the word "holiday" occurs and there is any application to Quebec it means the Epiphany, Ascension Day, All Saints Day and Conception Day. We had been advised that by a statute of the Province of Quebec, which comes into force later this year, these named days cease to be non-juridical days and, therefore, we thought that, instead of striking out its application to the Province of Quebec in interpreting "holiday" in these particular instances, we should leave it in, but we would provide that it had application only so long as such days were non-juridical days. Hence, the amendment reads:

> (a) in the Province of Quebec, for so long as such days are non-juridical days by virtue of an Act of the legislature of that Province,—

Even before we started our consideration of this bill another country was added to the list of Commonwealth countries, and therefore we have added Guyana. It was suggested that maybe before this bill becomes law there will be more, but there is provision in the bill, when it becomes law, to accomplish that by proclamation.

Report adopted.

THIRD READING

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

Hon. Mr. Connolly (Ottawa West): Honourable senators, this bill originated in the Senate. At this stage of the proceedings I think it would be wise to give it third reading now. If there is unanimous consent, I move third reading of the bill.

Motion agreed to and bill, as amended, read third time and passed.

AUTOMOTIVE PRODUCTS

CANADA-UNITED STATES AGREEMENT—REPORT OF COMMITTEE ADOPTED

Hon. Salter A. Hayden, Chairman of the Standing Committee on Banking and Commerce, reported that the committee had examined the Agreement concerning Automotive Products between the Government of Canada and the Government of the United States of America, signed on January 16, 1965, and had recommended that the Senate do approve the Agreement.

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

Hon. Mr. Connolly (Ottawa West): I move, with leave of the Senate, that the report be adopted now.

Report adopted.

HEALTH RESOURCES FUND BILL

REPORT OF COMMITTEE

Hon. Salter A. Hayden, Chairman of the Standing Committee on Banking and Commerce, reported that the committee had considered Bill C-199, to provide for the establishment of a Health Resources Fund to assist provinces in the acquisition, construction and renovation of health training facilities and research institutions, and had directed that the bill be reported without amendment.

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

Hon. Mr. Lang moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

PENITENTIARIES

FIRST REPORT OF JOINT COMMITTEE ADOPTED

Hon. W. M. Benidickson, Joint Chairman of the Special Joint Committee of the Senate and House of Commons on Penitentiaries, presented the first report of the committee:

> Your committee recommends that its quorum be fixed at ten (10) members, provided that both Houses are represented.

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

Hon. Mr. Benidickson: Honourable senators, I move, with leave of the Senate, that the report be adopted now.

Report adopted.

CANADIAN DAIRY COMMISSION BILL

AUTHORITY TO PRINT COMMITTEE PROCEEDINGS

Hon. T. D'Arcy Leonard, Chairman of the Standing Committee on Finance, presented the following report of the committee on Bill C-205, to provide for the establishment of a Dairy Commission for Canada:

> Your committee recommends that authority be granted for the printing of 800 copies in English and 300 copies in French of its proceedings on the said bill.

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

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

Report adopted.

REPORT OF COMMITTEE

Hon. Mr. Leonard, Chairman of the Standing Committee on Finance, reported that the committee had considered Bill C-205, to provide for the establishment of a Dairy Commission for Canada, and had directed that the bill be reported without amendment.

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

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

Motion agreed to.

THE ESTIMATES

SUPPLEMENTARIES (A)—AUTHORITY TO PRINT PROCEEDINGS

Hon. T. D'Arcy Leonard, Chairman of the Standing Committee on Finance, presented the following report of the committee, to which was referred the Supplementary Estimates (A) laid before Parliament for the fiscal year ending March 31st,1967:

> Your committee recommends that authority be granted for the printing of 800 copies in English and 300 copies in French of its proceedings on the said Supplementary Estimates (A).

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

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

Report adopted.

DOMINION DAY

NOTICE OF INQUIRY

Hon. Keith Davey: Honourable senators, I wish to give notice of an inquiry I shall make of the Government on Tuesday next. Perhaps at this time I may give a short explanation.

I have observed with considerable interest, some concern and a great deal of disappointment that most supermarket chains as well as many other businesses, at least in the Toronto and Ottawa areas, are remaining open for business tomorrow, July 1, Canada's 99th birthday.

In my opinion this unpatriotic practice is diametrically opposed to the concept of Canadian nationhood. It is perhaps a classic example of placing materialistic considerations ahead of the national interest. It certainly is not the way to foster a sense of pride in Canada. It is my view that these firms should not be open for business tomorrow.

While this cannot, perhaps, be accomplished by legislation, I am convinced that public opinion could be mobilized to demonstrate rather dramatically that the overwhelming majority of Canadians think that Canada's national holiday should be observed by all but essential services.

Some companies are apparently going to close on Monday, July 4, to provide their employees with a long weekend. This, of course, is the American and not the Canadian national holiday. It seems to me that it would have been a more sensible arrangement for these companies to have closed on both Friday, July 1 and Saturday, July 2.

I therefore give notice that on Tuesday next I propose to inquire what steps the Government and/or the Centennial Commission will take to prevent non-essential business establishments from doing business on July 1, 1967, the Centenary of Confederation.

EXCHEQUER COURT ACT

BILL TO AMEND—THIRD READING

Hon. A. K. Hugessen moved the third reading of Bill C-201, to amend the Exchequer Court Act.

Motion agreed to and bill read third time and passed.

ATLANTIC DEVELOPMENT BOARD ACT

BILL TO AMEND—THIRD READING

Hon. John J. Connolly, for Hon. Charles McElman, moved the third reading of Bill C-213, to amend the Atlantic Development Board Act.

Motion agreed to and bill read third time and passed.

PUBLIC UTILITIES INCOME TAX TRANSFER BILL

THIRD READING

Hon. Earl W. Urquhart moved the third reading of Bill C-211, to authorize the Minister of Finance to transfer to the Provinces a proportion of the income tax payable by certain public utility companies.

Motion agreed to and bill read third time and passed.

COMPANY OF YOUNG CANADIANS BILL

SECOND READING

Hon. Keith Davey moved the second reading of Bill C-174, to provide for the establishment of The Company of Young Canadians.

He said: Honourable senators, although I have been on my feet in this chamber several times previously, I choose to regard these remarks as my formal beginning. My first words must be of appreciation to all honourable senators who have made me feel so very much at home here. I am most grateful to His Honour the Speaker who has shown me considerable kindness. I should like to thank also the officers and members of the Senate staff for their unfailing courtesy and co-operation.

Honourable senators, a better politician on an occasion like this would not single out particular senators but, frankly, I am most anxious to do so. With your indulgence I should like to mention one or two senators personally. The honourable Leader of the Government in the Senate, Senator John Connolly, of course has been my personal leader for a long time. Indeed, for four or

five years when I was the national organizer of the Liberal party the honourable Leader of the Government in the Senate was the president of the Liberal party, and we were in virtual daily communication. From personal experience I can attest that behind the Irish charm and Ottawa Valley wit there is toughness of mind, a sense of purpose, and a fierce dedication to Canada.

The other senators I would like to mention are, like myself, from Ontario. One who seems to me to personify the very best traditions of Ontario is Senator Ross Macdonald. I shall be always grateful to recall that it was this outstanding gentleman who sponsored me on the occasion of my introduction here.

There will be those, of course, who contend that Toronto is simply not Ontario but Toronto it seems to me has played a significant role in the history of my province, and of our country. Incidentally, it was in this spirit that I chose as my own designation the old and historic Toronto name of York. I have been impressed by the contribution made here by all Toronto senators on both sides of the house, and perhaps I may be allowed to mention the names of two Toronto senators who have been of great personal assistance to me since my arrival, namely, Senator Lang and Senator Aird, both of whom are personal friends and political colleagues of long standing.

Many of those who have been most friendly to me since I came here are members of the Opposition. I am thinking particularly of the honourable Leader of the Opposition, Senator Brooks, whose distinguished parliamentary career stretches back to 1935, the year when Senator Ross Macdonald entered the House of Commons. Perhaps the senators on the Opposition side of this chamber will allow me to mention just one of their number as a tribute to them all. Senator Grosart and I have locked horns on more occasions than one. He was, in my opinion, a brilliant organizer, and he remains, in my opinion, a master political strategist. I am privileged and proud to be his colleague.

It would be presumptuous, I think, for a new member of the Senate to make any profound observations about the institution itself, so on this occasion I shall content myself with just one. The Senate, it seems to me, is infinitely—and I have chosen the word "infinitely" with care—more effective than its public image. The people of Canada have practically no understanding of how much work is actually done here. Our productivity is all but obscured by our own chronic inability to do an adequate job of public relations for ourselves. However, honourable senators, perhaps that is a speech for another occasion.

In turning to Bill C-174, I would like to refer to what I consider to be two generally accepted by-products of life in today's affluent society. The first is the fact of grinding poverty side by side with plenty, both abroad and most certainly at home in Canada. Needless to say, such poverty, with its degradation, inequality and disease makes a mockery of democracy both at home and abroad.

The second fact of the affluent society is that it has produced a most remarkable generation of young people, remarkable for several reasons, the first of which is its size. By 1970, fifty-one per cent of all Canadians will be under 25 years of age. By 1970 there will be five million Canadians between the ages of 13 and 25.

Another remarkable aspect of this young generation is its attitude. At best it is inquiring, experimental and impatient. At worst, it is uncertain. Press coverage of this generation tends to be unbalanced towards sensation. There are of course exceptions to prove every rule, but the overwhelming majority of our young people are vitally concerned about real issues. However, they simply will not accept platitudes about a better world tomorrow or forecasts of inevitable gloom and doom.

It seems to me that it is in the potential interaction of these two ideas, poverty side by side with plenty, and a remarkable young generation, that the Company of Young Canadians has, if not its genesis, at least its inspiration. One of the Company's interim publications puts it rather well in this way:

> Better worlds don't just happen, they're made. The Company of Young Canadians wants to do something about this world. Members are going to places where they have been asked to help—perhaps in an outport community among some Eskimo families, or in slum areas where people sometimes live eight to a room.
>
> Members of the Company do things with people, instead of for them. They help people work out their own problems, so that in solving its troubles a community builds a strength of its own for the future.

Honourable senators, I am particularly pleased to sponsor this legislation for several reasons; primarily, of course, because the legislation itself has much merit, but also because its sponsor in the other place was the Prime Minister.

For a number of years before coming to the Senate I was in close personal association with Mr. Pearson. From the bottom of my heart I can honestly say I never again expect to meet such a truly great Canadian. In a sense, it seems to me that this kind of legislation is of the kind which one naturally tends to associate with someone like Mr. Pearson.

In a moment I propose to deal with the bill itself, but first I wish to say a word or two about its background and history. There has been one criticism, that it owes its inspiration and is indeed modelled after the United States Peace Corps; but in fact the idea of volunteer youth service to help others was developed about the same time early in the sixties in various countries throughout the free world, including Canada.

The Canadian University Service Overseas is usually referred to by the initials CUSO. Since 1961 CUSO has sent some 538 volunteers abroad. In the first two years of its operation CUSO was financed by private donations and by subscriptions from countries who were anxious that the work be done. Gradually, however, there was a greater participation by Government, until today the Government supplies around 80 per cent of CUSO's $1 million-plus budget.

In a moment or so I shall say a word or two more about CUSO, but first I propose to speak about The Company of Young Canadians itself.

The Company was first referred in the Speech from the Throne on April 5, 1965, in which it was stated:

> You will be asked to approve the establishment of a Company of Young Canadians, through which the energies and talents of youth can be enlisted in projects for economic and social development both in Canada and abroad.

Ten days later the Government appointed an organizing committee under the distinguished chairmanship of Dr. J. F. Leddy, who is now the President of the University of Windsor. Dr. Leddy was a former chairman of CUSO.

Hon. Mr. Connolly (Ottawa West): I think he was the founder of CUSO.

Hon. Mr. Davey: The founder.

This committee under Dr. Leddy's leadership sought opinions across Canada. It talked to federal departments, provincial governments, universities, various volunteer agencies across the country, as well as to private individuals. It prepared an excellent report, which was ready in November 1965. I understand that all honourable senators received a copy of this report, and it is certainly worth while reading. I shall not summarize the report here and now, but I should like to point out one recurring theme of the report, that is, that The Company of Young Canadians must be provided with the maximum degree of flexibility and the maximum degree of political independence.

Then pending preliminary consideration, the Government took several interim actions. I propose to discuss those interim actions, but first of all I wish to examine one or two of the pertinent clauses of the bill. It is my understanding that I should confine my remarks to the broad principles of the bill; therefore, I would draw the attention of honourable senators to several clauses.

Clause 14 sets forth the objects of the Company:

> The objects of the Company are to support, encourage and develop programs for social, economic and community development in Canada or abroad through voluntary service.

Clause 15 of the bill deals with the powers of the company. The clause sets forth the kind of activities in which it is envisaged the Company will engage. There are ten subclauses, and I will not refer to them all. However, the type of work which the Company is expected to participate in is work with school dropouts, people who are culturally deprived, career counselling, recreational programs, public health programs, home economics programs, community development programs and other activities.

All of these various suggested types of activity are set forth in this particular clause. Subclause (j), in particular, gives the Company the broadest possible scope:

> generally do at home or abroad all such things as are incidental or ancillary to any of the powers of the Company or that would tend to further the objects of the Company.

That is a provision which I think is intended to provide the kind of flexibility I had in mind.

Clause 4 should be referred to, because it deals with the administration of the Company. It proposes to set up a council of 15 members. These 15 members need not be volunteers. They will serve for a period of three years and will be entitled to serve for two terms only. Ten of the fifteen will be elected by the volunteer members of the Company themselves; five will be appointed by the Government. The significance of course is that the volunteer members will be able to control the destiny of the Company. Therefore, we shall not only have a Company of Young Canadians, but in essence a Company for Young Canadians.

Clause 10 refers to the appointment of an executive director. An interesting amendment was moved by the Opposition in the other place, and accepted by the Government and passed in connection with this particular clause, adding to the words, "appoint an executive director of the Company who shall hold office during pleasure," the amending words "with the concurrence of the Council." Again, that is an attempt to give the Company as much autonomy and flexibility as possible in its development.

Clause 22, another provision which I would draw to the attention of honourable senators, says:

> The Company shall be deemed to be a charitable organization in Canada
>
> (a) as described in paragraph (e) of subsection (1) of section 62 of the Income Tax Act, for the purposes of that Act; and
>
> (b) as described in subparagraph (i) of paragraph (d) of subsection (1) of section 7 of the Estate Tax Act, for the purposes of that Act.

There are several ground rules which have been established. First of all, suggestions for the Company will come from below, that is, the people of Canada will be asked to suggest projects. The Company will respond to requests, rather than press its own ideas on projects across the country. Secondly, all programs and projects will proceed only in co-operation with various existing agencies. Thirdly, during the first year, the Company's operations will be exclusively in Canada. Thus, the overseas field will be left to CUSO.

CUSO, of course, is understandably anxious to maintain a degree of independence. CUSO now relies on the Government for 80 per cent of its $1 million budget, and obviously there must be a greater degree of Government involvement in the work of CUSO. The Company of Young Canadians will wish after the first year of operation to go overseas. I am confident that CUSO and The Company of Young Canadians will be able to co-operate fully. Indeed, I understand that discussions on these lines are already under way.

The fourth ground rule is that the Company, in its domestic activity, will have its volunteer members occupy only positions which will not disemploy existing members of the labour force. In other words, the volunteer members of the Company will not exist as cheap labour.

There will be retraining from time to volunteers is that their selection will be on the basis of their personal qualities, of their experience in dealing with people, and of their experience of working in the particular project the Company has in mind.

There will be a five- to eight-week orientation or training period. During this training period, the accent will be upon human resources and on the particular project in which this particular volunteer will be involved.

There will be re-training from time to time. Volunteers will serve for a basic term of two years. The salary arrangement for a volunteer is as follows. They will receive an allowance for food, accommodation and personal expenses, and on completion of their term of service they will receive some honorarium. Thus, the Company hopes to establish a balance between a volunteer and others, as it could conceivably happen otherwise that only people with some money could afford to volunteer.

As I said a moment ago, some interim activities have been undertaken by the Company pending parliamentary approval. Reference to some of those activities will explain some of the ground rules, as well as the bill itself, and some additional points.

An interim director has been appointed, Mr. William McWhinney, was one of the first volunteer members of CUSO to go overseas. In 1961 he spent a considerable amount of time in Ceylon, shortly after graduation from the University of Toronto. He returned from Ceylon and became the first full-time secretary of CUSO. He left that post in January to become interim director of the C.Y.C.

An interim staff has been at work dealing with projects and applications. The list of projects and applications which has been suggested is most revealing. Some 60 projects

have been submitted and 35 of these have been approved.

Some of the projects which have been approved include work with high school dropouts, Indian councils—work with youth programs, community development programs and work in rural and depressed areas, career counselling, home economic instruction, language classes for new Canadians and development of recreational programs.

There are four volunteer members of the C.Y.C. who are in the field today. Two of those are at Alert Bay, British Columbia, one is at Halifax, and one is at the Eskasoni Reserve, Nova Scotia. All of those four are involved in interim development work, and the reason they are in the field so quickly was the urgency denoted by the people asking for assistance.

Some 2,500 people inquired about membership in C.Y. C. About 85 per cent of these are in the age bracket 18 to 25; 40 per cent of the applicants have been women. The educational background is rather interesting. About 30 per cent are graduates of a university; 45 per cent are graduates of high school; and the balance are of other varying degrees of education.

Hon. Mr. Aseltine: Is there any age limit?

Hon. Mr. Davey: There really is not an age limit. While it is really a company of young Canadians, it is my understanding that if there are older Canadians who wish to involve themselves in the activities of the Company they will indeed be welcome. There are some people who are beyond the age of 25, an age limit which is not set arbitrarily, who have already applied.

In May 1966 the Government appointed an interim advisory committee. The chairman was Mr. Douglas Ward, President of the Canadian Union of Students, which as honourable senators will appreciate is a nationwide student organization, and the vice-chairman is Mr. Marc Lalonde, a young attorney from the City of Montreal.

In conclusion, honourable senators, I have just one or two observations to make. The first year of the Company's operations will understandably be highly experimental. It is only after the first year, it seems to me, that the Company will be able to assess and plan with any degree of intelligence or accuracy its future course. Clearly, much good and valuable work will be accomplished, and it seems to me there will be twin beneficiaries: First, the people with whom and the places where projects undertaken by The Company of Young Canadians are carried out; and the second beneficiary will be the Young Canadians themselves who actually participate in this work. Indeed, such a respected statesman as U Thant looks forward to the day when a period of such volunteer service will be a part of everyone's education.

I think it is significant that the Company has taken as its symbol the maple key. This symbol will signify the seed of Canada's future. The Company of Young Canadians will point the way towards as well as light up that future by providing young Canadians here and now with opportunities for the kind of service which often culminates in enlightened leadership.

Honourable senators, I believe it is intended to send this legislation to a committee where I am sure it can be examined in great detail.

Hon. Paul Yuzyk: Honourable senators, this measure deserves wholehearted support and I am sure it is welcomed not only by legislators but also by Canadians throughout the country. Realizing the very broad scope of the objects of The Company of Young Canadians "to support, encourage and develop programs for social, economic and community development in Canada or abroad through voluntary service," we congratulate the sponsor of the bill in this chamber, Senator Keith Davey, on his ability to explain in brief terms the need, significance, work, mechanics and operation of this new corporation. It was a fine, thoughtful maiden speech. We wish the new senator well in this chamber.

This piece of legislation deserves a full debate, discussing all aspects of the work of the C.Y.C. The time at our disposal regrettably is very limited, and it will therefore be necessary to confine oneself to a few pertinent remarks.

The principle of this legislation is of the highest order of human aspirations and consequently it is a pleasure to give it enthusiastic approval. A noteworthy feature of this legislation is the provision for a majority—two-thirds—of the governing body of The Company of Young Canadians to be elected by the volunteers themselves. Although established and for the most part financed by the Government, the organization is independent, as it is operated by young people of various ages. This should dispel the notion that it is a government agency. Free from political interference, it will make the

work of this body much more acceptable and effective at home as well as abroad.

The Government is to be congratulated for having appointed over a year ago an organizing committee for this purpose, headed by Dr. Francis Leddy whom I know well, formerly Dean of Arts and Science at the University of Saskatchewan and now President of the University of Windsor. His leadership in the Canadian University Service Overseas and the World University Service of Canada brought a wealth of knowledge and experience to the organizing committee. After consultations and discussions with representatives of the federal and provincial governments, universities, youth organizations, voluntary agencies and private citizens, the committee presented its report on November 15, 1965, which is the basis for this legislation. It is a thorough report, which inspires confidence in the whole project and assures us that it will go ahead successfully.

As a matter of fact, the Government has already launched a pilot program of voluntary service to Canada, which was a wise step, in view of the fact that the legislation took so long to prepare. It is gratifying to learn that some 60 projects have been proposed to the interim organization of the C.Y.C., of which 35 have been approved for implementation just as soon as this bill receives Royal Assent.

It is most interesting to note the enthusiastic response of our Canadian youth in the 18 to 25 age group, as well as of many in the middle-age group, who feel young in spirit and wish to serve their country. This is a concrete indication that there is need for such a company and that our youth is desirous of giving unselfish service to their fellow-citizens, their country and their fellowman in various parts of the world where there exists the need to combat poverty, disease, ignorance, injustice, intolerance, oppression and inequality, and to help raise the level of human dignity, freedom, health, living conditions, education and general progress in various fields of life.

I would like to pay tribute to the Canadian University Service Overseas for the excellent and highly dedicated work that has already been performed by Canadian students during the past five years in assisting in the economic and social development of some of the emerging nations in Africa, Asia, Latin America and the Caribbean. Canadians can look with some pride upon the fact that CUSO volunteers left for overseas postings in 1961 several weeks earlier than their Peace Corps counterparts of the United States. CUSO is therefore a precursor of The Company of Young Canadians, which has drawn and will continue to draw upon the experience of that body. The Government has brought support to the work of CUSO and I understand will continue this support. We are pleased to learn that there will be full co-operation between The Company of Young Canadians and CUSO as programs will be worked out to provide wider and more intensive service in Canada and abroad, and to include also youth and those youthful in spirit who are not students.

In the past, Canadian governments were more concerned with the development of natural resources and it is only in recent years, since the last war, that increasing attention has been paid to the development of our human resources. The Company of Young Canadians has a tremendous and unlimited potential in mobilizing our human resources for the betterment of humanity. It presents to our young people a challenging avenue of service, which has already caught their imagination, and will inspire them to devote their energies and abilities in the promotion and fulfilment of a greater cause than themselves. By learning to help others who are in need, they in turn will learn to help themselves and thus become more useful citizens of Canada and the world.

A gigantic task faces the Council of the C.Y.C. Section 15 of the bill outlines the powers of the Company in a very general way.

In some of these fields of human endeavour, I fail to see how a six weeks' orientation program preceding the assignments of volunteers will prepare them adequately to cope with some of the situations, particularly when such a volunteer goes to an entirely different environment with a vastly different historical, social, cultural and linguistic background. Means will have to be found to convey the necessary knowledge and experience gained by historians, sociologists, psychologists and social workers to the volunteer, so that he will not become discouraged and disillusioned. It is imperative that programs should be well thought out and prepared before they are launched, even though they are in response to requests from communities and groups which may not always have clear ideas themselves. Good leadership will always be necessary.

In carrying out some of the projects whole communities will be involved and will benefit. Provision should be made to receive financial support—and that has been done—also from the private sector, such as industrial and commercial firms as well as community organizations.

I hope that The Company of Young Canadians will put forth an effort to make our communities and our people more conscious of the importance and functions of municipal, provincial and federal levels of government, and of our parliamentary institutions as well as of the United Nations. I would like to see the Company take an immediate interest in the Centennial Youth Parliament to be convened next year. I hope that many of the volunteers, after they have returned from service in different parts of Canada or other parts of the world, will offer themselves for election and continue to serve Canada as aldermen, reeves, mayors, parliamentarians and cabinet ministers. Their rich experience in the C.Y.C. will stand them, and Canada, in good stead.

The youth of today is living in an affluent society and an increasingly complex world, more dangerous than the world of the previous generation. This is the cause of a great deal of confusion. The Company of Young Canadians will help some of the young men and women to face the grave problems confronting them and will help them to find a place and role in our society. But how about the millions of other youths? They will need to be inspired to service for Canada and humanity; they will need direction and guidance in solving their problems. I believe that in the best interests of our Canadian nation and in the best interests of our young men and women the time has come to give serious thought to the establishment of a department of youth within the federal Government.

Hon. Josie D. Quart: Honourable senators, first may I congratulate Senator Davey on his excellent explanation of this bill. It seems quite appropriate to have a young senator, and a sport, sponsor this bill. Maybe we will be hearing further from Senator Davey, who will probably carry the ball in the Senate for sport.

After Senator Yuzyk's explanation, there is not very much left to be said, but I shall try to say something a little different.

Since the presentation of Bill C-174 in the House of Commons, a strong breeze of optimism is beginning to clear away the clouds of doubt and misunderstanding as to the structure and future of the C.Y.C.

It is a fact that nobody expected any dramatic enlisting of young people, and a great many persons, young and old, were skeptical of what it was intended to be and what to expect in the way of results. To be just, one must admit that criticism, even constructive criticism, is one of the most persistent problems such an organization has to face. This new venture is not a matter that can be completely evaluated at the present time by the minister in charge, nor by the directors of The Company of Young Canadians. Many hurdles have to be overcome, and the C.Y.C. would be well advised to profit by the suggestions and experience of the various national youth organizations and to enlist this support for the various projects. And here, apart from CUSO I am thinking of the Boy Scouts, Girl Guides, YMCA, YWCA, sports organizations and others.

Since reading some background material on the role and potentialities of the C.Y.C., I can appreciate the enormous problems involved, and the results of this experiment and new methods used in this imaginative venture should be followed with great interest and concern not only by those working within the framework of the C.Y.C., but by the entire country.

As Senator Davey has said—and I shall have to cut out some of my remarks here in order to avoid repetition—it was on April 15, 1965, ten days after the Speech from the Throne, that the Prime Minister appointed the organization committee. Senator Davey mentioned the chairman, Dr. J. Francis Leddy. Perhaps it would be of interest to mention some other members of the committee at this time: Reverend David Bauer, C.S.B., Mr. George Cram, Mlle Bernadette Dionne, Mr. Michel Forand, Miss Valerie Forbes, Monsieur Claude Frenette, Monsieur Jacques Gerin, Dr. J. Roby Kidd, Monsieur Jean Lagass, Mr. Maurice Strong and Mr. Lloyd R. Shaw.

Dr. Roby Kidd resigned when he went to India to lecture there on Adult Education, and Mlle Dionne resigned when her work with La Jeunesse Ouvrière Catholique took her to Algeria. Mr. J. D. Edmonds, Executive Assistant to the Secretary of State for External Affairs, was appointed Secretary to the Organizing Committee, with Mr. Stewart Goodings as Assistant Secretary.

The Organizing Committee held its first meeting on May 15, 1965, and it is to their

credit that they believed it was essential to communicate with a large number of voluntary agencies and youth organizations. Then followed individual meetings with over a hundred of such groups from coast to coast.

The first echo I heard of these meetings was when I attended a meeting of the National Executive of the Canadian Girl Guide Association and heard a report of a meeting in Kingston on April 23, 1966 of the Girl Guides' officers with Mr. Stewart Goodings who by that time had been appointed interim Associate Director of The Company of Young Canadians.

These are some excerpts from the report of that meeting. Mr. Goodings said, "The opinions of ordinary people, not those of government or civil servants, will decide what the policy of the C.Y.C. shall be." "We thought," he continued, "it was better to ask the people what the C.Y.C. should do, not what was decided in some back room in Ottawa".

"In this way," he said, "the volunteers would know how to help the people themselves. The volunteers will be able to develop the self-confidence of the people in the community—so they can do something without relying on outside help."

"Working in Canada is important," Mr. Goodings said, "for poverty still exists in this affluent country and there are still minorities discriminated against." He warned the Girl Guides officers "that the work of the C.Y.C. will not be easy—the living allowance is low and the frustrations high." He said, "There are no educational barriers and the only age requirement stipulates that a volunteer be over 18 years, and there is no maximum age."

May I here be permitted to say that I received a note from our Speaker of the day that he was told that I was going to enlist in The Company of Young Canadians. That I would love to do, believe me, but at my age I still believe I like the Senate better.

Some weeks ago I participated in a Girl Guide discussion group, and when the C.Y.C. came up for discussion most of the Guides expressed a burning desire to volunteer for it, believing that it would be a great adventure, together with the satisfaction that they would be helping to build a better Canada by assisting in the war on poverty and aiding the more unfortunate people in our society.

About a month ago The Company of Young Canadians started three social assistance projects in Canada, and just last weekend 60 volunteers began a training course of six weeks in Antigonish, Nova Scotia, in preparation for domestic assignments this year. Only after projects have been tested in Canada will the C.Y.C. operations be expanded overseas, and even then only in co-operation with private groups such as the Canadian University Service Overseas.

Bill C-174 setting up The Company of Young Canadians was passed on June 28 last by the other place, and has not as yet been passed by the Senate. Therefore, although the C.Y.C. is commendable, is it not an unusual procedure to have it start its work before it has been formally approved by both Houses of Parliament? At this point I should like to quote a paragraph from an article in last month's *Canada Month*. Incidentally, it is a very interesting article, and one that is complimentary to the C.Y.C. However, this paragraph struck me as being rather strange, and it probably accounts for the delay in the passage of the bill through the other place. The title of the article is "Running tomorrow's World", and one paragraph reads:

> It (the C.Y.C.) is not yet officially an organization, because Parliament has been so busy with the company old Canadians keep that it hasn't had time to pass the law creating it.

So much has been said during the last few weeks in the other place and in the press, and today in this chamber, about The Company of Young Canadians that any further remarks I might add would be repetitious. I wish, therefore, to heartily endorse this bill which has had such broad-based support from all parties in the other place and the public in general. Being an optimist by nature, I firmly believe that the C.Y.C., given time and opportunity, will prove its worth.

Hon. John J. Connolly: It is not my intention to detain the house for any length of time at this late stage of the afternoon, but I think all honourable senators would expect and want me to say that the maiden speech of Senator Davey today, and that of Senator McElman yesterday, have impressed all of us. I am sure we all feel that the performances of these two honourable gentlemen augur very well indeed for the future of their careers in the Senate.

Hon. Mr. Roebuck: There are others whose names you might mention before you leave that topic. I am thinking of, for instance, Senator Aird and Senator Urquhart.

Hon. Mr. Connolly (Ottawa West): Yes. I think we have been assiduous in commending the speeches of the new senators in this chamber. The Senate has certainly been strengthened both physically and intellectually by their presence here.

To my mind, this is a very imaginative and far-seeing measure. By it much can be accomplished at home, and when The Company of Young Canadians steps into the field abroad it will do much there. It must not be thought, however, that The Company of Young Canadians will be the first in the field, either at home or abroad. I am thinking of organizations at home like the Frontier College, that has been in existence for many years and which did great work in the earlier days of this country by helping people who could not afford to use the regular channels of education at various levels.

I am thinking too of the various social service agencies in the country, not only those run by the provinces and municipalities but those run by private organizations which are now mostly, but not entirely, under the sponsorship of the various Red Feather campaigns throughout the country.

These organizations do a great deal of work in the field of social service in areas where it might be thought the work of this organization will be making for some duplication. I mention this in respect of the work at home because it is my hope that those who conduct the affairs of The Company of Young Canadians in Canada—and there is a great scope for this work—will pay special attention to the work that is done by organizations of a similar character in the same fields.

There is one body that we in this house must not forget, and that is the church in its various denominations. I am not referring now to its theological or religious side so much as I am its social service side. A great deal of work has been done, and much knowledge and experience amassed, by the clergymen of all denominations in this country, particularly with respect to the problems of poverty. That experience will be relied upon, I hope, by the people who direct the efforts at home of The Company of Young Canadians.

Hon. Mr. Brooks: Do not forget the Salvation Army.

Hon. Mr. Connolly (Ottawa West): It was my thought that when I mentioned churches of all denominations I was including the Salvation Army. But, since the honourable Leader of the Opposition has referred to the Salvation Army particularly, I am very pleased indeed to include it by name.

This work is done not only in the settled urban centres, but elsewhere. The work of the missionaries of many denominations carries them into the furthermost reaches of the Arctic areas of this country. This work, I am sure, was embarked upon originally with great concern and trepidation, but it has meant much to the people who inhabit those areas and to the many others who have since learned to live there.

I should like to speak for a moment about the proposal that this rather historically named Company should work in the field abroad. It will not be the first Canadian organization to undertake that kind of work, and here I refer to organizations such as International Living, Crossroads Africa, MUNDO, CUSO—which has already been mentioned many times this afternoon—the Friends of Canada, and the people who are working under the Colombo Plan.

I have said before in this chamber, but I repeat it today because of Senator Aseltine's remark made during one of the speeches this afternoon, that I met 25 or 30 Canadians working in Singapore in various centres and training establishments under the aegis of the Colombo Plan. I wish that I had had the time to go to Ceylon to see what is being done there, because there are many Canadians in that country working under the Colombo Plan in the field of education. These were not young people. In some cases they were married couples whose families had grown up, and who felt they would like to devote some years of their lives, when they could afford the time and indeed the money, to doing something abroad for a segment of humanity, and at the same time do something for the image of Canada in the country in which they happen to be working. I am sure honourable senators who have attended international conferences where this kind of work is done always feel a great sense of pride in the achievements of these Canadians who are giving so much of themselves on behalf of others.

I had intended to say a good deal about CUSO. However, I do not need to do so by reason of the fact that in its first year of operation it had only 17 members abroad. This year it has 343. By the end of the year there will be 535 members. This organization, which is not more than six or seven years old, has had to subsist for the most part on

funds privately secured, although I believe it received some Government assistance originally in the field of transportation.

Honourable senators, I will conclude by making an announcement. At the meeting of the Commonwealth Parliamentary Association, to be held here next September, the agency will include a workshop or a committee session to deal with the field of foreign aid in respect of education. There, papers will be presented on behalf of donor Commonwealth countries and some on behalf of donee Commonwealth countries. The purposes of this project is to try to let backbench members of legislatures throughout the Commonwealth know what programs the donor countries are providing, and indeed perhaps what their future programs might be, and also to let the donor countries know—and I think this is important—how effective are these foreign aid programs in the field of education in the undeveloped parts of the Commonwealth.

It seems to me that will be a most useful exercise in this field. It may give parliamentarians a better insight into the aims and objectives of these programs. Perhaps the Company of Young Canadians and CUSO will benefit somewhat by following these debates.

As President of the General Council of the Commonwealth Parliamentary Association, I have been greatly encouraged in the kind of co-operation that has been offered by the various countries to provide information for the proposed debate I have mentioned.

I have gone one step further and asked the President of the Canadian Branch of the Council of Churches, the Reverend Dr. Bennett of Ottawa, and the General Secretary of the Canadian Catholic Council in Ottawa, Father George, whether it might not be possible for some material to be available for the debate on the work that has been done by the missionary organizations of the various denominations from Canada in these Commonwealth countries. Some of those organizations have been there for a century or more. They do their religious and evangelistic work but, more than that, they run clinics, teach schools, conduct trade schools and do social service work of a vital nature. It is all part of the Canadian contribution in the field of assisting the underdeveloped parts of the Commonwealth. We should not forget them. We should give them credit for it, and should draw it to the attention of not only the people of the countries where this work is done but also of our own people.

Honourable senators, I will conclude by saying that I join with Senator Davey and others who followed him in commending the value of this particular measure to the Senate. I think we have a wonderful young generation in this country. They are able and avid in their desire to take advantage of Canadian educational opportunities. Like most Canadians, this young generation is generous, and if its generosity can be expended both at home and abroad in work of the character described in this bill, it will not only pay dividends for the country, but for the people who participate.

Motion agreed to and bill read second time.

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

Hon. Mr. Connolly (Ottawa West): Honourable senators, I was wondering whether there is any desire on the part of any honourable senator that this bill be considered by a committee. There is no objection to it. If honourable senators feel the bill has had adequate discussion here this afternoon, I would take the concensus to be that the bills should receive third reading at the next sitting.

Hon. Mr. Connolly moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

DIVORCE

RESOLUTIONS ADOPTED

The Senate proceeded to consideration of Resolutions numbered 697 to 737, inclusive which were presented yesterday.

Hon. Arthur W. Roebuck Chairman of the Standing Committee on Divorce, moved the adoption of the following resolutions:

Resolution 697, for the relief of Karin Monika Witzke Koehn.

Resolution 698, for the relief of Carol Ann Fleming Chalupka.

Resolution 699, for the relief of Arthur Edward Joseph Levasseur.

Resolution 700, for the relief of Edward Wearne Prinn.

Resolution 701, for the relief of Kjell Andresen.

Resolution 702, for the relief of Vera Margaret Allerton Eden.

Resolution 703, for the relief of Patricia Yurkowski Rondeau.

Resolution 704, for the relief of Irene Cashian Polson.

Resolution 705, for the relief of Mary Evangeline Snow Hazelhurst.

Resolution 706, for the relief of Louise Elizabeth Schmid Whitaker.

Resolution 707, for the relief of George Edward Parsons.

Resolution 708, for the relief of Mary Howard Hunter.

Resolution 709, for the relief of Winifred (Winnifred) Jean Willis Dodds.

Resolution 710, for the relief of Irene Cecilia MacKelman Chyzenski.

Resolution 711, for the relief of Norah Jane Gouett Pearson.

Resolution 712, for the relief of Samuel Herbert Greisman, otherwise known as Peter Barry.

Resolution 713, for the relief of Sophie (Sophia Manteli) Mantelis Katselis.

Resolution 714, for the relief of Joan Edna Furmager Trussler.

Resolution 715, for the relief of Alberte Jacqueline Maury Pechdo.

Resolution 716, for the relief of Sandra Susan Claudia O'Reilly Dillon.

Resolution 717, for the relief of Frank Noble Thompson.

Resolution 718, for the relief of Bessie Margaret McCluskey Kerr.

Resolution 719, for the relief of Anna Staczek Wojcik.

Resolution 720, for the relief of Jean Graham Moir Morrison Crossman.

Resolution 721, for the relief of Denise Florine Van Daele DeGeer.

Resolution 722, for the relief of Fred John Smith.

Resolution 723, for the relief of Ernest Auguste Andre Rouffort.

Resolution 724, for the relief of Sharon Anne Miller White.

Resolution 725, for the relief of Joan Ann Pringle Harland.

Resolution 726, for the relief of Olive Kowalchuk Prengel.

Resolution 727, for the relief of Susan Kathleen Goldman Nowicki.

Resolution 728, for the relief of Gail Margaret Hislop Derocher.

Resolution 729, for the relief of Ciobotaru Rivka Leibovici.

Resolution 730, for the relief of Joseph Antonia Mattia.

Resolution 731, for the relief of Kenneth Edward Major.

Resolution 732, for the relief of Elsie Maud Florence Ann Garner Hodges.

Resolution 733, for the relief of David Padro.

Resolution 734, for the relief of Renee Benesch Freitag.

Resolution 735, for the relief of Marie Claudette Jeannine Patricia White Fay.

Resolution 736, for the relief of John Matuzewiski.

Resolution 737, for the relief of Patricia Mary Collom Whiteside.

Resolutions adopted, on division.

CANADIAN CORPORATION WORLD EXHIBITION ACT

BILL TO AMEND—FIRST READING

Hon. John J. Connolly presented Bill S-42, to amend the Canadian Corporation for the 1967 World Exhibition Act.

Bill read the first time.

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

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

ADJOURNMENT

Leave having been given to revert to notices of motion:

Hon. Mr. Connolly (Ottawa West): Honourable senators, I move that when the Senate adjourns today it do stand adjourned until Tuesday next, July 5, 1966 at 8 p.m.

Hon. Mr. Brooks: Could the honourable leader give us any information as to the business we might have next week?

Hon. Mr. Connolly (Ottawa West): I should like to be able to say to the honourable Leader of the Opposition that whatever we get next week will finish the work for this part of the session. I imagine this would include, apart from what we have on our Order Paper now, the Canada Assistance Act, a bill to amend the Income Tax Act, Interim Supply for a period—

Hon. Mr. Brooks: Feed grain?

Hon. Mr. Connolly (Ottawa West): I am not sure that the feed grain bill will be available. There will be a bill to implement the agreement which was made between the unions and the ship owners in respect of the labour dispute in St. Lawrence ports.

At the moment I am not prepared to say for certain that there will be any other measures, but I think that those I have mentioned will come to us.

Hon. Mr. Aseltine: Is there a possibility that we will adjourn for the summer recess by July 15?

Hon. Mr. Connolly (Ottawa West): I hope we are all much more optimistic than Senator Aseltine's question would imply.

Motion agreed to.

DIVORCE

NOTICE OF MEETING OF JOINT COMMITTEE

Hon. Mr. Roebuck: Honourable senators, I have just received a notice of a meeting of the Special Joint Committee of the Senate and House of Commons on Divorce, which will take place on Tuesday next at 3.30 in the afternoon. I specially request all members of that committee to be present, and I extend an invitation to all members of this house, who find it convenient to do so, to attend.

I am sure Senator Aseltine will agree with me, as will all others who were present at the first meeting, that the attendance was very encouraging. Our own Parliamentary Counsel, Mr. Hopkins, addressed us in a most interesting and informative way. Similarly, Commissioner Walsh addressed us and offered many suggestions from his background of considerable experience. I am sure that we all gained knowledge and understanding from those two magnificent addresses.

On Tuesday at 3.30 p.m., the meeting will be addressed by Dr. Ollivier, the legal counsel in the other place. I am confident that his presentation will be worth hearing. I invite you to come irrespective of whether you are a member of that committee.

The Senate adjourned until Tuesday, July 5, 1966, at 8 p.m.

THE SENATE

Tuesday, July 5, 1966

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

Prayers.

PUBLIC SERVICE

JOINT COMMITTEE—CHANGE IN COMMONS MEMBERSHIP

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons stating that the name of Mr. Émard has been substituted for that of Mr. Langlois (Chicoutimi) on the Joint Committee on the Public Service.

DOCUMENTS TABLED

Hon. John J. Connolly tabled:

Report of the Farm Credit Corporation, including its Accounts and Financial Statement certified by the Auditor General, for the fiscal year ended March 31, 1966, pursuant to sections 85(3) and 87(3) of the Financial Administration Act, chapter 116, R.S.C., 1952. (English and French texts).

Report of the Atlantic Development Board for the fiscal year ended March 31, 1966, including its Accounts and Financial Statements certified by the Auditor General pursuant to section 19 of the Atlantic Development Board Act, chapter 10, Statutes of Canada, 1962-63. (English text).

Statement by the Department of National Defence of Moneys received and disbursed in the Special Account (Replacement of Materiel), for the fiscal year ended March 31, 1966, pursuant to section 11(4) of the National Defence Act, chapter 184, R.S.C., 1952. (English and French texts).

Report of Defence Construction (1951) Limited, including its accounts and Financial Statements certified by the Auditor General, for the fiscal year ended March 31, 1966, pursuant to sections 85(3) and 87(3) of the Financial Administration Act, Chapter 116, R.S.C., 1952. (English and French texts).

Report on the Administration of the Canadian Forces Superannuation Account for the fiscal year ended March 31, 1966, pursuant to section 26 of the Canadian Forces Superannuation Act, chapter 21, Statutes of Canada, 1959. (English and French texts).

Report of Atomic Energy of Canada Limited, including its Accounts and Financial Statements certified by the Auditor General, for the fiscal year ended March 31, 1966, pursuant to sections 85(3) and 87(3) of the Financial Administration Act, chapter 116, R.S.C., 1952. (English and French texts).

Report on the Operations of the Veterans' Business and Professional Loans Act for the fiscal year ended March 31, 1966, pursuant to section 13 of the said Act, chapter 278, R.S.C., 1952. (English and French texts).

Agreement between the Government of Canada and the Government of the People's Republic of Bulgaria relating to the Settlement of Financial Matters, together with an exchange of notes with reference to certain matters affecting the two countries. Done at Ottawa June 30, 1966. (English and French texts).

Report of the Board of Broadcast Governors for the fiscal year ended March 31, 1966, pursuant to section 19 of the Broadcasting Act, chapter 22, Statutes of Canada, 1958. (English and French texts).

Report of the Canadian Broadcasting Corporation, including its Accounts and Financial Statements certified by the Auditor General, for the fiscal year ended March 31, 1966, pursuant to section 36 of the Broadcasting Act, chapter 22, Statutes of Canada, 1958, and sections 85(3) and 87(3) of the Financial Administration Act, chapter 116, R.S.C., 1952. (English and French texts).

Report of the Atomic Energy Control Board of Canada for the fiscal year ended March 31, 1966, pursuant to section 21(1) of the Atomic Energy Control Act, chapter 11, R.S.C., 1952. (English and French texts).

Copy of a Report to the Minister of Labour, concerning a dispute affecting the Shipping Federation of Canada, Inc., and the International Longshoremen's Association, pursuant to the Industrial Relations and Disputes Investigation Act, chapter 152, R.S.C., 1952. (English and French texts).

LABOUR RELATIONS

REPORT OF MEDIATOR IN DISPUTE BETWEEN THE SHIPPING FEDERATION OF CANADA, INC., AND THE INTERNATIONAL LONGSHOREMEN'S ASSOCIATION—PRINTED AS APPENDIX

Hon. John J. Connolly: Honourable senators, I move, with leave of the Senate:

> That the copy of a report to the Minister of Labour, concerning a dispute affecting the Shipping Federation of Canada, Inc., and the International Longshoremen's Association, pursuant to the Industrial Relations and Disputes Investigation Act, tabled today, be printed as an appendix to the *Debates of the Senate* of this day.

Hon. Mr. Roebuck: Explain.

Hon. Mr. Connolly (Ottawa West): Honourable senators, before the motion is adopted, perhaps I should say that a bill was introduced last week in the other place with reference to the settlement of the dispute between the Shipping Federation of Canada and the workers at the St. Lawrence River ports.

The report which has been tabled this evening is of course available to honourable senators. However, it contains the Terms of Settlement under which the strike was settled and the workers returned to work. The report, particularly the Terms of Settlement, is very germane to the bill which, I hope, will shortly come before us.

I thought it would be a convenience to honourable senators if this report, and the Terms of Settlement, dated at Ottawa, June 14, which forms part of it, were included in the *Debates of the Senate* so that when the bill comes before us for explanation honourable senators will readily see what the position is.

Hon. A. J. Brooks: Honourable senators I think it would be a good idea to include this report in the *Debates of the Senate,* but may I ask the honourable leader if it has been reviewed by all parties concerned and if they are agreeable to this bill which is to come before us? Are they aware of what is contained in the bill?

Hon. Mr. Connolly (Ottawa West): The bill came before the House of Commons and became public property last week. The Terms of Settlement were agreed to by the various locals. There were six altogether involved, three in Montreal, two in Quebec City and one in Trois-Rivières. These terms have been approved, and as a result of the approval of the settlement and the men going back to work, the further step which was required pursuant to the terms has now been taken. That step involved the introduction of legislation. It would be improper for me to review the terms of that legislation at this stage because the bill is not before us. Certainly, the vote of the locals would indicate that the terms of settlement were satisfactory enough to allow the men to return to work.

Hon. Mr. Brooks: The procedure is not considered irregular?

Hon. Mr. Connolly (Ottawa West): No. I think I am quite right in saying that, as far as the procedural aspect is concerned, there are no irregularities.

Hon. Jean-François Pouliot: Honourable senators, I compliment the Minister of Labour on having worked like a trojan to bring about a settlement of this dispute. It took a true diplomat to bring the strike to a settlement.

One should not forget that minor causes produce major effects. What was at the beginning of this strike? It was a parking ticket. It started because the longshoremen had no facilities to park their cars. Besides that, they complained that, to use the least offensive language, some elementary plumbing facilities were denied them.

The National Harbours Board incurred a heavy responsibility in this matter, and it was most enterprising of the Minister of Labour to succeed in bringing the strike to such a satisfactory settlement.

Motion agreed to.

(For text of report see Appendix, pp. 871-7).

NOTICE OF INQUIRIES

On the Notice of Inquiries of Hon. Mr. Pouliot:

POPULATION OF CONSTITUENCIES

> No. 1. What is the population of each of the constituencies of Canada, as described in Part II of the *Canada Gazette* of June 20, 1966?

LEGAL FEES

> No. 2. Who were the solicitors, lawyers, counsel and notaries public who received fees or payments for travelling expenses from the Government of Canada or its agencies during the three years ending

June 30, 1966, and how much was paid to each one?

He said: Honourable senators, I ask that these two notices stand until the fall, but I want the answers then.

PRIVATE BILL

THE EVANGELICAL COVENANT CHURCH OF CANADA—THIRD READING

Hon. Maurice Bourget moved the third reading of Bill S-38, to incorporate The Evangelical Covenant Church of Canada.

Motion agreed to and bill read third time and passed.

CANADIAN NATIONAL RAILWAY BILL

CONSTRUCTION OF BRANCH LINE NEAR STALL LAKE, MANITOBA AND OF BRANCH LINE NEAR WATROUS, SASKATCHEWAN—THIRD READING

Hon. A. Hamilton McDonald moved the third reading of Bill C-120, respecting the construction by Canadian National Railway Company of a line of railway in the Province of Manitoba from the vicinity of Stall Lake on the Chisel Lake Subdivision of Canadian National Railways in a northeasterly direction for a distance of approximately 12 miles to a point in the vicinity of Osborne Lake in The Pas Mining District of that Province, and of a line of railway in the Province of Saskatchewan from the vicinity of Watrous on the Watrous Subdivision of the said Railways in a northeasterly direction for a distance of approximately 18 miles to a point in the vicinity of Guernsey in the Regina Mining District of that Province.

Motion agreed to and bill read third time and passed.

HEALTH RESOURCES FUND BILL

THIRD READING

Hon. Daniel A. Lang moved the third reading of Bill C-199, to provide for the establishment of a Health Resources Fund to assist provinces in the acquisition, construction and renovation of health training facilities and research institutions.

Motion agreed to and bill read third time and passed.

CANADIAN DAIRY COMMISSION BILL

THIRD READING

Hon. John J. Connolly moved the third reading of Bill C-205, to provide for the establishment of a Dairy Commission for Canada.

Motion agreed to and bill read third time and passed.

COMPANY OF YOUNG CANADIANS BILL

THIRD READING

Hon. Keith Davey moved the third reading of Bill C-174, to provide for the establishment of The Company of Young Canadians.

Motion agreed to and bill read third time and passed.

STATUTE LAW (SUPERANNUATION) AMENDMENT BILL, 1966

SECOND READING

The Senate resumed from Wednesday, June 29, the adjourned debate on the motion of Hon. Mr. Bourget for the second reading of Bill C-193, to amend the Public Service Superannuation Act, the Canadian Forces Superannuation Act, the Defence Services Pension Continuation Act, the Royal Canadian Mounted Police Superannuation Act, the Diplomatic Service (Special) Superannuation Act, the Intercolonial and Prince Edward Island Railways Employees' Provident Fund Act and the Canadian Corporation for the 1967 World Exhibition Act.

Hon. Clement A. O'Leary: Honourable senators, I note that Bill C-193, now before us, was given third reading and passed in the other place on June 28 with four amendments introduced on behalf of the Minister of National Revenue. These amendments, as the sponsor (Hon. Mr. Bourget) pointed out, resulted from discussions and recommendations made in the joint committee, with the honourable sponsor as co-chairman of that committee, and assurances were received there that these amendments would be introduced —as they were.

The amendments affected clauses 19, 20, 51 and 58. An amendment to delete clause 9 was proposed but rejected. This amendment was again attempted in the other chamber and again was rejected. I shall refer to it later in my remarks.

May I say that the sponsor did a masterful job of explaining this bill on Wednesday last, as well as outlining very comprehensively the work of the joint committee which considered it. He referred to the bill as being "very complex in detail." As a member of the committee I heartily agree, yet I must say

that the sponsor very delightfully removed all the complexity and instead gave this chamber a thorough, concise and enlightened explanation which we warmly appreciated, and I commend him.

I concur with him in his words of appreciation for the services of Dr. Davidson and Mr. Hart Clark, whom we all recognize for their invaluable contributions not only to our Public Service in their respective roles but also to the work of so many committees of both houses.

I believe I should say too that the briefs presented and witnesses heard on behalf of the interested organizations were of excellent calibre, with one exception, particularly when we realize that they received very short notification of the committee's hearings which extended over a period of four days only, which I must say were slightly crowded.

Honourable senators, when one goes back in memory to the work of the joint committee which studied the Canada Pension Plan—and although I was not a member of that committee I studied its minutes very carefully—one realizes that some of the unanswered questions concerning methods of integration or stacking were very pertinent. As a matter of fact, I cannot quite see how the Canada Pension Plan could be operating properly and efficiently since January 1, 1966 when this amending legislation is before us only now. And, of course, I am speaking of the contributory aspect only, and also only of the Government groups covered by this amending bill. If this is a criticism of the method of proceeding with the legislation of that time, it has even greater application in the private sector. We are all aware, for example, of the demands of employers for a device whereby their yearly several millions of dollars of contributions will be returned to them. And again, even in some of the government staff associations, we heard in committee that individual members wished to make their own personal choice whether to integrate or stack. As it now stands, no member of the Public Service or any association thereof, has any choice. This bill says, "You integrate, and that is that." Undoubtedly such a system makes for much easier administration, but it leaves no freedom of choice for the individual or group.

The sponsor very fairly outlined some of the anomalies arising as a result of this amending bill. The more serious ones were not corrected—for example, the case of the public servant who takes employment elsewhere between ages 60 and 70 and has his superannuation benefits reduced by the amount of his C.P.P. benefits at the age of 65. We were told, of course, that no contributions were being made to the superannuation fund during that period, therefore there was no source from which to draw benefits in proportion. It could be countered that such benefits could or should be supplied from the Consolidated Revenue Fund, but I think that would perhaps not be too responsible a suggestion.

Some of the witnesses were asked if they were aware of the effects of certain clauses of this bill on the rights and privileges of the members of the organizations they represented. I recall one witness replying that although he was a member of the advisory committee on the Public Service Superannuation Act, he was unable to be present at a certain meeting which considered one such clause. I do not know how valid an excuse that would be.

Another witness referred to the fact that these meetings were held some time previous and he was unable to recall his views at that time, or perhaps did not give the matter adequate consideration.

The Minister of National Revenue, who was the minister concerned, and his advisers were always able to refer to the work of and the consultations held in this advisory committee. We know its makeup was very representative, and it is, of course, very convenient —and I accept it—for the Administration to answer in this democratic fashion when a thorny question or problem arises.

Strong pleas were made in most of the briefs for an increase in widows' benefits from 50 per cent to 60 per cent of what the employees' benefits would be. No action was taken in this regard.

The honourable sponsor of this bill referred at some length to the subject of portability, which I think all honourable senators will agree is a most desirable feature of any pension plan. It is to be hoped that in the near future there will be a decided increase in the number of those employers presently participating in reciprocal transfer agreements.

The provisions of this amending bill are a "must," and I am sure all honourable senators wish to see the bill passed as quickly as possible. As a matter of fact, I understand that if there is no undue delay at this time

one very desirable and long-past-due factor applicable to wartime service can affect a large number of Second World War veterans this year. The recognition of this service time alone is a sufficient ground for our speedy passage of this bill.

Motion agreed to and bill read second time.

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

Hon. Mr. Bourget moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

PRIVATE BILL

BANK OF WESTERN CANADA—FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-111, to incorporate Bank of Western Canada.

Bill read first time.

Hon. Arthur L. Beaubien, for Hon. Mr. Leonard, moved, with leave of the Senate, that the bill be placed on the Orders of the Day for second reading at the next sitting.

Motion agreed to.

The Senate adjourned until tomorrow at 3 p.m.

APPENDIX

(*See p. 867.*)

LABOUR RELATIONS

REPORT OF MEDIATOR IN DISPUTE BETWEEN THE SHIPPING FEDERATION OF CANADA, INC., AND THE INTERNATIONAL LONGSHOREMEN'S ASSOCIATION

To the Honourable John R. Nicholson, Q.C.
Minister of Labour,
Parliament Buildings,
Ottawa, Ont.

In the matter of the Industrial Relations and Disputes Investigation Act and a dispute affecting The Shipping Federation of Canada, Inc., and the International Longshoremen's Association (Locals 375, 1657, 1552, Montreal; Local 1846, Trois-Rivières; and Locals 1739 and 1605, Quebec City)

Dear Sir,

On the 18th day of May 1966, I was appointed an Industrial Enquiry Commission under the above mentioned statute. The instrument of appointment reads as follows:—

"WHEREAS Subsection 2 of Section 56 of the Industrial Relations and Disputes Investigation Act provides that where in any industry a dispute or difference between employers and employees exists or is apprehended the Minister of Labour may refer the matters involved to a Commission, to be designated as an Industrial Inquiry Commission, for investigation thereof, as the Minister deems expedient, and for report thereon; and

WHEREAS the Minister of Labour has been advised that a dispute exists between the Shipping Federation of Canada, Inc., and the International Longshoremen's Association (Locals 375, 1657, 1552, Montreal; Local 1846, Trois-Rivières; and Locals 1739 and 1605, Quebec City); and

WHEREAS the Minister of Labour on May 10, 1966, established a Board of Conciliation and Investigation to endeavour to effect agreement between the said parties, which Board was unable to effect agreement in regard to the matters referred to it; and

WHEREAS the Minister of Labour is of opinion that the aforesaid situation should be investigated by an Industrial Inquiry Commission under the provisions of Section 56 of the Industrial Relations and Disputes Investigation Act;

NOW, THEREFORE, the undersigned the Minister of Labour for Canada, pursuant to the provisions of Section 56 of the Industrial Relations and Disputes Investigation Act, hereby appoints His Honour Judge René Lippé of the City of Montreal in the Province of Quebec, as an Industrial Inquiry Commission to confer with the said parties and to endeavour to mediate the issues in dispute between them, and to make a report thereon to him within fourteen days or such extension thereof as the Minister may from time to time grant."

Immediately upon my appointment, I conferred with the parties and endeavoured to mediate the issues in dispute between them.

The appointment was made on a Wednesday and, on the same day, at 2.30 in the afternoon, the parties appeared before me in my office at 685 Cathcart Street, Montreal. In accordance with the terms of my appointment, the purpose of this general conference was to determine the issues in dispute between the parties.

Basically, the request of the Association was:—

(A) A 50 cents hourly increase retroactive to January 1st 1966;

(B) A further hourly increase of 50 cents for the year 1967;

(C) No modification of the work load until at the earliest January 1st 1968.

In addition, there was presented by the Association a long list of further requests which, for the purpose of brevity I will qualify as Fringe Benefits, although this expression is not perfect in this instance. These requests were both of a monetary and of a non monetary nature.

On the other hand, the stand of the Federation was that they are engaged in a competitive business and that any labour contract must take into consideration the economics of the business. In that light, the Federation stated that they were not in a position to make an offer as to the hourly wages and other benefits unless and until the question of the work load had been determined. Reference was made at that time by the Federation to the contract entered into in Halifax between the I.L.A. Longshoremen local and the Federation.

It was easy to determine on that first day that the parties were really too far apart to reach an agreement. I, therefore, decided to meet with the parties separately in an effort to mediate the issues for the immediate future, leaving for further negotiations a long term contract which would expire in 1968, if not 1969.

These meetings of the Commissioner with each of the parties took place daily until Saturday the 21st inclusive, at which time I submitted to the parties the following recommendations:—

SUBJECT: DISPUTE BETWEEN:

THE SHIPPING FEDERATION OF CANADA, INC.

and

THE INTERNATIONAL LONGSHOREMEN'S ASSOCIATION (Locals 375, 1657, 1552, Montreal; Local 1846, Trois-Rivières; and Locals 1739 and 1605, Quebec City).

The undersigned, appointed as an Industrial Inquiry Commission by an Order-in-Council dated May 18, 1966, to endeavour to mediate the issues between the above named parties in order to end a stoppage of work which has national and international repercussions, submits the following proposition of settlement.

A—RECOMMENDATIONS APPLICABLE TO ALL LOCALS

1. Duration of Agreement: one year from January 1, 1966.
2. Wages:
   (i) An increase of twenty-five cents (.25) per hour, from the date of return to work, out of which ten cents (.10) will be retroactive to January 1, 1966;
   (ii) An additional increase of fifteen cents (.15) per hour, from September 1, 1966;

   Particular Adjustments:
   (i) Local 1657: an additional three cents (.03) per hour to be paid to these employees as of date of return to work, in order to reduce the difference between the wages of the employees of this local and that of the longshoremen of Montreal.
   (ii) Local of Trois-Rivières: an additional three cents (.03) per hour to be paid to these employees as of date of return to work, in order to reduce the difference between the wages of the employees of this local and that of the longshoremen of Montreal.
   (iii) Quebec Locals: an additional three cents (.03) per hour to be paid to these employees as of date of return to work, in order to reduce the difference between the wages of the employees of these locals and that of the longshoremen of Montreal.

B—FRINGE BENEFITS

1. Applicable to all locals.
   (i) Installation of drinking facilities with paper cups.
   (ii) Minimum penalty of two (2) hours to be paid by the Company in cases of violation by the Company of the collective agreement for a period of time less than two hours.

(iii) Use of flat beams.

(iv) Use of cargo hooks.

2. Applicable to Quebec and Montreal locals.
A minimum of four (4) hours to be paid by the Company for each recall to work during the same day; the other clauses of the agreement remaining unchanged.

3. Applicable to local 1552 in Montreal.
In the future the longshoremen will not use buck-saws.

4. Applicable to local 1657.
The painting and marking of cargoes will be performed by coopers.

Owing to the urgency of the situation, it has been impossible for the undersigned to give proper consideration to the question of reduction of crews. However, because of the importance of this issue, the undersigned recommends as soon as possible the appointment by the Minister of Labour of the Government of Canada of an Industrial Inquiry Commission to study this problem.

Without criticizing the past conduct of either party, the undersigned, pursuant to discussions with said parties, is of the opinion that it would be desirable that negotiations relative to the next collective agreement be initiated immediately.

The Industrial Inquiry Commission who will study the problem of reduction in crews could also deal with this problem of negotiations.

The undersigned requests the representatives of all Union locals to convene a mass membership meeting of its members on or before May 23, 1966 to submit these recommendations to a secret ballot under the supervision of the Department of Labour of the Government of Canada.

The undersigned has also given much consideration to the question of parking which was one of the occasions of the present impasse. However, because on the one hand of the urgency and on the other hand of the complexity of the problem, the undersigned recommends that this issue be placed at the top of the agenda of the Industrial Inquiry Commission appointed to negotiate the next collective agreement.

In conclusion, the undersigned wishes to thank the parties for their co-operation.

The Whole respectfully submitted.

Montreal, May 21, 1966.

These recommendations were submitted to a mass meeting of the Association on Tuesday, the 24th, in each of the three cities and were rejected by the members of the Association by a show of hands.

These recommendations were accepted by the Federation.

On Wednesday, the 25th, the parties were requested by telegram to meet with the Commissioner at his office and further efforts were made to mediate the issues. Faced with the same impasse, I invited the President of the International Longshoremen Association, Mr. T. W. Gleason, to come to Montreal and meet with me. The matter was reviewed in Mr. Gleason's presence at a joint meeting of the parties held at the Commissioner's office. The discussion centered on the reduction of crews, although other matters were mentioned.

Following a caucus of the Federation in the midst of this conference, the following offer was made by the Federation and transmitted by the Commissioner to the Association:—

1. Two-year Contract

Wages-First Year

(A) Ten cents retroactive to January 1, 1966.

(B) Fifteen cents on date of return to work.

(C) Fifteen cents on September 1, 1966.

—Second Year

Forty cents effective January 1, 1967.

The offer on wages is conditional upon the reduction of crews as per draft of contract submitted by the Federation.

2. Sanitary Drinking Facilities to be provided.
3. Request for hooks and beams to be accepted.
4. Painting and marking of cargoes to be by coopers.

FEDERATION'S DEMANDS

1. Strapping of cargo to be done by I.L.A. members.
2. Sections 10 and 11 of draft contract submitted by the Federation concerning grievance procedure to be accepted.
3. Section 13, paragraph B, page 19 of draft contract submitted by the Federation concerning automation on new ships to be accepted.

This offer was refused. However, as a result of this meeting, the Association presented the following text as constituting its minimum demands:—

1. Retroactive to January 1st 1966, an increase of .40¢ an hour;
   From the date of return to work an additional .02¢ per hour for fringe benefits.
   From the date of return to work an additional .10¢ per hour to close the gap in wages paid in Three Rivers and the same for Quebec.
   For checkers and coopers an additional .03¢ to close the gap and retroactive to January 1st 1966.
2. From January 1st 1967 an additional .40¢ an hour;
   For Three-Rivers an additional .13¢ an hour to close the gap completely.
   An additional .03¢ per hour from January 1st 1967 for checkers and coopers.
   An additional .02¢ per hour as a fringe benefit for check off.
3. Vacation pay to be based on 6% of earnings retroactive to January 1st 1966.
4. No reduction in gangs.
5. Drinking water to be made available in an hygienic manner including individual cups.
6. Recall guarantee of 4 hours.
7. Call in on Saturday before 1:00 p.m. for gangs to report on Monday morning.
8. Status quo on all other items for the duration of the 2-year contract.

It should be pointed out here that these minimum demands are for an hourly increase of 40 cents an hour for each of the years 1966 and 1967, refer to a number of other points, but refuse to consider the reduction of the work load.

These minimum demands were submitted to the Federation on the 26th during the evening. The Federation requested time to consider the matter and, on the 27th informed the Commissioner that it was not possible for them to accept these minimum demands as formulated by the Association.

The Commissioner, thereupon, invited both parties to his office and suggested that they meet with the Honourable John R. Nicholson, Minister of Labour. Having received the latter's acceptance, the parties and the Commissioner travelled to Ottawa that same day, where they met with the Minister, two of his colleagues, Hon. Guy Favreau, President of the Privy Council and Hon. C. M. Drury, Minister of Industry, Dr. George V. Haythorne, Deputy Minister of Labour, and other senior departmental officials. Early Saturday morning, the 28th, this joint meeting of the parties was adjourned to Montreal, where it was resumed on Sunday, the 29th in the afternoon. At this second meeting with the Minister of Labour, the Minister of Industry was again present, and Mr. Bryce Mackasey, Parliamentary Secretary to the Minister of Labour. This meeting lasted until the early hours of Monday, the 30th. Unfortunately, the matter remained unresolved.

On Tuesday, the 31st of May, the parties were again invited to meet with the Commissioner separately. Conversations continued for two days and, finally, on June 2nd, the Commissioner submitted to the parties a text prepared in close co-operation with officials of the Department of Labour, which if accepted in principle, might go a long way toward solving the impasse. This text had to do with the establishment of a Commission of Inquiry

to investigate the structure of gangs, sling loads, use of equipment and related matters with a view to achieving improvements in productivity and providing for job security. The text was acceptable to the Federation but not to the Association. Negotiations were at a standstill until June 7, 1966 on which date the parties appeared again before the Commissioner. Further discussions took place during the next few days until a final impasse was reached on Friday, June 10, 1966. The Commissioner then duly reported the situation to the Minister of Labour who convened the parties to his office in Ottawa on Saturday, June 11, 1966. Negotiations at which the Honourable Ministers Pickersgill, MacEachen, Favreau, and Dr. Haythorne, Deputy Minister of Labour and the Commissioner also attended, lasted from 11:00 a.m. Saturday, June 11, 1966 until 5:30 a.m. on Sunday, June 12, 1966.

No settlement having then developed, the parties were asked, following a request from the Association, to come back to Ottawa on Monday, June 13, 1966 where finally a solution presented by the Prime Minister was accepted by the parties in the early hours of Tuesday, June 14, 1966.

The following terms of settlement for a two-year collective agreement between the parties were signed in Ottawa on June 14, 1966:

TERMS OF SETTLEMENT FOR TWO-YEAR COLLECTIVE AGREEMENT

between

THE INTERNATIONAL LONGSHOREMEN'S ASSOCIATION LOCALS IN MONTREAL, TROIS-RIVIÈRES AND QUEBEC

and

THE SHIPPING FEDERATION OF CANADA

1. Each employee will receive 40¢ for every hour worked as of January 1, 1966, made up as follows:—

   20¢ increase per man-hour worked retroactive to January 1, 1966, and effective up to but not including the day work resumes; and
   20¢ per man-hour worked retroactive to January 1, 1966, effective up to but not including the day work resumes in compensation for improvements in productivity.

   From date of resumption of work the above increases shall be applied on overtime as well.

2. An additional 15¢ per hour increase in wages to be effective January 1, 1967; and a further 25¢ per hour increase in wages to be effective on May 1, 1967 also in compensation for improvements in productivity.

   These increases shall be applied on overtime as well.

3. Call up of Montreal gangs for Monday morning to be before Saturday at 1:00 P.M. for ships in port except for gangs working on Saturday afternoon, Saturday night and/or Sunday.

   For vessels arriving after 1:00 P.M. Saturday orders for gangs to be given between 3:00 P.M. and 5:00 P.M. on Sunday.

   The companies will co-operate with the Union Local 375 in the establishment of a mutually acceptable system to handle the reception of such calls with the installation and rental charges to be paid by the Union to the communication company. The companies and the Union agree to meet with Judge Lippé as soon as practical to work out the details of such system.

4. Paper cups to be provided for use with drinking water containers.

5. All cargo hooks to be fitted with tongues.

6. When closing hatches, all hatch beams, including the centre beams, to be in place.

7. When men are ordered out on any vessel it is recognized that the work of opening and closing hatches, other than mechanical type hatches, is to be performed by members of the Union. In the event that the mechanical type hatches are opened by ship personnel it is agreed that the hatches shall not be opened before the

commencement of the period. When closing mechanical type hatches with ship personnel men shall leave the hatch fifteen minutes before the end of the period. In the event that any hatches are opened by ship personnel prior to the commencement of a period the gang concerned shall be entitled to fifteen minutes pay

8. An additional 3¢ per hour to be paid to checkers and coopers in Montreal as of date of return to work plus a further 3¢ per hour on January 1, 1967.
9. An additional 5¢ per hour to longshoremen and checkers in Quebec as of date of return to work plus a further 5¢ per hour on January 1, 1967.
10. An additional 5¢ per hour to longshoremen in Trois-Rivières as of date of return to work plus a further 5¢ per hour on January 1, 1967.
11. Vacation pay to be increased from 4% to 5% on earnings as of date of return to work.
12. A four hour guarantee for each recall to be introduced as of date of return to work to be provided in agreements of Montreal Locals 375 and 1552, and Quebec Locals 1605 and 1739.

The agreements terminating on December 31, 1965, shall be amended by incorporating therein the terms of settlement set out above and these amended agreements shall remain in effect until December 31, 1967, unless amended by negotiations or otherwise. The parties agree to attend a meeting convened and presided by Judge Lippé for the purpose of signing the new agreements in accordance with the above. It is understood that all of the above is subject to ratification by the membership of the respective I.L.A. Locals and of the membership of the Shipping Federation of Canada.

SIGNED on behalf of the International Longshoremen's Association, Atlantic Coast District by Vice-President.

Gerard Tremblay.

SIGNED on behalf of the following International Longshoremen's Association Locals:—

Local 375 (Montreal)	Paul Asselin, President. Jean-Marc St. Onge, Business Agent.
Local 1552 (Montreal)	Romeo Jobin, President. Marcel Cardinal, Business Agent.
Local 1657 (Montreal)	Justin McCarthy, President.
Local 1846 (Trois-Rivières)	Gerard Tremblay, Atlantic Coast District, Vice-President, on behalf of Norman Quigley, President, and Marcel Thibeault, Business Agent.
Local 1605 (Quebec City)	Philippe Duguay, Director Gerard Tremblay, Atlantic Coast District, Vice-President.
Local 1739 (Quebec City)	Roland Frigault, Business Agent
Legal Counsel for I.L.A.	Ph. Cutler

SIGNED on behalf of the Shipping Federation of Canada:

Alexander C. Pathy, Member, Executive Council

In the presence of:

Hon. John R. Nicholson, Minister of Labour
Judge René Lippé, Mediator
George V. Haythorne, Deputy Minister of Labour

Ottawa, June 14, 1966.

A few days after these terms of settlement were ratified by the membership of the different locals of the Union and work resumed in the Port of Montreal, Trois-Rivières, and Quebec on Thursday, June 15, 1966.

In view of the basic problem at the root of these negotiations, namely the money package offered by the Federation on the one hand and the increase of productivity on the other hand, the Commissioner believes that it is his duty to complete his report by making the following recommendations:—

1. That an Industrial Inquiry Commission be established to investigate possible technological and other changes having a bearing on productivity, the size and structure of gangs, calls and recalls of men, job security, safety standards, working and employment conditions of longshoremen and related trades.
   Under the terms of reference of this Commission, I.L.A. members in good standing on June 1, 1966, who qualify for welfare benefits in the calendar year 1966 and who earn their livelihood wholly or mainly in the longshoring operations at the Ports of Montreal, Trois-Rivières, and Quebec, will be given protection in employment during the 1967 shipping season on a basis to be determined by the Commission.

   The conclusions of this Commission should be implemented by legislative enactment at the earliest possible date.
2. Furthermore, in view of personal knowledge of the situation and after discussion with interested parties and corporate bodies, a separate Industrial Inquiry Commission be established to inquire into labour unrest in the Ports of Montreal, Trois-Rivières, and Quebec.

The whole respectfully submitted.

Ottawa, Ontario,
June 23, 1966.

René Lippé
Mediator.

THE SENATE

Wednesday, July 6, 1966

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

Prayers.

DOCUMENTS TABLED

Hon. John J. Connolly tabled:

Report of Canadian Arsenals Limited, including its Accounts and Financial Statements certified by the Auditor General, for the fiscal year ended March 31, 1966, pursuant to sections 85(3) and 87(3) of the Financial Administration Act, chapter 116, R.S.C., 1952. (English and French texts).

Report on the Administration of Allowances for Disabled Persons in Canada for the fiscal year ended March 31, 1965, pursuant to section 12 of the Disabled Persons Act, chapter 55, Statutes of Canada, 1953-54. (English and French texts).

Report on the Administration of Allowances for Blind Persons in Canada for the fiscal year ended March 31, 1965, pursuant to section 12 of the Blind Persons Act, chapter 17, R.S.C., 1952. (English and French texts).

Report on the Administration of Old Age Assistance in Canada for the fiscal year ended March 31, 1965, pursuant to section 12 of the Old Age Assistance Act, chapter 199, R.S.C., 1952. (English and French texts).

HON. W. ROSS MACDONALD, P.C.

FELICITATIONS ON ELECTION TO HONORARY PRESIDENCY OF JUNIOR CHAMBER OF COMMERCE

Hon. John J. Connolly: Honourable senators, I regret the fact that Senator W. Ross Macdonald, P.C., a former Leader of the Government in the Senate, is not in the chamber at this moment, but I am sure we are all pleased to learn that at the annual meeting of the Canadian Junior Chamber of Commerce in Edmonton he was made Honorary President of that organization. We extend to him our congratulations.

PRIVATE BILLS

BAPTIST GENERAL CONFERENCE OF CANADA —FIRST READING

Hon. J. Campbell Haig presented Bill S-43, to incorporate Baptist General Conference of Canada.

Bill read first time.

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

Hon. Mr. Connolly (Ottawa West): Honourable senators, if Senator Haig wishes to have the bill placed on the Order Paper for tomorrow instead of Friday next—although that might not help its progress, being a private bill—I would have no objection and I am sure no one else would object.

Hon. Mr. Haig: Honourable senators, I would accept that suggestion, and move, with leave, that this bill be placed on the Orders of the Day for second reading at the next sitting.

Motion agreed to.

LA SOCIÉTÉ DES ARTISANS—AUTHORITY TO PRINT COMMITTEE PROCEEDINGS

Hon. Salter A. Hayden, Chairman of the Standing Committee on Banking and Commerce, presented the following report of the committee on Bill S-41, respecting La Société des Artisans:

> Your committee recommends that authority be granted for the printing of 800 copies in English and 300 copies in French of its proceedings on the said bill.

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

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

Report adopted.

REPORT OF COMMITTEE

Hon. Mr. Hayden, Chairman of the Standing Committee on Banking and Commerce, reported that the committee had considered Bill S-41, respecting La Société des Artisans, and had directed that the bill be reported without amendment.

THIRD READING

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

Hon. Jean-Paul Deschatelets: Honourable senators, in expectation of an adjournment, I move, with leave of the Senate, that this bill be given third reading now.

Motion agreed to and bill read third time and passed.

PENITENTIARIES

JOINT COMMITTEE—CHANGE IN SENATE MEMBERSHIP

Hon. Arthur L. Beaubien, with leave of the Senate, moved:

> That the name of the Honourable Senator Deschatelets be substituted for that of the Honourable Senator Gouin on the list of senators appointed to serve on the Special Joint Committee of the Senate and the House of Commons on Penitentiaries; and
>
> That a message be sent to the House of Commons accordingly.

Motion agreed to.

STATUTE LAW (SUPERANNUATION) AMENDMENT BILL, 1966

BILL TO AMEND—THIRD READING

Hon. John J. Connolly moved the third reading of Bill C-193, to amend the Public Service Superannuation Act, the Canadian Forces Superannuation Act, the Defence Services Pension Continuation Act, the Royal Canadian Mounted Police Superannuation Act, the Diplomatic Service (Special) Superannuation Act, the Intercolonial and Prince Edward Island Railways Employees' Provident Fund Act and the Canadian Corporation for the 1967 World Exhibition Act.

Hon. Jean-François Pouliot: Honourable senators, before this bill is read for the third time, I have a word of comment to make concerning other superannuations. I wish to make a comparison between the superannuation of judges and the superannuation of senators, and the pensions for judges' widows and the pensions for senators' widows.

For one reason or another the legislation concerning superannuation for senators was a half-baked measure and passed quite easily. I cannot understand why judges should have non-contributory superannuation benefits which are much higher than those for senators, and the pension for judges' widows is much higher than that for senators' widows. We sacrifice ourselves on the altar of the country at times and we are afraid to complain of the unfairness of such legislation, which will have to be revised, because there is no justification for having one treatment for judges and another, which is far from being comparable, for senators.

Honourable senators will recall that from the time of Confederation until, I think, 1953, senators had precedence over judges of the Superior Court. That is changed, too; why, I do not know. At the present time in the Order of Precedence the senators pass after the judges of the Superior Court, and there is no reason for that. Why do we honour the Fathers of Confederation when we try to change everything they have done under the pretence that the judges are "in the wind" or on the new wave, or something like that, and that the senators do not deserve the same consideration, which is pure nonsense?

This is not a criticism; it is a warning that in time to come, and it may be soon, the matter will have to be taken up and the legislation will have to be changed to give fair treatment to senators. Senators will have to receive the same treatment as judges, and senators' widows will have to receive the same treatment as judges' widows.

Recently, because the request had not been made in time, the widow of one of our former colleagues—a Privy Councillor, if you please—could not obtain a pension because she had not followed certain formalities to get it. There should be an item in the Estimates to provide for her support until the law is changed to make it fair.

Hon. Maurice Bourget: Honourable senators, in amendment, I move, seconded by the honourable Senator Vaillancourt:

> That the bill be not now read the third time, but that it be amended as follows:
>
> In the French version of the bill, strike out the words "fonction publique" and substitute therefor the words "service public" in the title and wherever they appear in the said French version of the bill.

The Hon. the Speaker: Honourable senators, it is moved by the honourable Senator Connolly (Ottawa West), seconded by the honourable Senator Roebuck, that this bill be now read the third time.

In amendment, it is moved by the honourable Senator Bourget, seconded by the honourable Senator Vaillancourt that the bill be not now read the third time, but that it be amended as follows:

> In the French version of the bill, strike out the words "fonction publique" and substitute therefor the words "service public" in the title and wherever they appear in the said French version of the bill.

Honourable senators, is it your pleasure to adopt the motion in amendment?

[*Translation*]

Hon. Mr. Bourget: Honourable senators, the reasons for this amendment, supplied by our legal adviser, are as follows:

The joint committee which was instructed to deal with Bill No. C-193 recommended substituting in the French version the words "fonction publique" for the words "service public" in the title and in every clause of the said bill. The house approved the committee's proposal and the bill as amended was read the third time.

The thing is now to move an amendment designed to replace the words "fonction publique" by the words "service public", so as to restore the bill to its original form. Here are the reasons for this change:

In the first place, the first act as amended by Bill No. C-193 is entitled "loi sur la pension du service public, (chapter 47, Statutes of 1952-1953)". The title of this act has never been amended by a subsequent act. Therefore, the act can only be quoted under its official title, namely "loi sur la pension du service public".

In other words, until an amending act containing a specific provision changes the title, Chapter 47 of 1952-1953 can only be cited under its present title. The Statutes of Canada now contain no act entitled "Loi sur la pension de la fonction publique".

In the second place, chapter 47 of 1952-1953 gives the definition of certain terms including "service public". How then, can an amending act change such interpretation without amending the definition clause, more precisely clause 2, paragraph (j) as follows:

> "Public Service" means the several positions in or under any department or portion of the executive government of Canada, and, for the purpose of this Act, of the Senate and the House of Commons of Canada, the Library of Parliament and any board, commission, corporation or portion of the public service of Canada, specified in Schedule A;

In the third place, in view of the fact that Bill C-193 amends only some sections of the Public Service Superannuation Act, and that the other sections remain unchanged, we will have, following the amendment proposed by the committee, two different expressions "service public" and "fonction pubique" to say exactly the same thing; extreme confusion will follow.

Hon. Mr. Choquette: But how did the error happen? Is it a matter of translation? Someone must be responsible for the error.

Hon. Mr. Bourget: This is what happened honourable senators. At the last sitting of the Joint Committee on Public Service, on Thursday, June 22, it was pointed out to us that the words "fonction publique" were better French, and you will probably agree with me on that, but in view of the fact that Bill C-193 amended another act, it would have been necessary then to change everything in the bill we were amending; since the bill we were amending did not bear as a title "fonction publique", we could not amend that act which in fact did not exist. That is the reason why, to correct the amendment proposed by the committee and passed by the house, we now move this amendment in order to come back to the original text of the bill, in the French version.

Hon. Mr. Pouliot: Honourable senators, the sponsor of this bill is one of my personal friends and so is the legal adviser to the House of Commons. However, must we agree on everything? This time, I agree with him about the proposal he has made but I say that in the bill there are certain expressions used in the same acts.

However, that brings us back to the problem of translation which is not an ordinary problem. I remember being taken to task in this very chamber—bawled out as you say in English—because I had complained about the translators who brought pressure to bear on one of my colleagues to insult me. I was complaining about errors in translation. Moreover, they lobbied to scare me.

I have some sympathy for the translators and this reminds me of a story about a merchant named Florian Rioux, of St. Jean

de Dieu, who had bought 50 barrels of molasses. The farmers went to his store but after tasting it refused to buy it saying that it was sour. Florian asked his supplier to cancel the sale. The latter refused. They went to court. The court appointed an arbitrator and molasses tasters. Each one of them ate a tablespoonful of molasses to ascertain whether it was sweet or sour. The work of the translators reminds me somewhat of Florian Rioux' molasses. The work is difficult but, under the pretext that there are not enough translators, any one at all is hired.

I shall give you a fairly recent example; the incident occurred during this session. I said, in English: "I play the game with the Government"; in French that means, "Je joue franc jeu." The translator wrote: "Je joue le jeu du gouvernement". It is not the same thing at all. I did not speak about it, at the time, but now that the occasion arises, I take advantage of it.

I hope translations will be checked very closely, that they will be corrected in the same way proofs are corrected at the Printing Bureau. Proofreading at the Printing Bureau has now improved considerably compared to what it was in the past.

That is one suggestion I want to make; first of all, I want to warn the government against appointing incompetent translators. It is much better to have no translation at all than to have a poor one.

I speak in English more often than in French, because I have had very little satisfaction when I spoke French. Today, I am taking a risk, taking a chance. I am replying in French to a speech which was made in my own tongue. When speaking English I make a sacrifice, in the hope that all my colleagues will understand me and that I shall be better served than if I spoke French.

That is all I have to say for the time being, until such time as I have the opportunity of discussing it again in due course, should the need arise.

[*Text*]

The Hon. the Speaker: Honourable senators, it is moved by the honourable Senator Connolly, seconded by honourable Senator Roebuck, that Bill C-193, intituled: "An Act to amend the Public Service Superannuation Act"—

Hon. Mr. Connolly (Ottawa West): Dispense.

The Hon. the Speaker: In amendment, it is moved by honourable Senator Bourget, seconded by honourable Senator Vaillancourt—

Hon. Mr. Connolly (Ottawa West): Dispense.

The Hon. the Speaker: Honourable senators, is it your pleasure to adopt the motion in amendment?

Motion in amendment agreed to.

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

Hon. Mr. Connolly (Ottawa West: I move that the bill be read the third time now.

Motion agreed to, and bill as amended read third time and passed.

PRIVATE BILL

BANK OF WESTERN CANADA—SECOND READING

Hon. T. D'Arcy Leonard moved the second reading of Bill C-111, to incorporate Bank of Western Canada.

He said: Honourable senators, I think it would be helpful if I reviewed the history over the last two years of the application for incorporation by the Bank of Western Canada.

On February 27, 1964 Bill S-6, to incorporate Bank of Western Canada, was presented and read the first time in the Senate. It was the first application for a bank charter since 1953. That bill received second reading on March 12, 1964 and was referred to the Standing Committee on Banking and Commerce.

Subsequently, two other bills for the incorporation of banks were presented to this house: one to incorporate Laurentide Bank of Canada and the other to incorporate Bank of British Columbia. In the meantime, with the consent of the sponsors, it had been agreed that the bill to incorporate Bank of Western Canada would be held up pending the tabling of the report of the Royal Commission on Banking and Finance.

That report was released to the public on April 24, 1964, and it contained nothing that in any way derogated or interfered with the applications for bank charters. On the contrary, the whole tenor of the report of the Royal Commission on Banking and Finance was favourable to more competition in the banking field.

A considerable amount of evidence was heard and discussion took place in committee. The committee was not unanimous—different points of view were expressed—but on July 27, 1964, the committee reported the bill to incorporate Bank of Western Canada to the Senate without amendment. On the same day the bill to incorporate Laurentide Bank of Canada was reported, with two amendments dealing with its capital. On July 25, 1965, both these bills received third reading in the Senate, on division.

In the meantime, the committee, in dealing with the Bank of British Columbia, reported that the preamble had not been approved, for reasons which I need not now elaborate. Suffice it to say that these reasons were concerned with the ownership of the block of shares of the bank held by the Government of British Columbia.

The other two bank bills went to the House of Commons. They were debated during the hours allotted to private members' business, but never received second reading. Therefore, when that session of Parliament ended on April 3, 1965, those two bills died on the Order Paper.

The next session of Parliament commenced two days later, on April 5, 1965. Bill C-99, to incorporate the Bank of Western Canada was introduced, this time in the House of Commons, on April 25, 1965. Similarly, on April 12, 1965, Bill C-95, to incorporate the Laurentide Bank was also introduced in the House of Commons. Both bills received second reading in the House of Commons during that session and were referred to the Commons Committee on Finance, Trade and Economic Affairs on June 22, 1965. A petition to incorporate the Bank of British Columbia had been tabled in the Commons on June 4, 1965, but no bill was introduced.

That session of Parliament ended on June 30, 1965, just eight days after the two bills, namely, the Laurentide Bank and the Bank of Western Canada, had been referred to the committee, and those two bills died by reason of the dissolution of that Parliament.

We come now to the present session of Parliament, which commenced last January. The Bank of Western Canada again petitioned in the House of Commons, and Bill C-111, the bill before us, was introduced in that chamber, received second reading, was referred to the Committee on Finance, Trade and Economic Affairs, and was amended in that committee.

Here I should go back and say that previously a new Bank Act bill had been introduced in the House of Commons and received first reading. That bill contained clauses dealing with the matter of government ownership of shares of a bank dealing also with non-resident ownership of shares of a bank, and also the amount of shares that any one shareholder could own in the bank.

The amendments to the Bank of Western Canada bill that were made by the Committee on Finance, Trade and Economic Affairs of the House of Commons were amendments that inserted provisions that had been in the Bank Act bill which had received first reading. They were substantially the same, the only changes being of a purely verbal nature.

No bill to incorporate the Laurentide Bank has been introduced this session, and so far as I know, and so far as one may gather from public reports, it would appear that no bill is proposed.

In the meantime, however, a bill to incorporate the Bank of British Columbia was introduced in this chamber, received second reading, went to the Committee on Banking and Commerce, and our committee amended that bill to put in exactly the same sections that were put in the Bank of Western Canada bill by the committee of the House of Commons. That having been done, the report of the Banking and Commerce Committee on the Bank of British Columbia was adopted by this chamber, the bill received third reading here and went to the House of Commons.

That is the history of the past two years dealing with these two bank bills. Therefore, the situation at the present time is that last evening Bill C-111, to incorporate the Bank of Western Canada, received third reading in the House of Commons, was passed, and is now before us.

In the meantime, the House of Commons has given second reading to the Bank of British Columbia bill and referred it to the same committee of that house that dealt with the Bank of Western Canada bill.

Coming to the bill itself, the present Bill C-111 is substantially the same as Bill S-6 which passed the Senate in 1964, subject to the changes to which I have referred. The incorporators are James Elliott Coyne, Sinclair McKnight Stevens, Maxwell Bruce, Edward Rex Plewman Nesbitt, and John Leslie Bodie. These are the same original directors as appeared in the 1964 bill, except that the earlier bill also contained the names

of some 100 or more other petitioners. They were dropped for purely administrative reasons, their support is still there, but it was not thought necessary, as it was in the first instance, to repeat their names in this application for incorporation.

The capital stock is set out in section 3 of the bill at $25 million. In the original bill it was $10 million; but in the meantime, some two years ago, in order to be ready for the commencement of business should the charter be granted, the sum of approximately $13 million was raised for investment in the shares of this bank. All of that $13 million is still available. Most of it has been invested in trustee securities and held in trust during the past two years against the time when the charter might be granted. There is a time limit on that trust.

By section 4 the head office shall be at the City of Winnipeg, in the Province of Manitoba.

Section 5 is new, and incorporates the provisions of the Bank Act as it was introduced previously in the House of Commons, and, as I understand, is proposed again in the resolution which the Minister of Finance presented yesterday.

I think it is sufficient for me to say that sections 5, 6, 7, 8, 9 and 10 limit the amount of shares that might be held by non-residents to some 10 per cent. They limit the power of any government to invest in the shares of the bank, and not more than 10 per cent of the shares of the bank may be held by one shareholder or persons associated with him directly or indirectly.

There are other provisions with respect to non-voting and other matters, which are designed to make effective those restrictions I have mentioned.

Section 11 amends the Bank Act to provide for an insertion of the name of this bank in Schedule A of the Bank Act.

Section 12 reads:

> Except as provided in the Bank Act and in this Act, the Bank shall have all the powers, privileges and immunities subject to all the liabilities and provisions set forth in the Bank Act.

Now, even if this bill passes, the bank will still be governed by the Bank Act in the same way as all other banks.

The present bank charters expire this year, and so will the charter of this bank, if this bill is passed, but it also will be subject to any extension of the charters given through the Bank Act. This Bank of Western Canada will be subject to inspection by the Inspector General of Banks, and subject to all the rules and regulations imposed with respect to loans and investments.

The Bank of Western Canada is prepared to conform with whatever changes are made in the Bank Act pursuant to the resolution of the Minister of Finance dealing with such matters as, for example, the insurance of deposits and any other regulations which are made respecting the inspection and supervision of banks which might be ancillary to the question of the insurance of deposits.

Before the bank can commence business, it must receive a certificate from the Treasury Board, and it has a year in which that certificate may be issued.

In the light of the length of time since the first application was made, the sponsors of this bill are entitled now to have it dealt with as speedily as possible. We passed their application two years ago. The only real change since then is to add these provisions dealing with ownership by non-residents, by one shareholder, and by governments.

The applicants for this bank were prepared to accept these, and as soon as the occasion arose whereby they could have those amendments made, they were made, and the bill now comes before us with those amendments. We in turn passed upon similar amendments when we dealt with the bill regarding the Bank of British Columbia a couple of months ago.

The Minister of Finance yesterday expressed the view that more competition is desirable in the banking field. This is really the theme of the changes in the Bank Act, as suggested in the resolution moved in the other place.

The money waiting to be invested in these shares is subject to a time limit which expires early in 1967. For this bank to get started, to organize, to get its certificate from the Treasury Board, to issue its shares and to receive the money that is waiting for it now, it is desirable that the bill should not be held up when we are on the eve of this summer vacation.

Therefore, my suggestion is that if the bill receives second reading today we refer it to the Standing Committee on Banking and Commerce. I understand that Senator Hayden, chairman of that committee, is prepared to sit tomorrow morning. This would require

an amendment of our standing rules, which normally would require 24 hours' notice of intention to bring this bill before the committee.

Therefore, if the bill receives favourable approval on second reading, I shall propose that it be referred to the Standing Committee on Banking and Commerce and that, notwithstanding the rule in question, the committee may deal with it tomorrow morning.

Hon. A. J. Brooks: Honourable senators, I am not rising to analyse this bill or the discussions we have had for nearly two years on this measure and on the bill regarding the Bank of British Columbia.

The honourable sponsor of the bill explained it very well, as usual, and has given us a complete review of its history. It was my understanding, although I may be wrong, that we were waiting for the revision of the Bank Act before going on with these bank bills. That revision is being discussed now, so I cannot altogether agree with my honourable friend that there is need for great haste in putting this bill through. I hope the bill regarding the Bank of British Columbia will go through at the same time as this one. I take it from what the honourable sponsor of the bill has said, that there is some intention—I do not say some agreement, because that sort of thing is not supposed to be done—to see that the Bank of British Columbia bill is passed at the same time as the Bank of Western Canada bill.

I am a little surprised at the urgency which the honourable senator has expressed. He also told us we will have to renew the charter of this bank. We are asked to give a charter to the bank now and in a few months we will be asked to renew that charter.

Personally, I do not see why we could not wait a few months instead. However, I am not a banker and possibly I do not understand these things as well as I should. The strongest argument against the granting of a charter to the Bank of Western Canada was that we had enough banks. We all realize that in this large and growing country that argument may not be correct; but we also know that there is hardly a small village in Canada where banks are not competing to set up branches at the present time.

The honourable sponsor said we need more competition. I wonder whether that statement also is correct. The banks are complaining that they have too much competition, not from other banks but from the near banks, the trust companies and other institutions which are more or less doing banking business. They are hoping for a revision of the Bank Act, to give less, not more, competition in banking. I am not sure that this argument of more competition among the banks is altogether correct. I doubt it.

If this bank is set up, it is to be a western bank. Let me say that all banks are Canadian banks. They have subscribers and shareholders in every part of the country. I understand the directors of this western bank will be mainly from the City of Toronto. Of course, we have nothing against the City of Toronto.

Honourable senators, I am not rising to object to this bill. It was passed in the other place without objection. I do not see that it is absolutely necessary that the bill should be rushed through here, but I am not going to oppose it.

Hon. Gunnar S. Thorvaldson: Honourable senators, I do not wish to delay the passage of this bill, but I would like to make some remarks, particularly in view of those made by my colleague Senator Brooks.

This bill has had a checkered career, having been introduced here two years ago. It was thoroughly debated then and approved by the Standing Committee on Banking and Commerce. Consequently, I would support the argument that, from a practical point of view, it should not be necessary even to send it to committee again.

On the other hand, I hope all senators will support the waiver of the rules, so that it can go before that committee tomorrow morning and be approved again without undue delay.

My main reason, however, for speaking now is that the name of this bank is to be the Bank of Western Canada. I disagree with the suggestion by my honourable friend that we do not need more competition in banking. I believe we need more competition in banking and in every other kind of business.

I take this opportunity to reiterate what has been said so often by some of my colleagues from western Canada, that that part of Canada is going through a stage of growth now that is unparalleled except in the very early days of our history when the country was new and developing very rapidly. I agree that to have a bank located in western Canada is a matter of pride for us westerners, and also we are convinced that such a bank will be a useful institution and a useful instrument in the expansion of our economy.

In expressing these views I also hope that there will be unanimous agreement in regard to the bill going before the Standing Committee on Banking and Commerce tomorrow morning.

Hon. Arthur W. Roebuck: Honourable senators, I have just a short comment to make. My colleagues will no doubt remember to some extent the position which I took in regard to this matter on previous occasions, and I do not intend to repeat now what was said at that time. However, I do wish to comment briefly and not destructively at all on what Senator Brooks has said with regard to competition.

I am not so sure whether I am in a position to decide whether we need more or less competition in banking in this country, but I am quite confident in my view that it is not for us to build a wall around the existing banks and to say to others that they shall not compete. In my view that is a matter of economics, and if somebody wishes to compete, it is not for us to stand between the established banks and the newcomer and say, "This is a closed business; we have made a monopoly in the banking industry, and you are out." I do not think it is necessary for us to decide whether more competition is necessary or desirable. In my view the question turns on the fact that this is a free country, that banking is not very different from any other industry, and that the determining factor is whether somebody else wishes to enter the industry and is ready to do so in a regular and proper fashion, as this bank seems ready to do.

So, honourable senators, I am, as I was before, strongly in favour of the incorporation of this bank. I join with my friend Senator Thorvaldson in wishing that it be done quickly. "If it were done, when 'tis done, then 'twere well it were done quickly."

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Leonard, bill referred to the Standing Committee on Banking and Commerce.

SUSPENSION OF RULE 119

Leave having been given to revert to Notices of Motions:

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

> That Rule 119 be suspended with respect to the Bill C-111, intituled: "An Act to incorporate Bank of Western Canada."

He said: With leave of the Senate, I move that Rule 119 be suspended with respect to Bill C-111, intituled an Act to incorporate Bank of Western Canada. This rule requires that a bill such as the one now before us, which has passed the House of Commons, shall be posted for 24 hours before it may be considered by a committee of the Senate. That would mean that the present bill could not be considered in committee until after the Senate rises tomorrow or on Friday morning. I think honourable senators would all agree it would be preferable to have it considered by the committee tomorrow morning. I have spoken with Senator Hayden and I understand he is agreeable to that course.

Hon. Mr. Choquette: Is it not the rule that a committee of the Senate cannot consider such a bill until after one week's notice of the sitting of such committee has been posted up in the lobby, and in the case of such bill originating in the House of Commons, until after 24 hours' like notice?

Hon. Mr. Leonard: That is quite right. If this rule is now suspended it will be possible to have this bill before the Standing Committee on Banking and Commerce tomorrow morning.

Motion agreed to.

CANADIAN CORPORATION WORLD EXHIBITION ACT

BILL TO AMEND—SECOND READING

Hon. Daniel A. Lang moved the second reading of Bill S-42, to amend the Canadian Corporation for the 1967 World Exhibition Act.

He said: Honourable senators, this is a bill to amend the Canadian Corporation for the 1967 World Exhibition Act. As honourable senators will recall, that act was originally passed in December 1962 and had the effect of establishing the corporation itself. In December 1963 that act was amended and into it was inserted a section 18A dealing with marks and symbols and the copyright therein pertaining to the exposition itself. In that amendment recognition was first given to the fact that these symbols and marks were important in the conduct of the exhibition and in the development of the Expo itself, and in the quality control of the various activities in which the exposition was to engage.

The bill we have before us this afternoon further amends that new section inserted in 1963. Behind the amendment there are basically three purposes: first, to strengthen the copyright position of Expo: second, to add new copyright rights, if I may use that expression, in Expo where they do not now exist under the Copyright Act; and, third, to make all copyrights of the exposition more easily and more expeditiously enforceable by the corporation.

If honourable senators would care to address themselves to the bill, I shall very briefly outline the effect of these proposed amendments.

First, clause 1, paragraph (a) of subsection 3 of the old section 18A, is amended to extend the copyright created originally in these marks but restricted to where the marks were applied to goods, to where they are also applied to advertising in connection with the goods. The necessity for this arises out of the fact that in the act as it now stands it is uncertain as to whether a person who does not in fact put the Expo mark on his goods but displays his goods with advertising around them or in conjunction with them and using the word "Expo"—for example, "Get your Expo '67 sunglasses here"—whether that is actually in contravention of the act. This section is amended to include words to bring that sort of activity clearly within the activities prohibited to unlicensed persons.

I should say, of course, that the preamble to this section in the original says that these marks, symbols, etc. can be used only by persons who are licensed to do so by the corporation and in specific ways.

The next amendment, which adds to the old subclause 4, creates an exception in connection with the use of Expo wordings or symbols which are used in a bona fide fashion by a person, without the intention of identifying with Expo itself, through inadvertance or otherwise. I can conceive an example of that being where someone might advertise a fair and say, "Come to the Guelph Expo, 1967 cattle, sheep and swine prize giving." There would be no question of any real intention there to identify it with the Expo. These cases were provided for under the original section. The effect of this amendment is to shift the burden of proving the bona fides of the use of such words on to the person using them rather than leaving the burden of such proof on the Expo Corporation, as that burden would have been and remained under the original section.

Hon. Mr. Choquette: If they proceed with their local Expo, are you going to deal with them when it is all over?

Hon. Mr. Lang: I will come to that shortly. You will see there are provisions which retain these rights beyond the period of Expo.

The next amendment, at the top of page 2 of the bill, is in much the same vein. This amendment is included to make it unnecessary for the Expo Corporation, when applying for an injunction restraining some unlicensed persons from using symbols, marks and words of identification, to prove specific, immediate and irreparable injury to the corporation. As honourable senators who are members of the legal profession know, proof of that is necessary, among other things, to obtain an injunction of the nature we are contemplating. This does not mean that in applying for an injunction the corporation does not have the burden of proving other things, but it does make it unnecessary for the corporation to prove immediate and irreparable injury, which in itself might be somewhat difficult of proof, or somewhat intangible, in connection with representations being made under those circumstances to a judge or to a court.

Clause 2 of the bill enacts a new section 18B. The necessity for it arises out of the fact that under the Copyright Act there is no copyright in a statue or a painting, engraving, photograph, or anything of that nature which is permanently on display in a public place; nor is there copyright in an architectural work on display in a public place. I mean by that that there is no protection given to the creator of such "artistic works" against any member of the public photographing those works at any time, thereby acquiring a copyright in the photograph and selling reproductions of it for commercial purposes. When honourable senators realize that, it becomes self-evident that the exclusive licensing of official photographers or creators of postcards, brochures, folders, and things of that nature, would be quite meaningless unless some protection could be afforded them through a section such as we now have before us. This section now creates in Expo itself a very limited form of copyright in the reproduction of these various objects, by the making of models, paintings, drawings, engravings or photographs. These rights are created for the first time and are restricted to Expo itself which, in turn, can license them to various people.

Behind this is the overall basic concern of the corporation to maintain a very high quality of reproductions of all kinds which will identify with the exposition in the mind of the public.

It is the concern of the corporation to avoid the tawdry, the poorly artistic, the lacking in taste—to prevent these forms of reproduction becoming widespread, and to attain a high quality of artistry and skill in all these ancillary fields. Exclusive licensing by the corporation is intended to accomplish this end.

This clause further provides that this limited copyright vesting in the corporation only subsists until October 28, 1967; and that any action or other legal proceedings which commences before that date with respect to these matters is not affected by the lapse of the copyright on that date.

Hon. Mr. Choquette: Could I ask my honourable friend a question? You realize, of course, that on the grounds of the Expo there will be thousands of gadgets on sale every five or ten feet, and people will say, "Go back home with a souvenir of Canada's Expo 1967." Will they have to apply for a licence? Surely, they can use the word "Expo" without getting a licence? How will this act prevent any little salesman from selling gadgets on the grounds?

Hon. Mr. Lang: I understand that all vendors on the grounds will be licensed by Expo; they will be concessionaires. All objects bearing Expo insignia or reproductions of buildings will be manufactured and sold by persons licensed by Expo. For instance, it would be impossible under this provision for an unlicensed photographer to go to Expo and take photographs throughout the grounds, make them into postcards and take them out and sell them.

Hon. Mr. Choquette: Supposing an individual takes a photograph of a mounted policeman and says, "This is a nice souvenir of Expo to take home to your country. Here is a good-looking mounted policeman." How do you prevent that being done?

Hon. Mr. Lang: Anybody can take photographs. It is the unlicensed taking of photographs for reproduction and sale for commercial purposes that this provision is aimed at. The object is to restrict that right to licensees of the corporation.

Finally, subclause 4, like the new subsection (5a) of section 18A at the top of the page, gives the corporation considerable power in respect to the enforcement of its rights. Firstly, it creates a presumption of immediate and irreparable injury in connection with the activities of unlicensed users, and thereby avoids the necessity of the corporation's proving that fact in an action for an injunction. This is an important subclause in that it also creates a presumption of infringement by such unlicensed persons, which would hold unless that presumption was rebutted by such persons.

I would say that these powers of enforcement constitute a considerable departure from the ordinary rules of law governing copyright, but I am sure all honourable senators will agree with me that in view of the limited time during which they will be in force, and the rapidity of the build-up of Expo and, indeed, the unforeseeable combinations and permutations of situations that can arise, these measures are fully justified.

Honourable senators, behind this bill there is, of course, the overriding consideration of the importance of making Expo '67 not only quantitively but qualitatively an outstanding success.

Hon. A. J. Brooks: Honourable senators, we are indebted to Senator Lang for his explanation of this bill. I should like to say also that in my opinion this bill is very well drawn from a legal standpoint. Its explanatory notes are much better than those found in most bills. If any honourable senator wants a supplementation of what has been said by Senator Lang, then he or she needs only to read the explanatory notes.

I recall that there was a long discussion in connection with the Canadian World Exhibition Act of 1962 and the amendments of 1963, and the questions asked by my seatmate, Senator Choquette, are quite in point. I should like to ask the honourable sponsor of the bill if the Government is aware of any person or company who has used the official symbol of the exhibition for business purposes. Has there been to date any infringement? The exhibition is not at this time in progress, but the corporation does have a symbol and the word "Expo".

Approximately 60 nations will be represented at this exhibition, and I would suppose that every one of them will want to advertise as much as it can not only in Canada but within its own borders. I should like to know

whether they will be allowed to take photographs of their buildings, for instance, to show the architecture and other aspects. Will they be allowed to sell souvenirs from those buildings, or will Expo have absolute control over all the buildings and all exhibits from those different countries?

I agree entirely with the relief provided by this bill in cases of copyright infringement. The obtaining of an injunction is a very convenient and quick way of dealing with such wrongdoing.

May I ask the honourable sponsor also if I am correct in my understanding that all exhibits over which Expo has control can be returned to the person or persons who would, except for the exhibition, be entitled to them? I understand that after October 1967, these exhibits can be returned to the various individuals and companies.

Those are the only questions I have to ask at the present time in connection with this bill.

Hon. Mr. Croll: Honourable senators, it just occurs to me, as Senator Lang has said, that the subclause at the top of page 2 constitutes a considerable extension of a legal principle that is found in the Copyright Act. Is there a precedent for this sort of thing? Has it ever been done before? Does the honourable sponsor know of any precedent for it?

Hon. Mr. Lang: I do not know of any personally. I have been advised by the departmental authorities that this follows very closely some of the procedures adopted in connection with the recent New York World's Fair. In that case it was found necessary to create such a situation as this by legislation in order to protect that exposition. I know of no other precedent.

Honourable senators, in reply to Senator Brooks' questions, I might say that I have no knowledge of any infringement to date, although a problem arose in connection with the use of the word "Expo". An application was made to the Registrar of Trade Marks for the use of the words "Expo Cleaners". At the request of the corporation, the Registrar refused this trade mark, because the corporation said that at that time they did not know whether they would be employing cleaners on the grounds who might want to use that designation in their capacity as official cleaners.

Mr. Brooks: They might want to do their own cleaning when they get the customers there.

Hon. Mr. Lang: Yes, I imagine so. And again, I cannot speak from first-hand knowledge, but with respect to the activities of foreign countries at Expo I think the attitude of the corporation must of necessity be that of a good host.

It is my intention, if this bill receives second reading, to move that it be referred to the Standing Committee on Banking and Commerce, and as to these questions and any others that honourable senators have, I would suggest that they be asked of the officers appearing before that committee.

Hon. Arthur W. Roebuck: Honourable senators, before this bill is read the second time I should like to point out that it is an extraordinary measure in that it gives most unusual powers to the corporation, and they are, I think, open to serious question. I notice, for instance, that if a painting by some private person is on exhibition, then the Corporation has the copyright in it.

I should think that the more publicity there is the better, but this bill seems to be aimed at stopping reproductions and other kinds of publicity which I think are desirable. From a cursory look at the bill it seems to me that it constitutes a very questionable infringement of private rights, and I hope the matter will be further discussed in committee.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Lang, bill referred to the Standing Committee on Banking and Commerce.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, July 7, 1966

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

Prayers.

DISTINGUISHED VISITOR IN SENATE GALLERY

WIFE OF PREMIER OF THE BAHAMAS

Hon. John J. Connolly: Honourable senators, not often do we call attention to visitors in the Senate Gallery, but today we are honoured with the presence of the wife of the Premier of the Bahamas, Lady Symonette. I mention this not only because of her distinguished husband, not only because she happens to be a very beautiful young lady, but because of the fact that she is a Canadian by birth.

Hon. Senators: Hear, hear.

DOCUMENTS TABLED

Hon. Mr. Connolly (Ottawa West) tabled:

Report of the Army Benevolent Fund Board for the fiscal year ended March 31, 1966, pursuant to section 13 of the Army Benevolent Fund Act, chapter 10, R.S.C., 1952, including its Accounts and Financial Statements certified by the Auditor General. (English and French texts).

Report of the Department of Forestry for the fiscal year ended March 31, 1965, pursuant to section 12 of the Department of Forestry Act, chapter 41, Statutes of Canada, 1960. (French text).

Report on the Operations of the Fisheries Improvement Loans Act for the fiscal year ended March 31, 1966, pursuant to section 12(2) of the said Act, chapter 46, Statutes of Canada, 1955. (English and French texts).

PRIVATE BILL

BANK OF WESTERN CANADA—AUTHORITY TO PRINT COMMITTEE PROCEEDINGS

Hon. Arthur L. Beaubien, for Hon. Mr Hayden, Chairman of the Standing Committee on Banking and Commerce, presented the following report of the committee on Bill C-111, to incorporate Bank of Western Canada:

Your committee recommends that authority be granted for the printing of 800 copies in English and 300 copies in French of its proceedings on the said bill.

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

Hon. Mr. Beaubien (Provencher): I move, with leave of the Senate, that the report be adopted now.

Report adopted.

REPORT OF COMMITTEE

Hon. Mr. Beaubien (Provencher) for Hon. Mr. Hayden, Chairman of the Standing Committee on Banking and Commerce, reported that the committee had considered Bill C-111, to incorporate Bank of Western Canada, and had directed that the bill be reported without amendment.

THIRD READING

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

Hon. Mr. Leonard: Honourable senators, with leave, I move that the bill be read the third time now.

Motion agreed to and bill read third time and passed.

CANADIAN CORPORATION WORLD EXHIBITION ACT

BILL TO AMEND—AUTHORITY TO PRINT COMMITTEE PROCEEDINGS

Hon. Arthur L. Beaubien, for Hon. Mr. Hayden, Chairman of the Standing Committee on Banking and Commerce, presented the following report of the committee on Bill S-42, to amend the Canadian Corporation for the 1967 World Exhibition Act:

Your committee recommends that authority be granted for the printing of 800 copies in English and 300 copies in French of its proceedings on the said bill.

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

Hon. Mr. Beaubien (Provencher): I move, with leave of the Senate, that the report be adopted now.

Report adopted.

REPORT OF COMMITTEE

Hon. Mr. Beaubien (Provencher) for Hon. Mr. Hayden, Chairman of the Standing Committee on Banking and Commerce, reported that the committee had considered Bill S-42, to amend the Canadian Corporation for the 1967 World Exhibition Act, and had directed that the bill be reported without amendment.

THIRD READING

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

Hon. Daniel A. Lang: Honourable senators, with leave of the Senate, I move third reading now.

Hon. Arthur W. Roebuck: Honourable senators, before the motion is adopted, I want to make some comments with regard to this bill.

When we considered the bill in committee, I pointed out that it would create a monopoly. It gives to Expo a monopoly of the reproduction of any pictures which are made of the exhibition or of such things as exhibits of art; it takes away the common right of those who make photographic reproductions, to the extent that they are not allowed to use them for commercial purposes.

The idea behind the measure is to give to Expo management such revenue as they may obtain by the sale of these rights which they are taking away from the individual. I raised this objection in Committee. This bill is for the express purpose of creating a monopoly, which is the same type of monopoly which the British Parliament legislated against in the time of Queen Elizabeth I. The Queen wanted to be able to grant monopolies in order to gain the revenues that would arise therefrom. Parliament objected, and one of the grand acts of that Queen was her surrender to Parliament in that connection. She did it in the early part of her reign, and one of the bases upon which her popularity rested for the rest of her reign was that monopolies were abolished.

I realize there are reasons for this bill—of course, there are always reasons. As Mark Anthony said on one occasion:

> They . . . will . . . with reasons answer you.

I appreciate there is money in this, and we are interested in the revenue. At the same time I do not like special privileges, whether they are granted to ourselves or to someone else, so I am opposed to this measure, and I think it is proper that I should express disapproval. So far as I am concerned, this bill shall not be considered at some future time as a precedent for other measures of a similar nature.

That is all I wish to say about it. I appreciate you are going to pass the bill, but you are not going to give anyone the idea that I like it. I therefore express the view that I do not like this kind of legislation. I am not going to vote for it and, so far as I am concerned, it is not to be regarded as a precedent for similar legislation on a future occasion.

Hon. John J. Connolly: Honourable senators, on behalf of the Government I should say a word about the point that our learned friend Senator Roebuck raises.

In the first place, I doubt whether the new Elizabethans, as perhaps I might describe ourselves, are any different from the old Elizabethans, to whom he has referred, in respect of the problems that are created for an economy by certain types of monopolistic practices. Nonetheless, I think the position that is sought to be established by the passage of this bill is a very simple and appropriate one.

Expo '67 is a very large and expensive undertaking, nearly all the cost of which is being met out of the public purse. Exclusive franchises have been granted by Expo to certain people on a commercial basis, and it is important that these people who have entered into what must be assumed to be valuable contracts should have all the protection in respect of copyright and other matters that emanate from this bill. There is no intention of perpetuating a monopolistic practice in respect of the matters covered by this bill, because they are not of the far-reaching kind objected to in general by Senator Roebuck. There is a distinction. These provisions are for a limited period of time only because they are in respect of an operation that has a limited existence.

If it is in the commercial interests of the country to make the kind of contracts that have been made in respect of Expo, and to endeavour to assure the quality of the works that are to be reproduced, then this bill is a provident one and is in the interests of the public. I commend it to the support of all honourable senators.

Hon. A. K. Hugessen: Honourable senators, I am extremely glad that my honourable friend to my left (Hon. Mr. Roebuck) has raised this point. He is quite right of course, in saying, that in certain of the provisions of this bill there are infringements of the ordinary rights of the citizen. We all realize that it is one of the functions of this chamber particularly to make sure that any such infringements are carefully guarded against, and if we allow them at all, they should be supported by conclusive evidence.

My honourable friend, in my opinion, was quite right in raising this objection, although I must say I disagree as to the practical effect of it. After all, Expo '67 is a most unusual circumstance. It is to be in existence for a limited time. The expenses of it are to be paid largely by the federal and provincial governments, and the effect of it in the way of an appreciation of Canada by the hundreds of thousands of people who are expected to visit Expo will be very important indeed. The basic effect of this amendment is that the public image of Expo will be left in the hands of Expo itself. In other words, Expo will have a monopoly of all photographic and other reproductions that may be made and sold to the public.

As my honourable friend said, that may be a limitation upon the rights of an individual to make his own photographs or reproductions, and to sell them to the public. But, on the other hand, it has to be borne in mind that this provision will protect the hundreds of thousands of people who, when they visit Expo, will be invited to buy photographic reproductions, in that they will know that they have been properly designed and passed by Expo itself. This is an important consideration quite apart from any question of the revenue that may be derived therefrom.

I hope I do not take second place to anyone in this chamber in a regard for and attempt to protect the rights of the individual, but I do think that under these particular circumstances and in this particular case the proponents of the bill have made their argument and that this is a bill which should receive the mature judgment of the Senate.

Hon. Lionel Choquette: May I ask the honourable senator a question? When we deal with the first part of the bill, there is an explanatory note concerning subclause (3) of clause 1. The note says:

> The purpose of this amendment is to assist the Corporation to obtain expeditious relief against the unauthorized use of its marks and symbol by way of injunction without having to adduce evidence of the matters presumed.

Then, there is a follow-up clause in the bill which reads:

> In any action or suit in which an injunction is sought pursuant to subsection (5), it shall be presumed that any contravention of this section will occasion immediate and irreparable injury to the Corporation.

Is that not placing the onus on the offender, which is contrary to any principles of law that I have known up to this date?

Hon. Mr. Connolly (Ottawa West): The onus is certainly a very heavy one, there is no doubt about that.

Hon. Mr. Choquette: Yes; and it is put on the offender.

Hon. Daniel A. Lang: Honourable senators, perhaps I may reply to my honourable friend.

It certainly does place the onus on the offender with regard to the principle of irreparable loss and damage. However, that is only one element in the motion for an injunction. The Exposition itself will still have to carry the burden of proving the other elements necessary to enable it to obtain an injunction, i.e., infringement of copyright, the unlicensed use of Exposition material—these burdens remain with the Exposition, while it is only that one element of irreparable loss and damage that is affected by the shift of onus.

I think the reason for that is basically that it may be very difficult for Expo to prove irreparable loss and damage. It is a somewhat intangible thing in an enterprise of such magnitude.

Hon. Mr. Connolly (Ottawa West): There is a lot of good, free legal advice being given this afternoon.

Hon. Mr. Roebuck: May I say I have no objection to Expo protecting its trademark and such other marks as it has registered. I join with my friend, however, in objecting to the methods taken to give the protection instead of relying upon the general law that is well established in this country.

The Hon. the Speaker: Honourable senators, with leave of the Senate, it has been moved by honourable Senator Lang, seconded

by honourable Senator Cook, that this bill be read the third time now. Is it your pleasure, honourable senators, to adopt the motion?

Hon. Mr. Roebuck: On division

Motion agreed to and bill read third time and passed, on division.

LEGAL FEES

NOTICE OF INQUIRY AMENDED

On the Notice of Inquiry of Hon. Mr. Pouliot that he will inquire of the Government:

> Who were the solicitors, lawyers, counsel and notaries public who received fees or payments for travelling expenses from the Government of Canada or its agencies during the three years ending June 30, 1966, and how much was paid to each one.

He said: Honourable senators, with leave of the Senate, I would like to amend the notice of inquiry as to legal fees paid to solicitors, lawyers, counsel and notaries public, by adding the words "of the Province of Quebec only". It will restrict the scope of this inquiry.

QUESTION OF PRIVILEGE

NEWSPAPER ARTICLE

On the Orders of the Day:

Hon. Walter M. Aseltine: Honourable senators, before the Orders of the Day are called, I wish to bring a matter to your attention.

Usually I do not complain about any article which appears in the press with regard to the Senate, whether its effect is derogatory or otherwise; however, yesterday I was disturbed when I read an article in the Ottawa *Citizen* at page 52. It is by the Canadian Press, and on that account it will appear not only in the local newspapers but also in newspapers throughout Canada.

It may not have been intended to print anything of a derogatory nature, but when I have read the article to honourable senators they will appreciate my objection. It is entitled, "Five Bills approved by the Senate," and reads as follows:

> The Senate passed five bills in quick succession without debate Tuesday night, gave second reading to another, and then adjourned until this afternoon to await further legislation from the House of Commons.
>
> Among the bills passed were those establishing the Company of Young Canadians, the Canadian Dairy Commission, and the Health Resources Fund.
>
> They also passed a bill to incorporate the Evangelical Covenant Church of Canada and another authorizing the Canadian National Railways to construct branch lines in Manitoba.

My objection is to the statement that these bills were passed by the Senate without debate. That is not the fact at all, for the Senate spent most of last week, four days or more, on those bills.

Four of the bills came to the Senate from the House of Commons. Bill C-210, respecting a Canadian National Railway line, received first reading in the Senate, and was fully debated on second reading. Important speeches were delivered by four honourable senators. The bill was then referred to the Standing Committee on Transport and Communications, where it was fully considered, and representatives of the Canadian National Railways and of the Government were present to answer questions.

Another bill referred to in the newspaper article is Bill C-199, an act to provide for the establishment of a Health Resources Fund. The expenditure of some $500 million is involved in that measure, and we certainly did not pass it in the Senate without debate. Six speeches were delivered on second reading, after which it was referred to the Standing Committee on Banking and Commerce, where it was fully considered before being reported back to the Senate.

The article also mentions Bill C-205, dealing with the establishment of the Dairy Commission of Canada, an important matter. After that bill had received first reading, it came up the next day, I believe, for second reading. There was a long debate on second reading, in which six very important speeches were made. Then it was referred to the Standing Committee on Finance, where it was examined most fully and where the Minister of Agriculture appeared, with officials of the department. No one can say that that bill was passed without debate.

Another bill mentioned is Bill C-174, to provide for the establishment of the Company of Young Canadians. On Wednesday of last week that bill received first reading and on the following day it was debated fully on second reading, when four speeches were made. It was placed then on the Orders of the Day for third reading on Tuesday of this week.

The other bill was a private bill, to incorporate the Evangelical Covenant Church of Canada. It also was debated in the Senate and then referred to the Committee on Miscellaneous Private Bills, where it was considered further.

Honourable senators, it is for these reasons that I object to this article, which will be misinterpreted by the people who read it and who do not understand just how Parliament works.

Hon. Mr. Brooks: Like the man who wrote it.

Hon. Mr. Aseltine: I do not know who wrote it, but it will be taken to mean that all these important bills were considered by the Senate and passed without any debate.

As I said before, I do not usually make any objection to newspaper articles, but as this one concerns and disturbs me considerably I thought I should bring it to the attention of the Senate and to the attention of the Press.

Hon. Arthur W. Roebuck: Honourable senators, I wonder if something cannot be done about a report of this kind. I do not mean something by way of reprisal. Whoever wrote the article is a representative of Canadian Press. Canadian Press is a very reputable institution. I do not think that even the writer, much less the management, wishes to disseminate false information.

Hon. Mr. Aseltine: I did not say it was intentionally misleading.

Hon. Mr. Roebuck: No, but it hurts just the same. If someone representing the Senate could take it up personally with these gentlemen, something might be accomplished. If we leave it at a protest made here, it dies in the air. Is there not something practical we can do about it?

Hon. Mr. Connolly (Ottawa West): Honourable senators, I do not wish to protract the point made by honourable Senator Aseltine and honourable Senator Roebuck into a debate. I thank Senator Aseltine, who has a long experience in the chamber, for bringing this matter to the attention of the chamber and of the public.

As I listened to the quotation from the article, it seemed to me that the defect in it was that the fact the bills were passed on third reading was not mentioned. In this chamber—and indeed in the other place—debate very seldom occurs on third reading. The main debate takes place on second reading. The public may not understand this. I sometimes have public groups ask how much debate takes place on first reading. When I speak about the Senate, outside Parliament, people ask me what is done on first reading. I have to answer that on first reading nothing is done but read the bill.

What is important is that the impression gets abroad, when the words "on third reading" are omitted, that the Senate may not be doing its duty. I would venture the opinion that even if those words were used, the statement that there was no debate on third reading would also be misinterpreted.

I am afraid this is something we must live with. But honourable senators can help, when the Senate is not sitting, by addressing public bodies and talking about the kind of work that is done here. I am sure that the newly appointed senators have had their eyes opened widely as to the kind of work this chamber does. Those who have been here a little longer, and others who have been here a long time, are already conscious of this fact.

There is another aspect of our work to which the public never pays any attention and the importance of which is not realized, except when members of the public are brought before us. I refer to the work done by our committees. It is not reported in *Hansard*, and yet the committee is often the place where the substantial debate takes place, where more information is secured and where the most effective contribution to Parliament is made by the Senate.

Some of the draftsmanship which has gone out through our committees has been of an extraordinarily high character. This has been true through the years.

I do not wish to be critical and I am sure neither Senator Aseltine nor Senator Roebuck wish to be unduly critical of the article in question. However, it is unfortunate that the impression gets abroad that there was no debate, when in fact four of these five bills mentioned were not only debated in this house to the extent that Senator Aseltine indicates but were also debated in committee.

Hon. Jean-François Pouliot: Honourable senators, I know the journalists are open-minded and fair, but sometimes they give too much importance to appearances. If one takes up a copy of *Hansard* one will not see anything about the work done at earlier sittings or in committee.

When the new senators were appointed, two new incumbents were mentioned as good

men, but the other ten or eleven appointees were considered men of less importance. It was unfair. In fact, editors of several newspapers did not know much about those colleagues who came from their part of the country, and who are an asset to the Senate. I took the trouble to write to them, and they seemed to change their minds.

Honourable senators, what has been said by our colleagues today, by Senator Aseltine, by the Leader and by Senator Roebuck, will be fruitful. I am sure that the Canadian Press, which is a fair agency, will put a due correction on the wires or, if it is possible, the further circulation of the dispatch will be stopped.

I can only praise my colleagues who come to the defence of the Senate in explaining the facts to the people of Canada. I hope that what has been said today will have the same publicity as what was written and complained of a moment ago.

Hon. Harry A. Willis: Honourable senators, I have a comment to make on this matter.

Let me say at the outset that I agree with the honourable the senior senator in what he has said, but every senator knows that in a situation like this it is not always the reporter who is at fault. Reports are sent in to the head office of the newspaper and are dealt with there.

I happen to know the charming lady in the gallery who reports for Canadian Press, and in all the time I have known her I have been confident that she would never try to misrepresent anything that has happened. If there is to be criticism, it should be levelled at the Canadian Press and not at the pretty girl who sits in the gallery each day listening sometimes to monotonous speeches, as perhaps mine is today. I think the blame should be directed towards the head office of the press which she represents.

Hon. Allister Grosart: Honourable senators, a question has been raised as to where the blame might lie in this matter. I wonder if we might not apply to ourselves the old adage which says that when we run into difficulties of this sort, before blaming anybody else we should look to see if some of the blame lies with ourselves.

I have often wondered if we as an institution do anything to help the press to report our proceedings more fully and more to our advantage than they do. As a former newspaperman, I am aware of some of the problems. The honourable Leader of the Government (Hon. Mr. Connolly, Ottawa West) has mentioned the work done in committees. I know it is a physical impossibility for Canadian Press to have a reporter available to report every one of our committees. It is a fact of life that the quality of the reporting is related to a great extent to what any institution does to assist the press.

The largest corporation in Canada with the biggest news story for the press goes to considerable trouble to alert the press and very often provides it with advance information. It endeavours to assist the press in many ways. While we are concerned with this, as we have been with many other similar situations, I wonder if those who have the conduct of this house in their charge might not consider whether there are steps we can take to assist those of the press who, I am convinced, would like to be fair. Indeed, from my talks with some members of the press, I believe they would be as happy as we would be to see our proceedings reported in a more favourable light than they often are. I suggest to the Leader of the Government and to others concerned that perhaps we should ask ourselves if we as an institution are doing all we can are to improve our image.

PRIVATE BILL

BAPTIST GENERAL CONFERENCE OF CANADA—SECOND READING

Hon. J. Campbell Haig moved the second reading of Bill S-43, to incorporate Baptist General Conference of Canada.

He said: Honourable senators, I can understand now why the Leader of the Governemt asked me to move second reading of this bill today.

Hon. Mr. Smith (Queens-Shelburne): Does that mean you expect to get better press coverage?

Hon. Mr. Connolly (Ottawa West): Do not impute any motives now.

Hon. Mr. Haig: If I may proceed, I would like to read a statement given to me by Reverend David L. Clink, Executive Secretary of the Central Canada Baptist Conference, when he asked me to prepare and present this bill. At that time I asked him who he was and what he did and what his church organization did. He gave me this statement:

> Our churches were started by missionaries from the Baptist General Con-

ference of America working among Scandinavian people in Canada.

He also told me the services were conducted at first in the Swedish language.

> We are now expanding across western and central Canada and feel that we should develop along Canadian lines, even though remaining in fraternal relationships with the American body.
>
> We have churches in three provinces; Saskatchewan, Manitoba, and Ontario...
>
> Sister churches incorporated in the Province of Alberta as The Baptist General Conference of Alberta have expressed interest in uniting with us after we have been incorporated federally.
>
> Sister churches in British Columbia, and a Bible School which is supported by our larger fellowship, are interested in becoming a part of a larger Canadian association.
>
> We are concerned about establishing churches in the areas of Canada east of Ontario, and in the far north.
>
> We believe that our churches have a conservative theological emphasis, coupled with a spirit of community service and of Biblical evangelism, that is needed in Canada today....

Turning to the bill itself, clause 1 deals with the incorporators, and clause 3 deals with the head office. Clause 4 deals with the objects of the corporation which are summarised as follows in paragraph (g):

> to promote generally the spiritual welfare of all the members, churches, mission fields and enterprises of the Corporation as a religious denomination.

Then we go on to clause 10 which gives the power of acquisition and disposition of certain real and personal property.

Actually, what this association does is to establish a mission field in a small town or in a specific area in a larger city. When that new church becomes sufficiently strong numerically and financially it becomes a congregation.

The bill is in much the same form as others dealing with religious denominations.

I would respectfully request second reading, and if it meets with the approval of honourable senators I shall move that the bill be referred to the Standing Committee on Miscellaneous Private Bills for consideration at the fall sitting. The incorporators would not wish to come to Ottawa during July or August.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Haig, bill referred to the Standing Committee on Miscellaneous Private Bills.

BUSINESS OF THE SENATE

Hon. John J. Connolly: Honourable senators, I suggest that the Senate do now rise to reassemble at the call of the bell at approximately 5.45 this evening. I make this suggestion because I am uncertain, as indeed I think most honourable senators and perhaps most members of Parliament are uncertain, as to just what progress will be made in the other place before the weekend. It might be possible by six o'clock to determine the prospects of further legislation reaching us before tomorrow. If at that time the prospects of receiving legislation from the other place are not good, then I would move that the Senate adjourn until Monday afternoon. Therefore, I now move that the Senate do adjourn during pleasure, to reassemble at the call of the bell.

The Senate adjourned during pleasure.

At 5.45 p.m. the sitting was resumed.

Hon. John J. Connolly: Honourable senators, in the first place I am very pleased that there are so many senators in attendance; again, I am most indebted to all of you for your co-operation.

I learn that consideration of the Income Tax Act has been started in the other place but has been adjourned for a technical reason, and that now they are considering the Crop Insurance Bill. I have no assurance there will be any legislation for us to consider tomorrow. My motion, therefore, is that we adjourn, with leave—subject to recall, of course—until Monday afternoon next, at 3 o'clock.

Honourable senators, I want to couple with my motion this statement: tomorrow I might learn that there is a possibility of the other place sitting on Saturday and of the adjournment of Parliament for the summer recess by Saturday evening. I can give no undertaking as to what legislation will be before us, but I think we all must assume that there would not be an unreasonable amount of legislation for us to deal with in a situation of that kind.

I particularly want to emphasize that, upon making this motion for the adjournment now I do not want the other house or the public to be under the impression that the Senate is adjourning simply for the sake of adjourning. I hope it will be generally understood that the Senate will be ready to reconvene before the end of this week if it is judged necessary in the interests of completing the business of Parliament.

On that understanding, honourable senators, I move, with leave, that the Senate do now adjourn, to reassemble at 3 o'clock in the afternoon of Monday next.

Hon. Mr. Choquette: Subject to recall.

Hon. Mr. Lefrançois: If we sit on Monday afternoon will we sit on Monday evening?

Hon. Mr. Connolly (Ottawa West): If we sit on Monday afternoon we will sit on Monday evening also, because I believe there will be enough legislation to occupy us. Of course, it is possible that the notice for reassembly might be for Saturday morning. When the Senate is subject to recall, it can be recalled at any time fixed by His Honour the Speaker, on proper advice—and presumably the advice would come from myself. So I cannot give any guarantee as to just what the hour of recall will be.

Motion agreed to.

The Senate adjourned until Monday, July 11, at 3 p.m.

THE SENATE

Monday, July 11, 1966

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

Prayers.

CANADA ASSISTANCE PLAN BILL

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-207, to authorize the making of contributions by Canada towards the cost of programs for the provision of assistance and welfare services to and in respect of persons in need.

Bill read first time.

SECOND READING

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

Hon. John J. Connolly, with leave of the Senate, moved the second reading of the bill.

He said: Honourable senators, this measure, which is known as the Canada Assistance Plan and which has received much attention from the press in recent days, was debated at length in the other place. This is an enabling bill which permits agreements to be made between the federal Government and provincial governments in the field of social welfare. It contemplates co-operative planning in this field between the federal and provincial governments. It also contemplates co-operative cost sharing for the purposes set out in the bill. It is an attempt to co-ordinate public assistance for programs in Canada in respect, I think I can say generally, of the basic requirements of the Canadian people.

With reference to basic requirements, I would refer honourable senators to section 2, subsection (a), where it will be seen that this term includes such items as food, clothing and shelter. It includes health care in the home and in institutions. Health care in turn includes medical care, the cost of drugs, dental and optical care. In certain cases it would include expenses incidental to the death of a needy person.

The bill also proposes to deal with those welfare services that are provided through the various social service agencies of Canada for the aged, the disabled and the blind, for the child, the youth and for the indigent mother. It covers rehabilitation services, including the provision of both physiotherapy and occupational therapy. It covers counselling and homemaking services, and problems associated with adoption. It deals with research projects in the field of social service, and has to do with welfare institutions such as homes for the infirm, for the aged and the sick.

Honourable senators, basically the work which is contemplated will be done under the authority of the act falls within the provincial jurisdiction. The provinces have been involved in this work for many years at great expense, and continue to be deeply involved in it. But it is not only the provinces that do this work. We know there are private agencies which play their part in the field of social service and which are financed directly through the Red Feather campaigns and other appeals to the public. They do their work on the basis of what is required in the interests of charity and assistance in the field of social service in a given community.

The history of the joint efforts of the federal and provincial authorities begins in the twenties. The federal Government, because of financial pressure and increasing needs, has been sharing with the provinces in four special categories, in what are called the categorical programs. Honourable senators are familiar with them. They are the program for the aged, the program for the blind, the program for the disabled, all of which are conducted on the basis of a means test, and the unemployment assistance program in which the federal Government shares not on the basis of a means test but of a needs test as it has been worked out.

The co-ordination of this work has been studied for years at various federal-provincial meetings. Latterly there have been three conferences which have specifically dealt with the proposals contained in this bill. These proposals carry the general approval and endorsation of the Canadian Welfare Council and have been recommended by the Canadian Labour Congress. They have the approval of the Auditor General who represents the Members of Parliament in his audit of the books of the various departments of Government. This approach was recommended also by the Public Accounts Committee of the other place in 1964, and there have been committees of the Senate, particularly the

Special Committee on Aging of which Senator Croll was chairman, which have worked on certain aspects of this field of social services. The legislation is designed to seek a better co-ordination or a better form of integration between federal and provincial efforts in this field.

I am informed that of our population of approximately 20 million, nearly one million people stand to be helped in one way or another by this bill. This number includes some 85,000 of our older people who are entitled to old age assistance, 8,000 blind persons, 55,000 persons who are disabled to a lesser or greater degree, 200,000 needy mothers, 600,000 who qualify for unemployment assistance under the various provincial programs, and 50,000 children who are now in the care of welfare authorities. The federal and provincial costs together in this vast area of assistance total $500 million. The additional costs to the federal treasury under this bill in the year 1966-67, because of certain special features to which I shall refer later, are likely to be of the order of $95 million.

The basic plan for the co-ordination of this effort, as the bill proposes, is to be worked out by agreements between the federal and provincial governments. In the case of the federal Government, the Minister of National Health and Welfare will be the designated minister. The designated minister for each of the provincial governments, as far as I can determine, will be the provincial minister of health.

I have said that under some of the categorical programs the test for assistance is the means test. In this act it is proposed that the test be not the means test but the needs test. Some people have said there is very little difference between them. Actually, I think there is a good deal of difference. I would like to refer specifically to section 2(g), appearing on page 3 of the bill, which defines "person in need" as follows:

> (i) a person who, by reason of inability to obtain employment, loss of the principal family provider, illness, disability, age or other cause of any kind acceptable to the provincial authority, is found to be unable...

If I may, I will omit the bracketed portion.

> ...to provide adequately for himself, or for himself and his dependants or any of them, or (ii) a person under the age of twenty-one years who is in the care or custody or under the control or supervision of a child welfare authority, or a person who is a foster child as defined by regulation.

I shall not read the rest of the section because it is not germane to the point I desire to make at this moment.

Now I revert to the bracketed portion:

> (on the basis of a test established by the provincial authority that takes into account that person's budgetary requirements and the income and resources available to him to meet such requirements)...

That is the definition of "person in need" and a description of what the bill means when it discusses the needs test.

Perhaps I should also refer to section 9(c), on page 10 of the bill dealing with the regulations, which defines the expressions "personal requirements", "budgetary requirements", "community development services", and the like. Many of these definitions, and indeed many of the administrative practices which are expected to grow up in respect of this bill, will be worked out and the regulations formulated in consultation with the provinces.

Perhaps it would be of assistance at this point if I were to give a breakdown as it is forecast—and it is an approximation only—of how the $95 million additional burden upon the federal treasury arises. For mothers' allowances, there is about $27.2 million; for health care, $22 million; for staff and welfare services, $4 million; for child welfare, $16 million; for work activities, $0.5 million; for improvements and expenses, $15 million. That makes a total of $84.7 million.

Recently, in the Province of Prince Edward Island an arrangement was made by the government whereby an additional $25 a month would be paid to persons entitled to old age assistance. It may be that all of that money or a portion of it would be payable under the definition of a needs test. Therefore, an additional sum of approximately $10 million might be payable out of the federal treasury in the present year, depending upon the result of the assessment of that step taken there.

Honourable senators, there are five Parts to this bill, after the general definition section to which I have referred probably in sufficient detail for the purposes of second reading.

Hon. Mr. Brooks: Would not the same provision as that made by Prince Edward

Island be made by any other province, and would we not be responsible to the same extent?

Hon. Mr. Connolly (Ottawa West): Yes, provided the means test is met. If the old age pensioner requires that additional assistance, based upon the means test for it, the federal Government would pay its appropriate share, which in this case would be 50 per cent.

Hon. Mrs. Inman: May I ask a question? Was a means test mentioned with regard to the $25 a month?

Hon. Mr. Connolly (Ottawa West): No. I understand this was an additional payment. When the federal Government and the authorities in Prince Edward Island get together to work out the agreement, it may be that not all of this $25 payment will come under the Canada Assistance Plan. On the other hand, there may be needy people who would qualify for more than $25 on the basis proposed for sharing between the federal and provincial governments.

Hon. Mrs. Inman: From what I have heard, I understand that the $25 will be paid in full to every old age pensioner.

Hon. Mr. Connolly (Ottawa West): That is an undertaking of the province. If they make that arrangement under their legislation, it is completely within their authority to do so. If they do that, unquestionably the people to whom the legislation applies will get the money. However, it may be that not all of the $25 payment will qualify for sharing under the Canada Assistance Act, or it may be that, on application of the means test, a person receiving even that $25 from the Government of Prince Edward Island, in addition to the Old Age Security payment, may qualify for more than $25.

Hon. Mr. Brooks: If this bill is not passed, that arrangement will not apply?

Hon. Mr. Connolly (Ottawa West): That is so. I am talking on the basis of this bill being in force. I think this is the position which would obtain if this legislation were in effect now.

Honourable senators, I have dealt with the general provisions. May I come now to the specific Parts. Part I, headed "general assistance and welfare services," begins on page 4. It provides for agreement between the federal Government and the appropriate provincial government for payment for social services, the costs of which are incurred by the provinces, on the basis of a 50 per cent sharing. In other words, the federal Government will pay 50 per cent of the cost of the work undertaken in the fields contemplated by this legislation. This provision is subject to the exclusion of certain costs, particularly certain types of capital costs, into which I need not go at this time. If honourable senators would like details of them, they can be found in section 5. If it is the wish of the house that this bill go to committee, honourable senators who want further information can get it from the officials who attend that committee.

The sharing is also subject to the inclusion of certain costs under the Old Age Assistance Act, the Blind Persons Act, the Disabled Persons Act and the Old Age Security Act. The terms of the agreement are also provided for. This Part also deals with the provincial undertakings and the federal undertakings and the arrangements which must be made by the provinces who make agreements with the federal Government for the payment of the federal Government's share. These are particularly dealt with in section 7.

The sections also deal with the question of the duration of the agreement, the amendment of the agreements and indeed their termination, if required. Under section 8, a province, on appropriate notice, is entitled to terminate at any time an agreement which it has made with the federal Government. Canada—that is, the federal Government—must continue until March 31, 1969, before it can give notice of termination of a given agreement. This means that the federal Government is bound by its agreements until March 31, 1970.

There are provisions in this part for regulations. I have referred already to one of the sections which dealt with regulations.

Paragraph II deals with another aspect of social service work, in that it includes the problem of the welfare of Indians. It contemplates the extension of the provincial welfare programs to Indians who are living on reserves, on Crown lands, and in unorganized territories. There is a special sharing formula to help the provinces with the extra expenses they incur in this respect.

The extra expenses over and above those incurred by the provinces, on the average for citizens other than Indians, will be borne by the federal Government. May I put it this

way. The responsibility for Indian welfare rests now with the federal Government. It may not be adequate, and to encourage Indians to be integrated into the assistance program under a province, and to encourage the integration of Indians with the rest of the population, the provisions of this bill will apply to assistance paid to Indians by a province over and above the amounts that Indians receive now from the federal treasury.

In this respect I shall read section 11 (1):

> The minister and the minister charged with the administration of the Indian Act may, with the approval of the Governor in Council, enter into an agreement with a province with respect to the extension of provincial welfare programs to Indians to whom this Part applies and for the payment by Canada to the province of any portion of the cost to the province of extending provincial welfare programs to such Indians.

That gives in more precise language what I said in a rather extended way a moment ago. In all cases the consent of the Indian Band will be required before an agreement is reached under this section.

I come now to Part III which deals with work activity projects, and the clauses of which are numbered 14 to 17. This part provides for agreements between the federal and provincial governments for projects designed to rehabilitate certain types of workers who are handicapped either physically or mentally. It will include those who are undertrained, those who are retarded, and generally those who are unable to use the normal training programs available under other federal and provincial legislation. There is to be no denial of the welfare services to these handicapped people if they are in need, even, as I read the legislation, in the case of those who may refuse to join a work activity project. This is dealt with in clause 15 (3). On reading this I felt it came close to legislating for the loafer and the freeloader, unless properly supervised. I had a discussion about this aspect of the matter with officials, and they agreed that every one of these projects will involve a heavy onus being cast upon officials of the provincial as well as the federal government.

There are other provisions in this bill to which I referred at the outset which deal with the problem person—a person with a problem of the mind. I am informed that very often the reason why a person will neither look for a job nor take one if offered, and will not even train himself or herself for a job, may lie in the fact that such a person requires some special assistance which a social service agency or a social worker cannot provide but which may be provided by a physician, a psychologist or a psychiatrist.

Hon. Mr. Walker: May I ask a question? This seems to be quite specific; it does not make any qualification. It says:

> (3) Every agreement made pursuant to this section shall
>
> (a) provide that no person shall be denied assistance because he refuses or has refused to take part in a work activity project;

That means a perfectly normal able-bodied man or woman can still get assistance if he or she refuses to take on any work which may be allocated.

Hon. Mr. Connolly (Ottawa West): This is the way I read it. The language is perfectly clear, and I think the interpretation which Senator Walker has given to it is correct.

Hon. Mr. Walker: Is that a good thing? How far are we going?

Hon. Mr. Choquette: We include everybody.

Hon. Mr. Walker: "Freddie the Freeloader" would do well in our society.

Hon. Mr. Connolly (Ottawa West): This is one of the problems with which the welfare worker is constantly faced. That is why in all honesty I said that it would seem to be legislation for the freeloader and the loafer, unless the program were properly supervised. I am told that while there are always risks in this field, and there are certain people who take advantage of programs of this kind, nevertheless, with proper administrative care the incidence of this abuse is becoming less and less as time goes by. In any event, this is a matter which honourable senators might very well discuss in committee with officials who will have a background of experience to guide them in explaining this section.

Hon. Mr. Isnor: But this is mainly designed to help those who are in need.

Hon. Mr. Connolly (Ottawa West): Senator Isnor refers to the fact that this measure

is designed and is primarily intended to help persons in need. That need may not merely be financial; it may very well be a mental or psychological need, or a need to develop a different approach to the problem of life and living. Perhaps with this kind of physical or mental therapy available we will have fewer dealings with Freddy the Freeloader.

I draw your attention, honourable senators, to Part IV of the bill which deals with mothers' allowances. Heretofore, needy mothers were not included in the unemployment assistance program. Now, for the first time, some 200,000 mothers with dependent children will qualify for assistance. This will cost about $27 million in the first year. That is the sum estimated necessary to provide for this additional assistance. It puts the needy mother in the same position as anyone else so far as the unemployment assistance program is concerned.

Hon. Mr. Brooks: She need not be a widowed mother, I take it?

Hon. Mr. Connolly (Ottawa West): As long as she is a person in need under section 2 (g), she will qualify.

Hon. Mr. Walker: Married or unmarried?

Hon. Mr. Connolly (Ottawa West): Married or unmarried.

Section 19 deals with the Established Programs (Interim Arrangements) Act. This section allows a province, if it so desires, to contract out of the provisions of the Canada Assistance Plan. I do not know whether or not the date is significant, but on April 1, 1965, at page 1499 of our *Hansard,* I undertook to explain to the Senate the consequences of contracting out and the meaning of equalization payments and tax abatements. I can still remember Senator Walker saying that it must have been a labour of love that induced me to do that. Certainly it did not make for a very interesting speech. However, the technical arrangements about contracting out under clause 19 of this bill are such that they fall within the purview of the Established Programs (Interim Arrangements) Act, and as to the problems arising out of equalization payments and tax abatements, I do not intend, on a hot afternoon like this, to burden honourable senators by explaining them again.

Part V deals with amendments to other acts. These are to be found in clauses 21 to 26, and here the reference is to the categorical acts—the Old Age Assistance program, the Blind Persons Act, and the Disabled Persons Act.

Honourable senators will remember that under the Old Age Assistance Act the cost sharing as between federal and provincial authorities is on a 50 per cent basis. Under the Blind Persons Act it is on a 75-25 per cent basis; that is, 75 per cent federal contribution and 25 per cent provincial. And under the Disabled Persons Act, it is 50 per cent federal and 50 per cent provincial. Under this legislation the provinces may discontinue these programs in whole or in part. If they so choose, they can use the Canada Assistance Plan to get the equivalent and other benefits provided under the existing legislation.

Honourable senators, without going into a clause-by-clause detailed explanation, I have given you what I hope is a clear purview of this act and the general areas covered by it. I realize that this kind of explanation is a dull exercise.

I should add that many provinces already have legislation which complements this measure. Its purposes are, of course, real and not fanciful. It is designed to help the citizen in the community—the poor, the needy, the aged, the disabled, the unfortunate. It can be described as humanitarian legislation, as indeed it is. It is a recognition on the part of Canadians and the Canadian Parliament of the need to help every citizen live at least in a minimum of comfort and dignity.

Undoubtedly, abuses will creep into the work that is done under this legislation, but I feel that these abuses will be heavily outweighed by the good that will be done. The measure may not be the optimum; it may not give to all in need everything that is required. A good many specialists working in these fields, particularly in the provinces and in agencies, think it a step in the right direction. At least, it is an attempt to co-ordinate the work and to share the costs as between the federal and the provincial authorities. It may be that some will say we should do more. It seems to me, in the light of the discussion that has gone on in the country, we can do no less.

Hon. Gunnar S. Thorvaldson: Honourable senators, I am sure we are all indebted to the honourable Leader of the Government for the comprehensive explanation he has made of this bill. Among other things, he has said of it that it is humanitarian in character; and of course I must agree that that is the case—

indeed, practically all welfare legislation is of that nature. As a result of the lengthy and at times frustrating debate on this bill in the other place, one might be led to the belief that the proposed act is a milestone in the history of social and welfare legislation in Canada. However, when one realizes that the total expenditure of all governments in Canada—federal, provincial and municipal—on health and welfare amounts to somewhere in the neighbourhood of $5 billion per year, it places this legislation in a more modest perspective.

As honourable senators are aware, it has been stated that the first year's expenditure under this bill would be approximately $85 million, and now I observe that the honourable leader suggested that for certain reasons it might be as high as $95 million in the first year.

The bill has been controversial in some aspects, especially in the other place, but I suggest that the main reason for such controversy has arisen because of the extravagant promises made to the Canadian people by the governing party during last year's election campaign, which promises have not been fulfilled in this legislation. Indeed, if I may say so, the most deplorable feature of our present-day democracy is that election times have become a game of auctioneering, wherein the taxpayer's money is auctioned off for support at the polls.

Hon. Mr. Prowse: You should know!

Hon. Mr. Thorvaldson: However, this is not a criticism of this bill; rather it is a statement of a well-known fact of political life both in this country and elsewhere.

A more valid criticism of this type of legislation is that it continues the process, begun long ago, of federal funds being directed to other governments to spend. The weaknesses of this process became painfully apparent a year ago when at least one of the provinces demanded federal legislation enabling it to opt out of some federal programs that impinge on provincial jurisdiction.

To my mind the more the federal Government continues to pour the taxpayers' money into provincial jurisdictional fields, the more there will continue to be disagreement and back-biting between the provinces and the federal authority.

You might ask what alternative there is to the present process. The alternative is very clear. It is what was intended by the Constitution, namely, that the federal Government refrain from gobbling up the main sources of revenue of this country, but instead leave enough for the provinces to carry out their responsibilities as provided in our Constitution. Clearly one of those responsibilities is the field of social and welfare problems of the people. However, these are personal views stated in a very general way.

I should now like to say a few words regarding the bill itself. Perhaps by virtue of the extended debate in the other place—very little of which constituted a debate on the bill itself but, rather, an excursion into a collateral field as to whether or not the present old age pension should be raised to $100 or some other figure—one might get the notion that this bill is the be-all and end-all in the field of welfare legislation. This would be an exaggeration. As I mentioned a moment ago, it has been said that the program will cost about $85 million in the first year. In order to put this cost into perspective with the total cost of national health and welfare, I give these figures showing the enormous escalation of federal Government expenditures during recent years:

Fiscal Year	Amount
1957-58	$ 525,500,000
1963-64	1,205,000,000
1965-66	1,393,000,000

These figures do not, of course, include the cost of the Old Age Security pension.

In regard to all government expenditures on health and welfare in Canada, there must be added to these figures the hundreds of millions of dollars that are spent by provinces and municipalities for these purposes. Also, to place in closer perspective the contribution to be made to the provinces under this act, I estimate that on a population basis my province, Manitoba, will receive about $4 million a year, as against its own present expenditure on health and welfare of $100 million. This payment to Manitoba—and I think the percentages will be similar in the other provinces—will amount to about $4 per capita, and 4 per cent of its health and welfare costs.

The point of these remarks is merely to emphasize that this bill does not enter any new field of social welfare. It merely supplements present provincial welfare programs, with one exception to which I shall refer later. This is exactly what the title of the bill says. It is an act to authorize the making of contributions by Canada towards the cost of programs for the provision of assistance and

welfare services to and in respect of persons in need. It has been referred to as a tidying-up or a gap-closing measure. Indeed, the content of the bill as well as the resolution presented in the other place confirms this designation of it. The resolution, if I may paraphrase it, says that it is a measure to establish a program of sharing with the provinces in the cost of assistance, including health care and welfare services, provided to or in respect of persons in need, including mothers and children, older persons, disabled persons and unemployed persons who are in need. The resolution continues to itemize the various other categories of welfare projects generally carried on by all provinces.

My point is that the money to be received by the provinces under this legislation will no doubt be helpful, both to fill in gaps and to strengthen weaknesses in the provincial welfare programs, but I fail to see why this could not have been done just as well by outright per capita grants to the provinces which would have the condition attached to them that the funds so received be used for the purpose of improving and expanding provincial welfare programs. Instead of that the federal Government now proposes to make itself a partner in all provincial welfare programs as a result of a comparatively trivial contribution to provincial welfare needs. This is a good example of how to continue the erosion of our Constitution by federal encroachment in the smallest detail of provincial jurisdiction as set out in the British North America Act.

Honourable senators, before terminating my remarks I should like to comment briefly on Part II of the bill which is entitled "Indian Welfare". I claim to be no expert in this field, and my knowledge has been derived only from an observation of the plight of the Indian population in some parts of Canada. I am laying the blame nowhere, but I believe that for years the federal Government has been particularly inept in its duty to make first-class citizens of our native population. I have often wondered if the reason for this failure was the intrinsic inability of the far away Ottawa headquarters to develop the knowledgeable and sympathetic welfare workers that are produced in the provinces and municipalities of this country.

Consequently, I am much intrigued by clause 11(1) of this bill. The honourable Leader of the Government has read it, and, if I may, I shall read it again:

> The minister and the minister charged with the administration of the Indian Act may, with the approval of the Governor in Council, enter into an agreement with a province with respect to the extension of provincial welfare programs to Indians to whom this Part applies and for the payment by Canada to the province of any portion of the cost to the province of extending provincial welfare programs to such Indians.

In my opinion, the extension of provincial welfare programs to the Indian population will be a very worthwhile experiment. From my knowledge of Indian bands in my Province of Manitoba, and some knowledge of the type of welfare workers that we have there, I am most optimistic about this experiment. I sincerely hope it will succeed in creating a much needed improvement in the life of these people. Indeed, I would urge that costs be not counted in our effort to bring the health, welfare and economic standards of the Indian population of this country up to those of the average Canadian.

By and large, despite any minor criticisms of this bill, I believe the Minister of National Health and Welfare should be commended on the obvious dedication he has shown to the improvement of health and welfare standards in Canada.

Hon. G. Percival Burchill: Honourable senators, I should like to say something in connection with this bill, and I want to begin by congratulating the honourable Leader of the Government (Hon. Mr. Connolly, Ottawa West) on the very able way in which he introduced it. Today he demonstrated again his skill in explaining such measures to this house.

Senator Thorvaldson, of course, whether or not we agree with him, is always a delightful speaker.

I am interested in this legislation because I have concerned myself in a very worthy cause, and I am looking at this legislation to see just how it is going to help. Senator Thorvaldson talked about people in need. I know there are different types of people in need, but blind people in need have a very soft spot in my heart. The particular case to which I refer is that of a blind widow with a son of 14 years whom she has to support. This lady is not elderly. She was stricken suddenly in her youth with total blindness. She lived on a property which adjoined an airport, and which was assessed at a very low rental value. The Blind Persons Act, as hon-

ourable senators know, imposes a ceiling of $1,960, within which amount an applicant under that act must live. This blind widow received the sum of $67.20 per month, on which she was able to get along.

Later on the Government bought her house because of its proximity to the airport, and with the proceeds from the sale she built a small home. She built it as cheaply as she could, and it was adequate for her own particular purposes. Being blind, she knew all the ins and outs of her previous home and was able to do her own housework, cooking, and so on, but when she entered her new home it was completely strange to her. However, she was very distressed to discover that her new house is assessed at a rental value of $440 a year, so that under the regulations her pension has been reduced from $67.20 to somewhere around $40 per month, and this is a heartbreak to her.

The provincial officials administering the act were most anxious to do everything they possibly could to help, but there was no way under the present Blind Persons Act by which her present situation might be relieved.

I followed the progress of the Canada Assistance Bill in the other place, and it is my hope that the case I have cited is one in which need will be substituted for means. From my understanding of this bill I take that to be the case. The officials, after the passage of this bill, will be able to assess this widow's needs and grant her a pension accordingly.

I have told of that case this afternoon, with the indulgence of the Senate, because I thought that by so doing honourable senators will be able to appreciate what the minister and his officials are aiming at in introducing this legislation.

I hope that my Province of New Brunswick will find it possible to take advantage of this legislation, and that the assessment board, or whoever is charged with assessing needs, will treat cases such as I have mentioned in a generous fashion.

Hon. M. Grattan O'Leary: Honourable senators, the Government Leader (Hon. Mr. Connolly) has explained this bill to us with the earnestness and clarity and I am sure with the sincerity which he always brings to the introduction of bills of this kind.

I shall try to treat the bill from perhaps a different standpoint than that taken by Senator Thorvaldson and Senator Burchill.

First of all, I would like to try to make clear that I yield to no person in support of humanitarian legislation. A bill of this kind dealing with human suffering, or attempting to deal with human suffering, has nothing to do with liberalism, with conservatism, or indeed with socialism.

There were Poor Laws in England in the days of Elizabeth, and all down through history since man has achieved a measure of civilization the poor and the underprivileged have been given a measure of care—perhaps more so in recent years.

We are told that this is a tidying-up bill of measures of relief or assistance already in force in the provinces or in the dominion. But in reading this bill I feel there are three questions we are compelled to ask ourselves about it.

The heart of this bill is in section 2. The bill provides for assistance in all manner of things, and the money will be spent by provinces or by municipalities, or by agencies of the provinces. Surely we have a right to ask ourselves just how it will be spent, with what degree of fairness, with what degree of efficiency, with what degree of non-partisanship, and with what degree of true social consciousness and integrity.

I know that the Leader of the Government in the Senate surely believes that there will be due inspection of its operations. He concluded his remarks by saying that he thought the good would outweigh the bad. That may be true, but I must confess I was not impressed by the exchange between Senator Connolly and Senator Walker, which brought from the Government leader the admission that in fact a person who did not wish to work, let us say on a public works project, might still claim something under the provisions of this bill and get it.

This seems to me to be an evil thing. In fact, when you look at all the areas covered by this bill you immediately ask yourself, how on earth can this spending be policed? How can you get superintendence that will be effective?

Those honourable senators who have had much longer experience in administration than I have know perfectly well that when money of this kind comes to be spent by governments or municipalities which do not have to raise the money by taxes of their own, the danger is not so much of extravagance as it is of things that are worse than extravagance.

Hon. Mr. Croll: But the provinces pay 50 per cent.

Hon. Mr. O'Leary (Carleton): That is true, they pay 50 per cent, but we are concerned with the other 50 per cent. As a matter of fact, as citizen of a province, I am not greatly concerned with whether or not 50 per cent is raised by the federal government. I pay taxes to both governments. The idea that we can hand federal money over to a province and then not be unduly concerned with what the province does with it, does not add up to sense. It is all our money—money of the Canadian taxpayer, whether he lives in Ontario, Quebec, or one of the Atlantic provinces. There is no sense in saying 50 per cent of it is not ours. In the long run it is all ours.

Now I go to my second point. I do not wish to stand here and cry havoc, but I am sure it must occur to all honourable senators at some time to ask just how far are we going with all of this spending. Just how much can we afford? Are we in fact putting distribution away ahead of production? Are we in fact building superstructures without foundations?

When I came to the Parliamentary Press Gallery 54 years ago—I have often mentioned this in my speeches here—the net public debt of Canada stood at $350 million. Today, according to a statement made by Premier Robarts last week, the budget of Ontario alone stands at $2 million. Why, $350 million would not pay more than one-third of the interest on the public debt at the present time.

I know what the answer is. The answer was given to me only last year by Senator Croll, when he said, in effect, you are taking no account of the vast growth of what is now called the gross national product. But the truth is that we are more than keeping up with the gross national product. The witness to that is the fact that year after year over the past decade we have had considerable deficits. We had one last year, we had one the year before, and we are going to have another this year. So the gross national product is not in fact taking care of our expenditures. More than that, in the context or our troubled world, and because of world conditions over which we have no control whatsoever, if the time should ever come when we find ourselves with diminished income, what then about our outgo and the vast overhead we are building up which will remain with us?

Honourable senators, there is another aspect of this bill with which I would like to deal briefly. What is all this expenditure doing to the morale of our people? What is it doing to the old spirit of self reliance? What is it doing to human dignity, to human worth?

I think of the old Village of Gaspé in which I was reared. We never heard of the Government, let alone government assistance. Yet every person there, their fathers shipwrecked on those rocky shores, wrested a little farm from those stern hills, and on that farm raised everything that he and his family needed. Those farmers grew their own vegetables, raised their own cattle, produced their own butter and eggs. I myself sold butter at 15 cents a pound and eggs at 10 cents a dozen. The farmers produced sheep, sheared them in the spring, spread the wool on the snowy hillsides, bleached it there, spun it, took it to a loom and there wove the homespun which we wore. They took the skins from sheep and cattle to a tannery and obtained the leather from which the local shoemaker made their shoes. They took their wheat, oats and barley to the local miller and had it ground into flour for their families.

What do I find now when I return to the same village? Rows and rows of once neat little farms are now ugly with weeds and switch grass; the buildings are tumbling down and the farms are being deserted. In the summer the young men of today work on the railways, or become tourist caterers in some capacity; and in the winter they go on government relief of some kind.

Honourable senators, I know that sort of thing is occurring, not only in my own County of Gaspé but in other parts of Quebec and also in parts of the Atlantic provinces. This evil is being fed and encouraged, I fear, by legislation of the kind now before us.

Honourable senators, I was brought up to believe that the unadventured life, like the unexamined life, was unfit to be lived. As I have grown older and find that life is a hard campaign with some lost battles, I have become more and more convinced in that belief.

In all the years I have spent in public life the keenest intelligence I have ever known was Arthur Meighen, who was a great presence in this house for many years. I listened often to his powerful and vivid attacks on the evils of the welfare state. When I mentioned this to a very able senator the other day, he made a rather wise remark. He said: "I think

Meighen was right; but the trouble with his argument is that we are not all born Arthur Meighens, we are not all born with his mentality and his physical capacity, with his stamina, and not all of us get the upbringing that was his."

That is true. Yet, if you read the speeches of Arthur Meighen on the welfare state, if you read what he said about the human spirit being destroyed by too much paternalism, you will find that that was true yesterday, is true today, and will be true to the last syllable of time.

Arthur Meighen was never a reactionary. He had a sharp and shining faith in the value of human achievement. But he knew what every senator here today knows, that the path could not be a beaten path for sheep but a hard and stony road challenging the best in the human spirit.

Honourable senators, for those reasons, while I could not in detail criticize this bill, nor could I reject its objectives, I must say that I accept it with a great deal of misgiving.

Hon. John M. Macdonald: Honourable senators, my philosophy in regard to human welfare appears to be somewhat different from that of some honourable senators on this side of the house who have spoken this afternoon. I believe that this bill fulfills a gap in our social legislation. It may not bring about all the benefits which some of its proponents believe it will ensure. I hope it will do so, but we must realize that in all cases the onus is on the provinces to say what will be done.

Generally speaking, the bill provides for a federal money contribution towards the welfare services set up by the provinces.

I am not impressed by arguments that our expenditures on welfare form too high a proportion of our gross national product. It may well be that in days gone by too low a proportion of our gross national product was expended on welfare measures.

I should like to see payments made in deserving cases, regardless of where the money comes from. If there is a danger in this bill it is that, in its administration by the provinces, there may be too narrow a concept of what welfare actually means. An interesting case was put forward by Senator Burchill, similar to an experience I had in my own province. I found, especially in relation to disability pensions—wherein lies my main experience, though it extends somewhat in regard to old age assistance also—the difficulty was that the provincial administration said, "We must have a rigid standard, because it is the federal auditors who will determine how much money will be contributed by the federal Government." I have seen many cases where persons getting old age assistance had to repay certain amounts, because the federal auditors said that the federal Government would not contribute, as the standard was not rigidly applied.

This bill is a good one, in that it will share the cost of, for example, mothers' allowances programs. In Nova Scotia, where we are paying $90 a month in mother's allowance and where the welfare people are anxious to do the best they can, one of our difficulties is that the financial situation has been such that we thought we could not go any higher. As a result, a widow supporting one child would get $90 a month, and a widow with five or six to support would also get $90 a month. Under this bill, no matter what the province determines is the need, I believe the federal Government will share it on a 50-50 basis.

I am not disturbed by the argument that some able-bodied men will not work but will go on welfare. I believe that very few of them will do that. The welfare authorities always seem to be too strict, and they usually find some way to ensure that if work is available the able-bodied will have to do it.

I listened with interest to Senator O'Leary's account of the days which are gone, days when people were self reliant, when we had a farm economy. Those days are gone and, from all I have been able to read or hear about them, they were very hard days for those who lived then. Indeed, only the strong survived those days; and perhaps that is why those who did survive those days were such great people.

Honourable senators, if you would like my reasons for supporting this legislation I can give them quickly by referring you to a Preliminary Report of Rural Poverty in Four Selected Areas. It is the highlight of a study prepared for ARDA by the Canadian Welfare Council. Four areas were selected. This report makes most distressful reading. One of those areas was in the Province of Nova Scotia, one in the Province of Quebec, one in the Province of Ontario, and another in the Province of Manitoba.

I was interested in their definition of poverty. They did not try to set up any standard. They went to the community leaders in rural areas and asked about the poor people in the area. In that way they got a very practical answer.

They said one thing which I think bears repeating—

> The average income per person for the families in Inverness—

That is a county in Nova Scotia.

> —was about $28 per month. In Lanark it was somewhat higher but 95 per cent of the families had an income of less than $4,000 per year. The average per capita income in the Interlake area was $36.

Another point they made in the report was that only the poor know the poor. They said:

> The confidentiality that is so sacred in the middle class, in regard to earnings and family troubles, was not found to be characteristic of the families interviewed. They knew one another's troubles and had discussed their financial problems. Lack of money was a unanimous reason for a family seeing another family as poor. Receipt of municipal welfare payments was regarded by the family as an absolute indication of poverty.

This is an attitude which we should try to change and which I trust this act will do something towards changing.

I wish to read another quotation from page 38 of this report where it discusses welfare. It reads:

> Inadequate welfare allotments may tend to contribute to maintaining poverty rather than relieving it. The Inverness study suggested that the longer a family is on welfare, the poorer they become; furniture, for instance, wears out and cannot be replaced, housing repair and maintenance is put off, etc.

It is for that reason I believe that if this needs test is applied, as it could be applied, by provincial authorities to the end that those receiving welfare will benefit and that they are taken out of that rut in which they will always be poor, and that enough will be spent on them to enable them to better themselves, then I think this bill will go a long way towards solving that problem. I know this problem will not be solved in a day, a year or ten years, but if we persevere, if we can get the co-operation of the provinces to a great degree, and if it is used properly, much can be done. I think it is a very worthy work and I trust it will be successful.

Hon. Mr. Connolly (Ottawa West): Honourable senators—

The Hon. the Speaker: I must warn honourable senators that if Senator Connolly speaks now it will have the effect of closing the debate.

Hon. Mr. Connolly (Ottawa West): Honourable senators, may I first thank all honourable senators who have contributed to this very interesting discussion. So far it has not been indicated whether or not it is considered necessary to send this bill to committee. I have only a few remarks to make at this stage, and if it is the intention to send the bill to committee, perhaps some indication could be given now and suitable arrangements will be made.

Hon. Mr. Thorvaldson: I see no purpose in sending it to committee.

Hon. Mr. Brooks: Did I understand the honourable leader to say that it was not necessary to send this bill to committee?

Hon. Mr. Connolly (Ottawa West): No. I said there was no indication so far as to whether or not it was considered necessary to send it to committee. If it is considered desirable, I shall make the necessary arrangements.

Hon. Mr. Brooks: I think it is such an important bill that it should be studied in committee.

Hon. Mr. Connolly (Ottawa West): I shall be happy to meet the wishes of the Senate.

The contributions this afternoon have been very helpful and I thank all honourable senators who participated in the debate, whether for or against the measure. They have shown a thorough awareness of its implications.

Senator Thorvaldson said—and I do not say this in any attempt to be political—that perhaps there was an element of unfulfilled election promises in this bill. Personally, I had the impression, in so far as election promises were concerned—certainly in so far as I have anything to do with them—that it was the promise to introduce this bill which hurt the party to which I belong more than any other single factor. Perhaps I could ex-

press it better in reverse, and say that it was the fact that the party to which I belong did not promise to add $25 per month to the old age security program that produced more adverse political effects than any other factor. I say this because I had something to do with it. I also felt that in this country—and I think members on both sides of the house will agree—that this business of auctioneering the elections should come to an end. In my view this bill provides an opportunity for people in need to get additional money. I am not making a political speech; I hope I am making the kind of responsible speech that a senator should make in respect of matters of this nature.

Senator Thorvaldson further complains—and I hope I will not be regarded as too critical when I say this—that this business of the federal Government interfering in provincial programs under provincial jurisdiction is not a good thing. I can go a long way with him on that road. But the fact of the matter is that very often we are invited, and pushed, indeed heavily pushed, into it. This is not the first time this has happened.

I want to make it clear that we are not taking over a provincial program or series of programs for a payment which in the first year may amount to $95 million. I would remind honourable senators that under the Old Age Assistance program the federal Government pays 50 per cent of the cost, under the Blind Persons Act the federal Government pays 75 per cent, and under the Disabled Persons Act we pay 50 per cent. We also pay 50 per cent of the costs of the Unemployment Assistance Fund.

The federal Government and its finances are deeply involved in social security problems. We are deeply involved in trying to solve some of the needs. Senator Thorvaldson calls it a rather trivial contribution. Senator O'Leary (Carleton), on the other hand, says it is too much. I cannot help but recall the other evening when Senator Lang was explaining the $500 million proposed to be spent on health grants, and Senator McCutcheon said in the light of the undertakings the provinces have made in that field for hospitals, for training and medical schools, that the $500 million was a façade and a niggardly contribution. Now, we cannot have it both ways. In my view this is a good start.

I agree with Senator Thorvaldson, as I am sure all honourable senators will agree with him, in what he said about the attempt to integrate the Indian population into the provincial population. If we are to continue to raise the level of the underdeveloped peoples in Africa and Southeast Asia, it behooves us to start at home. If we have native population in an underdeveloped condition, it is our duty to do everything we can to help that group of people.

The example Senator Burchill gave of a blind person is one in respect of which a change will be made as a result of applying the needs test rather than the means test. I think that blind lady will be in an infinitely better position as a result of the passage of this legislation, after an agreement has been made with his province, than would be the case if the means test were being applied and the rules that she and the province have had to abide by continued to exist.

Senator O'Leary (Carleton), who always speaks with such force and clarity, asked three questions. The first was: How will this money be spent? Will "Freddie the Freeloader," as Senator Walker aptly refers to him, be able to put it all over the provincial and federal authorities? I suppose that up to now "Freddie" has had ample opportunity to do this under the Unemployment Assistance Act, because that act is one that applies not the means test but the needs test. It is one to which the federal and provincial governments have been contributing at an equal rate of 50 per cent. I do not think we will ever eliminate such people, human nature being what it is, but experience has been gained in administering the provisions of the Unemployment Assistance Act, particularly when unemployment was at a high rate a few years ago. Fortunately the economy has changed to the extent that unemployment except in certain areas is not the serious problem it was a few years ago. But the great body of experience built up at that time under this act will be helpful, and we should not be too concerned about the prospect of "Freddie the Freeloader" continuing to enjoy himself and live at the expense of the responsible people in the community.

I am sure we all agree with Senator O'Leary about the danger of sapping the initiative of our people by providing too much of the benefits of the welfare state. There are examples—and you can multiply them—of where this has happened and damage has been done to large segments of the community; but between the time when the senator was a boy and today conditions in

our society and indeed in modern society generally, have changed vastly.

I have just been reading the life of Daniel O'Connell and of the serious trouble in Ireland then because the capital, which was the land, was owned by the absentee landlord, and the worker as the peasant who paid the tithes and the rents. Today I think the capital of the worker is his job. It is no longer land; it is his skill, his capacity to work, his power to produce as a result of training and skill the modern product that is sold both nationally and internationally. But this mechanized form of production, this urbanized society that has been developed, has created social problems that are vastly different from the situation that obtained when a man could provide for his family from the fruits of the soil or sea. These are the problems of modern society that a bill such as this attempts to meet in a way that is going to involve co-operation between the federal and provincial authorities. This is a very special problem because we live in a federal and not a unitary state. However, in some respects it is also a national problem, and for that reason, though it may not confer jurisdiction, the national parliament and the national parliamentarian must have as acute an understanding of this problem as any provincial legislator, even though the jurisdiction may primarily lie with the provinces.

Honourable senators, these are ideas and views, and I certainly do not propose to have this debate take a political turn. I do not think it has this afternoon, because the views that have been expressed on both sides have differed as individuals spoke. Senator Macdonald (Cape Breton) said the measure might not go far enough. This I admit. Others have said that it might go too far, for certain reasons given by Senator O'Leary, who knows. How shall we ever know, with society changing as rapidly as it does?

However, I think it is a step in the right direction, and I hope it commends itself to the Senate. If honourable senators desire further explanation in committee, they need only indicate that view and I shall move that the bill be referred to committee.

Hon. Mr. Thorvaldson: Honourable senators, may I ask the honourable Leader of the Government a question relating to the original remarks he made in his closing speech? Is it not a fact that we may expect the Minister of National Health and Welfare momentarily to make an announcement in regard to increasing the old age pension and perhaps accepting the recommendation in this regard of the Senate Committee on Aging?

Hon. Mr. Connolly (Ottawa West): I am afraid I cannot answer that question. It is up to the minister. The honourable senator will have to wait until the Minister of National Health and Welfare decides.

Hon. Mr. Croll: And I do not think the honourable senator is going to be disappointed.

Hon. Mr. Brooks: Is this bill being referred to committee?

Hon. Mr. Connolly (Ottawa West): It is up to you.

Hon. Mr. Brooks: Some honourable senators, who unfortunately could not be present but intended to speak on this bill, indicated by telephone that they would make their remarks in committee. After all, it is a very important bill—

Hon. Mr. Connolly (Ottawa West): I agree.

Hon. Mr. Brooks: —and I do not think we should even give the impression of rushing it through. It is too important a bill for that.

Hon. Mr. Connolly (Ottawa West): I agree.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

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

On motion of Hon. Mr. Connolly (Ottawa West), bill referred to the Standing Committee on Banking and Commerce.

CROP INSURANCE ACT

BILL TO AMEND—FIRST READING

The Hon. the Acting Speaker (Hon. Mr. Bourget, P.C.) informed the Senate that a message had been received from the House of Commons with Bill C-208, to amend the Crop Insurance Act.

Bill read first time.

SECOND READING—DEBATE ADJOURNED

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

Hon. Earl A. Hastings, with leave of the Senate, moved the second reading of the bill.

He said: Honourable senators, my moving the second reading of this bill marks the first opportunity I have had of publicly and formally addressing myself to honourable senators and to the business of the Senate. May I digress, therefore, a few moments in order to thank all those in this chamber and elsewhere who have made my arrival here the highlight of my life.

I extend my appreciation to His Honour the Speaker for his gracious welcome and kind words of encouragement. I hope that my contribution to the work of this chamber will be a credit to it.

I should like also to express my unbounded respect and admiration for the honourable Leader of the Government in the Senate, the Honourable John J. Connolly. I have known the honourable senator from Ottawa West for several years, and I have worked at his side in the interests of our party in the Province of Alberta. We are both of sterling Irish stock, so it is understandable that there is between us a deep friendship and loyalty. I need not remind this house of Senator Connolly's dedication to the public life of Canada and to the Senate, and I simply pay this inadequate yet sincere tribute to him.

To the honourable Leader of the Opposition (Hon. Mr. Brooks) and all honourable senators, I am grateful for your very generous welcome and kind words of counsel and goodwill.

At this point I should like to mention the Prime Minister of Canada, the Right Honourable Lester B. Pearson. I am one of those Canadians who deeply respect and admire Mr. Pearson for the work he has done and the dedication he has shown to this country in the past and at the present time. This is a time in our history when all Canadians are called upon to examine the very foundation of the nation, to reflect on the past, to be cognizant of the present, and to chart the future. I suggest that Mr. Pearson's talents of patience, compromise, diplomacy and, over and above all else, sincerity of purpose, are talents that are needed in the leading of our nation today. Because Mr. Pearson is here and occupies the position he does, I am unafraid of the future and eager to embark on the second hundred years of Confederation, or to "reach for the stars," as we were counselled by Senator Crerar in his farewell address to this chamber.

Honourable senators, I have chosen as my designation "Palliser-Foothills". I was born and raised in the City of Regina on the plains of Saskatchewan, and I spent most of my adult years in south Alberta. I therefore chose "Palliser-Foothills" as descriptive of that area where I believe my roots are deep. I took "Palliser" from Captain John Palliser who in 1857 explored the area of southern Manitoba, Saskatchewan and Alberta, and "Foothills" from that area where the plains of Saskatchewan and Alberta rise to meet the mountains. Honourable senators, on the occasion of my maiden speech in this chamber I dedicate myself especially to the people of that area of Canada, whom I feel I know well enough to represent in this chamber.

It is fitting that my first duty in the Senate of Canada is to commend to your attention a bill that will be of direct benefit not only to the farmers of Canada generally, but certainly to those farmers who reside in the Palliser-Foothills area of the Prairie provinces.

Farming is a risky enterprise. Ever since the original settlers planted the first crop in Annapolis Royal, we have learned at great expense how our farmers are always at the mercy of weather and disease, pests and insects. These are severe hazards over which the individual farmer has no control, and which from time to time cause him extreme hardship if not bankruptcy. In fact, the very existence of our farmers depends upon favourable conditions in which to produce crops, and thereby provide the amenities of life.

Stability of income is a very important factor in the modern-day agricultural economy. It is here that crop insurance can provide protection to the individual farmer by covering him financially against all natural hazards, and by filling a long-recognized need of assuring him a basic level of income for a year's work on his investment. Crop insurance cannot solve the financial problems of all farmers, but it does go a long way toward protecting them against a complete loss of their investment in any particular crop year.

Honourable senators, under the Crop Insurance Act of 1959 authority was given to the Minister of Agriculture, with the approval of the Governor in Council, to enter into crop insurance schemes, and to make a contribution in respect of the operation of those schemes to those provinces which undertook to operate them. Under that act the minister has authority to make contributions to the administration costs, and to pay 20 per cent of the premiums payable by the farmers in

order to make the scheme self-sustaining. I might say that after extensive study and research into crop insurance it is now an accepted fact that it cannot operate without the assistance and leadership of senior governments. Without assistance, premiums would be completely unreasonable, uneconomic and impractical.

Under the act of 1959 a policy could be issued covering up to 60 per cent of the long-term average crop yield of the area insured. Manitoba, Saskatchewan and Prince Edward Island availed themselves of this legislation, and entered into the first agreements.

In 1964 the act was further amended to provide that Canada would reinsure 75 per cent of the amount by which indemnities exceeded premiums paid in that year, plus reserves and 2½ per cent of premiums in effect that particular year. With this additional backing of reinsurance by the Government of Canada, the provinces were able to accelerate and expand their respective programs.

Thereafter, my Province of Alberta came into the scheme during 1965.

Honourable senators may be interested to know that under the 1965 program, 13,361 farmers availed themselves of crop insurance in the four provinces mentioned, covering face value insurance of $26,919,147.

The program is continuing to accelerate, and in 1966 it will practically double, with 25,000 farmers availing themselves of crop insurance in the four provinces. The face value will be $50 million, again doubling the face value over 1965.

The cost to Canada in 1965 was $650,000. It is estimated that the cost for 1966 will be $1,212,000. If the amendments we are proposing are adopted and the scheme continues to accelerate, the cost for 1967 is estimated at $10 million.

I would point out that while our expenditures are increasing, crop insurance is replacing other measures which Canada would have to be making and probably did make under emergency schemes programs. These payments have been a constant drain on the treasury ahd have never been adequate compensation under the circumstances.

I would refer honourable senators to the recent program of financial aid to Ottawa Valley farmers and the farmers of Ontario and Quebec, costing $20 million. Crop insurance as it grows and accelerates should relieve the Government of expenditures on such programs.

As a result of continued extensive studies of the problems involved by farm organizations, agriculture officials and a federal-provincial agricultural conference, and in the light of experience since the inception of the program in 1959, it is now desired to make crop insurance more attractive, useful and practical to farmers and more widely applicable, and certainly with a desire to induce more provinces to take advantage of it and to enter into agreements with the federal Government.

Honourable senators, you therefore have before you Bill C-208, asking you to amend the Crop Insurance Act of 1959. The bill is asking for five amendments.

The first amendment asks that the maximum insurance coverage be raised from the existing 60 per cent to 80 per cent, because it is felt that yields rarely drop to 60 per cent and that to become attractive to mixed farmers of Ontario and Quebec it should be raised to 80 per cent. Sixty per cent of the long-term yield as it exists now does not cover a farmer's investment for one year, taking into consideration modern-day methods of farming and the present-day yield through advanced technology.

The act is also being amended to permit the calculation of the average yield on an individual farm basis rather than on an area basis. This is designed to provide protection commensurate with each farmer's needs and his farming ability.

The ideal situation with regard to crop insurance would be where an individual farmer would be insured on his individual record. Unfortunately, up to the present time records have not been kept whereby that can be done. However, records are being kept and have been kept on the county and township basis, and that is the present basis of calculating the yield. The ideal objective of insuring an individual farmer on his individual record is being kept in mind, and you are asked to amend the act on that basis.

The federal contribution to premiums paid to farmers will be increased from 20 per cent to 25 per cent. At the present time the Government of Canada pays 20 per cent of the farmer's insurance premium. By the amendment of this bill you are asked to raise the federal contribution to 25 per cent. This added contribution is made necessary by the fact that the farmer's insurance is being raised from 60 per cent to 80 per cent.

The additional coverage in some cases will double or even triple the premium. You are therefore asked to amend the act by an increased contribution of 5 per cent. Coverage at present is limited to crops as designated in the regulations. Production units such as apple trees or perennial forage crops are not covered, and a loss of these crops represents not one but several years' loss. The bill will amend the act to provide extended coverage for these losses.

Coverage will also be provided by an amendment for costs incurred in preparing summerfallow which cannot be seeded due to excessive moisture conditions. He may take a package deal which covers not only his crop this year, but his summerfallow, should he not be able to seed next year due to moisture conditions.

The fourth amendment is that the deductible amount, which is payable by a province under the reinsurance premium, is reduced by the amount of any reinsurance premium paid in that year.

Under the present scheme the federal Government pays 75 per cent of the amount of the loss in that year, less the premiums, less the reserve built up, and less 2½ per cent of the face value of the insurance in force that year. You are asked under this clause to raise the deductible by the reinsurance premium which the province paid in that year.

Finally, the fifth amendment. The act is amended to provide that policyholders shall be informed as to benefits accruing to them as a result of the participation of the federal and provincial governments involved. In any insurance policy, the policyholder is entitled to know in clear and concise terms the conditions and benefits of his insurance policy. It is therefore thought desirable that in a crop insurance policy the purchaser should be well aware of the participation in that scheme by the federal Government.

Honourable senators, this is one measure I believe to be long overdue with respect to federal-provincial arrangements and agreements. I believe that the ordinary person is not aware of the contribution that the federal Government makes to those various projects, and in particular the provincial vocational schools to which the federal Government contributes 75 per cent of the cost. This amendment will make it quite clear that the federal Government is participating in that particular crop insurance program of the province.

Honourable senators, I do not for a moment believe that the crop insurance program or the Crop Insurance Act which it is proposed to amend will be the ultimate in providing income stability to farmers. Anyone with agricultural experience will appreciate that such a measure will take time to implement owing to the varied and diverse farming methods in Canada from province to province, and even within a province. I suggest to you that the amendments proposed in this bill are workable and feasible, that they will be a distinct advantage to the farmers of Canada, that they will result in another step forward in offering adequate protection to provide a form of self help to cushion the farm enterprise against the ever-present threat of crop failure and resultant financial hardship and disaster.

The five amendments which you are asked to make are, first, to raise the maximum coverage from 60 per cent to 80 per cent and that the calculation of yield may be made on an individual farm basis; secondly, to raise Canada's share of the premium paid by a farmer from 20 per cent to 25 per cent; thirdly, to include in the Crop Insurance Act extended coverage on production units, such as orchards and forage crops; fourthly, that the deductible amount payable by a province be reduced by the amount of premium that the province makes to Canada; and fifthly, that policyholders be informed as to the federal-provincial arrangement for participation in that particular crop insurance scheme.

Honourable senators, I take great pleasure in commending this bill to you for your consideration and approval.

Hon. Edgar Fournier: Honourable senators, may I compliment the honourable senator on his explanation of the bill and on his maiden speech in the house. Although I do not share all of the first part of his comments, I share the second part.

I should like to ask a few questions. I am glad to see that apples are now being covered in this bill. I come not from an apple-growing area but from a potato-growing area. Potatoes are a very peculiar crop, often entailing several losses. There is a loss even before the crop is out of the ground, through frost or storm. There is a loss after it is out of the ground, because it is perishable. At times, the

loss can be 60 per cent from the time the crop is out of the ground until it is prepared to go on the market between February and March. One of the big losses which potato growers suffer is the loss in market value. It is estimated that is costs approximately $2 to produce a barrel of potatoes, yet on many occasions the market value is but $1 or less. Will that be covered by the insurance and will it be possible to insure against it?

In the case of an agreement between the federal Government and my province of New Brunswick, I hope this item is being included, bcause otherwise these new measures will be of no value. I hope that our province will have this provision included in its agreement. I also hope to receive an answer to the questions I have asked.

On motion of Hon. Mr. Pearson, debate adjourned until later this day.

APPROPRIATION BILL NO. 6, 1966

FIRST READING

The Hon. the Acting Speaker informed the Senate that a message had been received from the House of Commons with Bill C-224, for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March 1967.

Bill read first time.

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

Hon. Mr. Connolly (Ottawa West): With leave of the Senate, I move that this bill be placed on the Orders of the Day for second reading later this day.

Motion agreed to.

DOCUMENTS TABLED

Hon. John J. Connolly tabled:

Report of a Loan made out of the Consolidated Revenue Fund to The St. Lawrence Seaway Authority on June 13, 1966, under authority of Order in Council P.C. 1966-416, dated March 10, 1966, pursuant to section 26(4) of the St. Lawrence Seaway Authority Act, (Chapter 242, R.S.C., 1952. (English and French texts).

Answer to Inquiry of the Honourable Senator Fergusson of July 5, 1966, respecting—

(1) Appointment of permanent Superintendent for the Women's Prison in Kingston, and

(2) appointment of a Deputy Commissioner of Pentitentiaries in charge of of female inmates in all correctional institutions under Federal Jurisdiction. (English test).

Capital Budget of The St. Lawrence Seaway authority for the year ending December 31, 1966, pursuant to section 80(2) of the Financial Administration Act, chapter 116, R.S.C., 1952, together with a copy of Order in Council P.C. 1966-135, dated January 25, 1966, approving same. (English text).

Revised Capital Budget of The St. Lawrence Seaway Authority for the year ending December 31, 1966, pursuant to section 80(2) of the Financial Administration Act, chapter 116, R.S.C., 1952, together with a copy of Order in Council P.C. 1966-1194, dated June 23, 1966, approving same. (English text).

Final Communiqué issued following the Commonwealth Caribbean-Canada Conference, held at Ottawa July 6-8, 1966. (English and French texts).

Copy of Air Transport Agreement between the Government of Canada and the Government of the Union of Soviet Socialist Republics, together with Notes exchanged. Done at Ottawa July 11, 1966. (English and French texts).

DIVORCE

REPORTS OF COMMITTEE ADOPTED

Hon. David A. Croll for Hon. Mr. Roebuck, Chairman of the Standing Committee on Divorce, presented the committee's reports Nos. 753 to 816, inclusive.

The Hon. the Acting Speaker: Honourable senators, when shall these reports be taken into consideration?

Hon. Mr. Croll: I move, with leave, that these reports be considered now.

Motion agreed to and reports adopted.

RESOLUTIONS PRESENTED

Leave having been given to revert to presentation of petitions:

Hon. David A. Croll, for Hon. Mr. Roebuck, Chairman of the Standing Committee on Divorce, presented the following resolutions:

Resolution 738, for the relief of Alexander Biega.

Resolution 739, for the relief of Henry John Fredrick Haigh Waterhouse.

Resolution 740, for the relief of Frances Jean White Fraser.

Resolution 741, for the relief of Elizabeth Wendy Farris Teichman, otherwise known as Elizabeth Wendy Farris Teichmann.

Resolution 742, for the relief of Marie Jeannine Harpin Connick.

Resolution 743, for the relief of Louis Philippe Hachez.

Resolution 744, for the relief of Pauline Gertrude Gagnon Cooper.

Resolution 745, for the relief of Marie Agnes Florentine dite Florence Gouin Willmann, otherwise known as Marie Agnes Florentine dite Florence Gouin Willman.

Resolution 746, for the relief of Norman Raymond McArthur.

Resolution 747, for the relief of Katina Kollia Lazaris, otherwise known as Catherine Kollias Lazaris.

Resolution 748, for the relief of Victor James George.

Resolution 749, for the relief of Claude Landry.

Resolution 750, for the relief of Huguette Jodoin Courtemanche.

Resolution 751, for the relief of Doris Campeau.

Resolution 752, for the relief of Joseph Alphonse Reynald Cullen.

Resolution 753, for the relief of Hazel Florence Gumbley Johnston.

Resolution 754, for the relief of Elizabeth Ruthven Nelson Slater.

Resolution 755, for the relief of Frances Viola Lawson Place.

Resolution 756, for the relief of Louise Dunn Gilmour.

Resolution 757, for the relief of Murielle Marie Latreille Lemieux.

Resolution 758, for the relief of Marguerite Georgette Francoise Belanger Payette.

Resolution 759, for the relief of George Austin Line.

Resolution 760, for the relief of Doris Dales Lavallee.

Resolution 761, for the relief of Lucie Siegel Schussler McDerby, otherwise known as Luzi Siegel Schussler MacDerby.

Resolution 762, for the relief of Dorothy Currie Stork.

Resolution 763, for the relief of Raezelle Zinman Grossman Grosser.

Resolution 764, for the relief of Carol Elizabeth Price Shackell.

Resolution 765, for the relief of Christine Elizabeth Wasilewska Stenger.

Resolution 766, for the relief of Barbara Allen Deslauriers Turgeon.

Resolution 767, for the relief of Hanna (Hannah) Fay Beraznik Burko.

Resolution 768, for the relief of Leonard Sherman.

Resolution 769, for the relief of Brenda Karen McClintock Elman.

Resolution 770, for the relief of Rita Proulx Nadon.

Resolution 771, for the relief of Tadeusz Bala.

Resolution 772, for the relief of Anton Klefas.

Resolution 773, for the relief of Rosalyn Isaacs White.

Resolution 774, for the relief of Margaret Ross Stevenson Reilley, otherwise known as Margaret Ross Stevenson Reilly.

Resolution 775, for the relief of Luc Duhamel.

Resolution 776, for the relief of Ann Mainer Black Cornellier.

Resolution 777, for the relief of Linda Beverley Diana Hollenbeck Foster.

Resolution 778, for the relief of Ann (Annie) Bloom Cohen.

Resolution 779, for the relief of Dorothy Jean (Gina) Pratt Maurice.

Resolution 780, for the relief of Gilles Dupuis.

Resolution 781, for the relief of Ernestine Maria Hruby Charland.

Resolution 782, for the relief of Gertrude Weitzner Craimer.

Resolution 783, for the relief of Rebecca Eichenbaum Rock.

Resolution 784, for the relief of Marian Ruth Hamilton King.

Resolution 785, for the relief of Rita Kelson Wolff.

Resolution 786, for the relief of Joan Margaret Logan Waterhouse.

Resolution 787, for the relief of Marielle Chaput Legault.

Resolution 788, for the relief of Rene François Raemdonck.

Resolution 789, for the relief of Geoffrey Cyrille Giovanni Porri.

Resolution 790, for the relief of Nita Evelyn Meadus Wood.

Resolution 791, for the relief of Ann (Annie) Frances O'Connor Smith.

Resolution 792, for the relief of Marjorie Anne Howse Maxwell.

Resolution 793, for the relief of Shirley Elizabeth Douglas Nicholson.

Resolution 794, for the relief of Shirley Marie Barkley Sisty.

Resolution 795, for the relief of Doreen Janet Hubscher Hermann.

Resolution 796, for the relief of Richard Garry Loroway.

Resolution 797, for the relief of Paul Edward Snyder.

Resolution 798, for the relief of Ruth Eleanor Young Lajoie.

Resolution 799, for the relief of Madeleine Lorrain Kehoe.

Resolution 800, for the relief of Sharro-Lynn (Lynne) Brooks Morris.

RESOLUTIONS ADOPTED

The Hon. the Acting Speaker: Honourable senators, when shall these resolutions be taken into consideration?

Hon. Mr. Croll: Honourable senators, with leave of the Senate, I move that these resolutions be adopted now.

Resolutions adopted, on division.

PRISON ADMINISTRATION

FEMALE INMATES—INQUIRY ANSWERED

Hon. Muriel McQ. Fergusson inquired of the Government, pursuant to notice:

1. What steps have been and are being taken to secure the appointment of a permanent superintendent for the Women's Prison in Kingston?

2. Is consideration being given to a brief presented to the Solicitor General asking for the appointment of a Deputy Commissioner of Penitentiaries in charge of female inmates in all correctional institutions under federal jurisdiction?

Hon. John J. Connolly: The answer to the honourable senator's inquiry is as follows:

1. An extensive advertising campaign was conducted across Canada to obtain the services of a female superintendent. Some nine applications were received but none of the candidates qualified for this position. It is intended to appoint a permanent female superintendent as soon as a suitable candidate is found.

In the meantime, Mr. D. Clark, an experienced penitentiary classification officer and assistant deputy warden at the Joyceville Institution, has been appointed acting superintendent.

2. The proposal to appoint a deputy commissioner of penitentiaries for female inmates has been taken into consideration, and this matter is still under study. The Solicitor General recently visited the prison for women and this matter is receiving his personal consideration.

IMMIGRATION

APPLICATION FOR LANDED IMMIGRANT STATUS

On the Orders of the Day:

Hon. David A. Croll: Honourable senators, before the Orders of the Day are proceeded with, I wish to draw to the attention of the Senate a statement on immigration which was made in the Commons on Friday last by the Minister of Citizenship and Immigration.

The minister indicated that there were in Canada a large number of people, presumed to be about 20,000, who have not applied for landed immigrant status but who undoubtedly hope to be allowed to stay in Canada. Their position is anomalous. The minister has announced the policy of giving them a break, in that if by July 25, 1966, they apply for permission to stay, their applications will be approved under certain stated conditions, even though they may have, on entry, concealed their true intention of remaining here.

Honourable senators, one reason why I raise the matter now is that the time is very short, and the Senate always has had a special interest in the problems of minorities. My second reason is that these people, whose presence in Canada has not yet been regularized, are in need of assurance that the Government's intentions are bona fide and that there are no tricks or gimmicks involved.

They may still be distrustful not only of their home government, but of governments in general. For that reason I thought I should take this opportunity to give them some reassurance, so far as it lies within my capacity to do so.

Therefore, I as a senator and as a former immigrant with cause to be gratified for his reception in Canada, and whose status has, I trust, been regularized, desire to assure them that the present offer is bona fide, that there are no tricks or gimmicks involved, and that the Government is just as anxious as they are to regularize their status. Such offers are not and cannot be made every day or even every year. and I urge these people in good faith to avail themselves of this opportunity before the date indicated, July 25.

May I add that I hope that the maximum publicity will be given to this matter, so that the people in question may be reached. I doubt whether any of them are subscribers either to *Hansard* or to the Canada *Gazette*. For that reason I would stress the use of the daily and weekly newspapers and more particularly the ethnic newspapers which I feel will be very useful at this time. Certainly an offer that is not known cannot be acted upon.

Hon. Mr. Cameron: On this particular issue, and knowing how slow communications are, I would hope that if there is a substantial percentage of these people who have not made their applications by July 25, then some consideration might be given to extending the date. It is already July 11, and there is not too much time left. I hope if the matter comes up again, this suggestion will be kept in mind.

Hon. Mr. Croll: We must stress the fact that this is the most important piece of business these people have to do; and the moment it is brought to their attention they should drop everything else and set about doing it.

Hon. Mr. Brooks: This matter has been mentioned in the press. I have read it myself. I cannot see why immigrants should doubt the bona fides of the Government. When the honourable senator rose on this matter I expected he was going to draw attention to the date and ask for an extension of time. I am sure these people will not doubt the bona fides of the Government, but they may need more time.

Hon. Mr. Croll: May I draw the attention of the honourable senator to the very bona fide offer made by the Government, of which he was a member, to the Chinese some years ago and the results that followed. Was that accepted in the spirit in which it was made?

Hon. Mr. Connolly (Ottawa West): I doubt that there is any need to bring this afternoon's discussion to the attention of the Minister of Citizenship and Immigration. However, as a result of this I feel his attention will be drawn to it and particularly to the question of a further extension of the date.

I move that the Senate do now take recess to reassemble at the call of the bell at approximately 8 o'clock this evening.

The Senate adjourned during pleasure.

At 8 p.m. the sitting was resumed.

APPROPRIATION BILL NO. 6, 1966

SECOND READING

Hon. John J. Connolly, with leave of the Senate, moved the second reading of Bill C-224, for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March 1967.

He said: Honourable senators, this is a somewhat unusual bill, in that we have not considered its like since 1957—which was a very unusual year, if I may say so.

Appropriation Bill No. 6 purports to grant full supply for the main Estimates of ten departments, the details of which have been approved by the Committee of Supply in the other place during this session.

The ten departments are as follows: Citizenship and Immigration, Defence Production, Forestry, Governor General and Lieutenant Governors, Industry, Legislation, National Revenue, Post Office, Privy Council, and Veterans Affairs.

The bill is in the usual form in which full supply is granted, except that it is restricted to these ten departments and only to the main Estimates in respect of each of them.

Honourable senators, first of all I want to give the undertaking that this does not deal with any items in any of these departments under supplementary Estimates which have already been filed; nor, indeed, will it affect the supplementary Estimates of these same departments which may yet come before Parliament. Those items automatically would be open by their introduction in any supplementary Estimates for these departments.

Secondly, having discussed the matter with the Chairman of the Standing Committee on Finance, Senator Leonard, we have agreed—and he has authorized me to speak on his behalf, and I do so on my own behalf—that if there are any items in these main Estimates upon which any member of the Committee on Finance, or indeed, any other senator, wishes to attend the committee to raise questions, no technical objection will be taken. In other words, for practical purposes, while the Senate may pass this bill this evening, it will still be open to any honourable senator to ask any question with respect to the items that are contained in this bill for which full supply is being granted.

These are the general introductory remarks I desire to make. Also, I have caused to be circulated two sheets of mimeographed information indicating the effect of this bill and which, I think, will make abundantly clear exactly what is happening, without an examination of the details of the schedules to the bill because the schedules are the reproduction of the item in the main Estimates.

The effect of this bill, excluding the statutory items and the supply granted for these departments by the two interim supply bills already passed amounting to $303,283,583.33, is that it completes the main Estimates of the departments involved and grants an additional $825,462,241.67, making a total of $1,128,745,825, which is the amount of the main Estimates of these ten departments.

I should also say that the total of the main Estimates to be voted as of this moment is $4,907,982,911, and the amount already appropriated, plus the amount to be appropriated by this bill, from the main Estimates, totals $2,146,682,000.68. This means there is still left to be voted from the main Estimates the sum of $2,761,300,910.32.

Honourable senators, I think that sets the general perspective in which this bill is to be considered. I would ask honourable senators that this prepared statement before you be incorporated in *Hansard* of today. It provides a very clear presentation for anyone who wishes to know the position.

The Hon. the Acting Speaker: Honourable senators, is it agreed that this document be printed in the *Debates of the Senate*?

Hon. Senators: Agreed.

23031—71½

(*The statement follows*)

EFFECT OF THIS BILL

A. On the Estimates of the ten Departments: (excluding statutory items) Supply granted for these Departments by the two interim supply bills passed to date		$ 303,283,583.33
Amount proposed by this bill		825,462,241.67
Amount of Main Estimates for these Departments		$1,128,745,825.00
B. On total of the Main Estimates: Total to be voted, Main Estimates		$4,907,982,911.00
Already appropriated	$1,321,219,759.01	
This bill	825,462,241.67	2,146,682,000.68
Still to be voted, Main Estimates		$2,761,300,910.32

Hon. Mr. Connolly (Ottawa West): Honourable senators, I think it will be helpful if I now go through the second sheet of the statement which shows the position with reference to supply voted and to be voted tonight by the passage of Appropriation Bill No. 6. I would ask permission of the Senate to have the second portion of the statement printed in *Hansard* because it clarifies the position in which we find ourselves at this moment in respect of supply.

The Hon. the Acting Speaker: Honourable senators, is it agreed that this statement be printed in the *Debates of the Senate*?

Hon. Senators: Agreed.

(*The statement follows*)

ESTIMATES, 1966-67

(including Budgetary Expenditures and Loans, excluding Old Age Security Payments)

	Total	Of which Statutory	To be voted
Main Estimates	$ 8,283,224,878	$ 3,375,241,967,	$ 4,907,982,911
Supplementary Estimates (A)	332,441,791		332,441,791
Supplementary Estimates (B)	177,027,000		177,027,000
	$ 8,792,693,669	$ 3,375,241,967	$ 5,417,451,702
(Payments from Old Age Security Fund	1,035,000,000		
	$ 9,827,693,669)		

SUPPLY, 1966-67

Appropriation Act No. 3, 1966:	
Two-twelfths generally of the Main Estimates plus additional proportions of 24 special items to provide for expenditures to May 31.	$ 870,275,281.00
Appropriation Act No. 5*, 1966:	
One-twelfth generally of the Main Estimates except for the one vote for which 11/12ths has already been granted plus additional proportions of 11 special items to provide for expenditures to June 30.	450,944,478.01
This Bill (Appropriation Act No. 6, 1966)	
The balance of the Main Estimates for 10 Departments	825,462,241.67
	2,146,682,000.68
Balance yet to be voted	3,270,769,701.32
Total to be voted	$ 5,417,451,702.00

*Appropriation Act No. 4 covered the final Supplementary Estimates for 1965-66.

Hon. Mr. Connolly (Ottawa West): Honourable senators, the total of the main Estimates is $8,283,224,878. Of this the statutory amount paid under the authority of various statutes is $3,375,241,967. The amount to be voted from the main Estimates is $4,907,982,-911.

Supplementary Estimates (A) amount to $332,441,791, no part of which has yet been voted. Supplementary Estimates (B), which are loan items, amount to $177,027,000, and no part of that amount has been voted.

The total amount to be voted in the main and the two supplementary Estimates is $5,-417,451,702.

I think I need make no reference to payments from the Old Age Security Fund. Honourable senators are fully aware of the source of that money and the reasons for its disbursement.

May I deal now with our position in respect of supply at this moment. Appropriation Act No. 3 of 1966 granted two months' supply in the amount of $870,275,281. That was the first interim supply bill of this financial year. Appropriation Act No. 5 granted another month's supply to June 30, in the amount of $450,944,478.01. To this bill, if approved, will be added the balance of the amount of the main Estimates for the ten departments I mentioned in opening namely, $825,462,-

241.67. So, if this bill is passed we shall have voted $2,146,682,000.68 and shall have left unvoted $3,270,769,701.32.

Hon. Mr. McCutcheon: Does that last figure represent the saving the Government is going to make?

Hon. Mr. Connolly (Ottawa West): I would like the answer to be yes. I should say that Appropriation Act No. 4 covered the final supplementary Estimates for 1965-66 which were voted after the beginning of this present fiscal year.

Honourable senators, I think that with the prepared statements that have been distributed and incorporated in *Hansard*, there is little more that I can say. Perhaps I should add this one idea that I think it is not a bad procedure. When the committee of supply in the other place has completed its study of certain departments, there should be a final appropriation bill in respect of departments, when there are enough to deal with, of which I think this bill provides an example.

No matter how much we try to explain the amount of work that is done in various committees in both houses, or the amount of debate that goes on, when the final supply bill is brought in, and it is in the amount of $5 billion or $6 billion, and it goes through quickly, inevitably it is said that only three or four minutes time have been spent on the measure. A good deal of work has gone into the consideration of the Estimates of these departments, and if there is a desire on the part of honourable senators to obtain further information with respect to any of these items the opportunity will be available when the Finance Committee convenes.

Hon. Mr. Walker: Will that be tomorrow?

Hon. Mr. Connolly (Ottawa West): No. I doubt if the Finance Committee will sit tomorrow. The undertaking I have given will apply during the entire session.

Hon. A. J. Brooks: Honourable senators, I rise in order to make a clearer statement than has been made by the honourable Leader of the Government. When one starts to discuss millions and billions of dollars and analyzes them, I do not think they become clear to anybody until they have been studied very carefully.

As the honourable Leader of the Government has said, the total budgetary expenses after the passing of this bill, including payments from the Old Age Security Fund, amounts to $9,827,693,669. I think that is a record.

May I point out to honourable senators that until the year is concluded we cannot fully appreciate how much money will be spent. We have had two supplementary Estimates already, and I have no doubt that there will be more, judging from the bills which have been passed in the other place and those in anticipation of being passed. I made a calculation, and I do not think I shall be far wrong, that it will be necessary to raise between $11 billion and $12 billion before the end of next year.

I realize the futility of trying to find out here the reasons for each item. That is not possible. The honourable leader has told us that the amounts for ten departments have already been passed. I understand that the total of those ten departments amounts to a little over one-tenth of the total amount of money we have to raise.

We have also been assured by the honourable leader that, although they will have been passed, if there are any items at any time that any honourable senator wishes to question, or on which he desires more information, he can get it. Is that correct?

Hon. Mr. Connolly (Ottawa West): Yes.

Hon. Mr. Brooks: I also understood that, in consideration of the interim supply bills from now on, these ten departments will not be included. I believe this too is something new. I understood the honourable leader to say that in 1957 a similar bill was passed. Is that correct?

Hon. Mr. Connolly (Ottawa West): That is correct.

Hon. Mr. Brooks: And there has been none since then?

Hon. Mr Connolly (Ottawa West): I believe not.

Hon. Mr. Brooks: And very few before that?

Hon. Mr. Connolly (Ottawa West): I do not know the history.

Hon. Mr. Brooks: I understood the minister to say that. So we are really dealing with something new.

Hon. Mr. Connolly (Ottawa West): I should like to say to the Leader of the Opposition

that none of the items from the general Estimates that are in this bill will appear in interim supply measures again, because these are the final Estimates for those ten departments.

Hon. Mr. Brooks: That is the statement I have just made. These items will not appear again?

Hon. Mr. Connolly (Ottawa West): In interim supply.

Hon. Mr. Brooks: And, as far as the House of Commons is concerned they will have no right to question the expenditures of any of these departments, unless there are items in future supply Estimates. Is that not correct?

Hon. Mr. Connolly (Ottawa West): Yes, unless they have supply motions left. I am not sure. For the sake of argument, in the case of Forestry, if there are any supply motions left for the fall, they might conceivably deal with the matter in that department.

Hon. Mr. Brooks: We in the Senate then will have a privilege which members of the House of Commons will not have. That is, your statement was that we would have the right to question any of these items?

Hon. Mr. Connolly (Ottawa West): Yes.

Hon. Mr. Brooks: These ten departments have been thoroughly analysed by the Public Accounts Committee in the House of Commons. Consequently, they have very little reason for wishing to review them. In the Senate it is different, of course. We send our Estimates to the Finance Committee and while there is an opportunity there to question all items, unfortunately it is not taken advantage of as often as it should be. We do not get too much information from that committee. The committee is willing to give information, I am sure, but we do not get it. So it is well that we may have other opportunities of questioning these items.

While the honourable leader did not go through the schedule or explain any of the items, I may say that this is quite a bill. There are certain items about which I should like to ask some questions.

On page 3, for instance, under the National Employment Service, item 25 speaks of manpower and mobility, and grants, in accordance with regulations approved by the Governor in Council, to move persons from one place to another in Canada for employment. The amount voted is $3,500,000. Has this to do with the unemployment fund, or the amount granted to the municipalities of the different provinces last year by which the Atlantic provinces, for instance, where the unemployment was the greatest in any part of Canada, received the least help? Is any provision being made to correct that situation, or has this amount anything to do with it?

On page 4, item 30, I notice that $18,233,800 is being granted to assist immigrants. This is for the payment of transoceanic and inland transportation and other assistance to immigrants and settlers. My question is this: Are the immigrants asked to reimburse the Government for any of these payments? The Government is spending $18,233,800 for the bringing in of immigrants and paying their transportation and other expenses. Is this sum to be collected later from the immigrants?

Then on page 5 at item 10, I notice there is a sum of $19,200,000 in connection with the Freight Assistance Act on western grain. This of course is of interest to the farmers of western and also of eastern Canada. We also know there is a further bill in prospect; I think the resolution has been before the other place. Is this sum intended to cover the payment of costs arising out of the proposed bill, or is it intended to cover costs arising out of the present legislation? I would judge there would be a considerable difference in the items if this sum is in anticipation of the costs under the proposed bill.

I am and always have been interested in veterans' affairs, and I see that the items in connection with the Department of Veterans Affairs have been passed on the other side. A few days ago I read in the press that Sunnybrook Hospital, one of the largest of the veterans' hospitals in Canada, was being purchased by the University of Toronto for $1.

Hon. Mr. Walker: It is to train doctors who are badly needed.

Hon. Mr. Brooks: That is a very fine idea and I have no objection to it. The veterans' hospitals, I know, would not be used to their capacity if they were used only for veterans. This is true of Sunnybrook, and I am sure it is true of every other veterans' hospital in the country. I see no reason why they should not be taken over by such organizations as the University of Toronto or cities or municipalities in other parts of Canada.

Hon. Mr. Macdonald (Cape Breton): Provided the rights of the veterans are protected.

Hon. Mr. Brooks: I am sure there will be no question about that because the Department of Veterans Affairs and indeed the Government would never permit otherwise. However, I now want to ask, is there any policy on the part of the Government in connection with the taking over of these veterans' hospitals if and when they are not needed? I do not have any further questions to ask at this time.

I know that in committee on supply in the other place members are able to ask whatever questions they wish and get the answers they require, but here we have to ask the questions at this time to get the information we seek. I hope we may be able to get information on these matters.

Hon. Donald Cameron: I also have one or two questions to ask.

I refer first to page 3, items 10 and 15, having to do with the Technical and Vocational Training Assistance Act. It mentions the amount of money being set aside for training and research. Would it be possible to find out how many technical and vocational schools have been established since this act came into force in 1961, and could this information be broken down by provinces? Secondly, what research projects are being carried out under this act at the present time and where are they located?

Then, turning to page 6, item 25, the Library of Parliament, I would like to take this opportunity of saying how much the additional services provided by the research department of the library mean to those who have occasion to seek material for speeches, papers and so on. The money that is being spent for that particular activity is a most justifiable expenditure. I am delighted with the service being given.

That is the only comment I have to make on this matter.

Hon. John J. Connolly: Honourable senators—

The Hon. the Acting Speaker: I must inform honourable senators that if the honourable Senator Connolly speaks now it will have the effect of closing the debate.

Hon. Mr. Connolly (Ottawa West): Honourable senators, I think it would be less than fair if I attempted to give an offhand answer even to some of the questions that have been asked by the honourable Leader of the Opposition and by the senator from Banff. These are serious questions and deserve more attention than I could give them here this evening. I could give some partial answers, but I would prefer to make inquiries of the appropriate officials in the appropriate department. When I receive the answers I shall place them on *Hansard*.

In the meantime, I remind all honourable senators that if there are other questions on these schedules upon which they desire further information after perusing the bill further, that information will be available in the Finance Committee. I hope that is a satisfactory manner of dealing with the matter.

Hon. Mr. Brooks: Yes, that is satisfactory.

Motion agreed to and bill read second time.

THIRD READING

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

Hon. Mr. Connolly (Ottawa West): Honourable senators, it may be that interim supply will be available for our consideration a little later this evening. With that in prospect, and the prospect even of Royal Assent for these two money bills, I would ask favourable consideration of the proposal that this bill be read the third time now, and I so move.

Motion agreed to and bill read third time and passed.

CROP INSURANCE ACT

BILL TO AMEND—SECOND READING

The Senate resumed from earlier this day the adjourned debate on the motion of Hon. Mr. Hastings for the second reading of Bill C-208, to amend the Crop Insurance Act.

Hon. Arthur M. Pearson: Honourable senators, I rise to speak on this bill because I too come from Saskatchewan—my honourable colleague on the other side (Hon. Mr. Hastings) said that he originally came from Regina. I wish to congratulate him on the fine speech he made in explanation of this measure to amend the original Crop Insurance Act, and commend him for his clarity. Having heard Senator Hastings, I am sure all honourable senators feel they know a little more about crop insurance than they did before he spoke.

Bill C-208 is an amendment to the original act passed of 1959. The Act was amended in 1964, and this bill further amends it by extending its principles and making it more palatable to the farmers of western and eastern Canada.

Honourable senators, the part of the bill that merits most attention is the new section 5A, "Extended Coverage," which appears on page 2. The extended coverage from 60 per cent to 80 per cent of the loss on a crop will be a great inducement to many farmers to take advantage of this insurance.

Having said that, I add that I am a little concerned about this crop insurance plan. I remember that in my speech in the debate on the motion for an address in reply to the Speech from the Throne I suggested it would be a good thing if we went somewhat slowly in developing this program in eastern Canada. I am still of that view, especially when I hear Senator Fournier (Madawaska-Restigouche) asking a question about potatoes. There is quite a problem there, and there may be other problems in respect of other crops in the east.

However, this program of crop insurance is going a little too slowly so far as western Canada is concerned. I have here some figures I extracted from the report of the minister for the year 1964-65, and some other figures that I managed to dig up for the year 1965-66. The table is as follows:

CROP INSURANCE 1964-65

Province	Number of Farmers Insured	Total Coverage	Total Premiums	Total Indemnity
Manitoba	6,141	$13,600,000	$1,177,000	$277,000
Saskatchewan	2,356	4,087,000	343,691	137,747
Prince Edward Island	128	125,884	5,061	14,874

CROP INSURANCE 1965-66

Manitoba	8,610	$18,680,730	$1,608,612	$380,000
Saskatchewan	3,132	4,565,700	369,091	120,583
Alberta	1,312	3,231,858	290,723	480,080
Prince Edward Island	267	440,859	16,762	45,593

I would point out that Alberta entered the Crop Insurance scheme in 1965, whereas Manitoba entered it in 1960, and Saskatchewan and Prince Edward Island in 1962.

In looking further at the figures I have I note that in 1961 there were 43,306 farmers in Manitoba, 93,924 in Saskatchewan, 73,212 in Alberta, and 7,335 in Prince Edward Island, making a total of 217,777, while in 1956 the total was 241,448.

In 1965-66 the total number of farmers in those provinces insured under this scheme was 13,321. At the present rate of progress it will take a long time before the farmers of Canada are covered by insurance.

It seems to me that there must be some other means to induce farmers to come forward and take part in this scheme of insurance. It may be that the provinces are a little nervous about extending the scheme beyond certain areas in which it seems certain there will be a good crop and not much paid out in the way of indemnity.

On the other hand, I read in the *Star Phoenix* of Saskatoon that 80,000 farmers out of a total of 93,924 farmers in Saskatchewan have signed up for hail insurance. If a farmer's crop gets hailed out he can depend on some compensation by way of insurance, depending on the premium he pays. It seems to me that this crop insurance scheme is not widely enough advertised. The farmers are not well enough informed about it.

I remember that in 1913 when the municipal hail insurance scheme was introduced in Saskatchewan by the United Grain Growers —that is the United Farmers—they stipulated that at least 25 municipalities must join the scheme before they would consider embarking upon it, for it was largely a co-operative plan. However, after the bill was passed in the legislature 115 municipalities decided to participate in the scheme. The plan was widely advertised. It was a grass-roots affair. The administrators of the hail insurance scheme were neighbouring farmers. It seems to me that if the present Government with the assistance of the provinces were to spend a

little time in advertising this scheme and in sending out pamphlets throughout the country it might get a larger clientele of farmers to take part.

I think the crop insurance plan is a well considered one. I offer as a suggestion that it might be advisable to draw up package policies.

In Saskatchewan hail is one of the big problems in the south but not so much in the north. The problem is that the premium rate in the northern part is 3 per cent, whereas where I live it is about 13 per cent and in some parts it can go as high as 16 per cent. There may be certain things that the farmers in the north find more damaging than hail, such as frost or overabundance of moisture. More farmers would take advantage of the scheme if they were able to insure for part of it rather than the whole scheme. For instance, more farmers in the south might insure their crops just against hail and perhaps grasshopper plague or something like that which could affect them more than frost.

Hon. Mr. Aseltine: What about rust?

Hon. Mr. Pearson: Yes, and rust. That is another point. It might be better to divide this up into package policies for different areas of the provinces.

I approve of the bill. I am pleased to see the amendments included and I hope that more farmers will be able to participate in this scheme.

Motion agreed to and bill read second time.

THIRD READING

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

Hon. Mr. Connolly (Ottawa West): Honourable senators, is there any desire on the part of anyone to have the bill go to a committee? If so, I have no objection whatsoever.

Hon. Mr. Brooks: No.

Hon. Mr. Connolly (Ottawa West): I move with leave, that the bill be read the third time now.

Motion agreed to and bill read third time and passed.

BUSINESS OF THE SENATE

Hon. Mr. Connolly (Ottawa West): Honourable senators, once again the importance of the crystal ball comes into focus. I understand that interim supply is about to be concluded in the other place. There is a possibility of our getting it before 9.30. There is also a possibility we could have royal assent tonight, in order not to delay the payment of various accounts that are due.

I suggest that we adjourn during pleasure now and reassemble at the call of the bell at 9.20. If we do not have the bill at that time, we will adjourn until tomorrow.

Hon. Mr. Brooks: If the honourable leader's crystal ball does not work this time, he had better dispose of it altogether.

Hon. Mr. Connolly (Ottawa West): I will get a new one.

The Senate adjourned during pleasure.

At 9.20 p.m. the sitting was resumed.

APPROPRIATION BILL NO. 7, 1966

FIRST READING

The Hon. the Acting Speaker informed the Senate that a message had been received from the House of Commons with Bill C-226, for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March 1967.

Bill read first time.

SECOND READING

Hon. John J. Connolly, with leave of the Senate, moved the second reading of the bill.

He said: Honourable senators, this is a bill for interim supply. Generally speaking, it provided four-twelfths of the main Estimates, or four months' supply which will carry us to October 31, 1966.

Hon. Mr. McCutcheon: Does that mean we will not resume sitting until October?

Hon. Mr. Connolly (Ottawa West): I hope so. I am batting off announcements as they occur to me, but I hope that is so.

We had supplementary Estimates before us earlier, and in respect of the Main Estimates we have already received three months' interim supply in two stages.

Now it is proposed that we will have, in respect of the main Estimates, a total of seven months' interim supply. In respect of the supplementary Estimates, this bill will request seven-twelfths of Supplementary Estimates (A) and seven-twelfths of Supplementary Estimates (B). This would put

both the main and the supplementary Estimates on the same footing, with the exception of those ten departments provided for in Appropriation Bill No. 6 which we dealt with earlier this evening.

As has been my custom in the past on interim supply, I have circulated two sheets of paper which I think will make perfectly clear our situation at this moment with respect to supply. I do not think it necessary to go into the detail I went into on Appropriation Bill No. 6 within the past hour. I would only remind honourable senators that the amount to be voted in the main Estimates is $4,907,982,911: the amount to be voted in Supplementary Estimates (A) is $332,441,791: and the amount to be voted in Supplementary Estimates (B) is $177,027,000, making a total of $5,417,451,702. I make no reference at this time to payments out of the Old Age Security fund. That is the general background, the requirements for voting for Parliament for Estimates, both main and supplementary.

May I deal now with the supply position at this time. Appropriation Act No. 3 granted two-twelfths generally of the main Estimates, plus certain additional amounts of others for expenditures to May 31, in the total amount of $870,275,281.

Appropriation Act No. 5—the second of the supplementary Estimates bills we considered—granted supply for one-twelfth generally of the main Estimates, plus certain percentages of other items, to provide for expenditures to June 30 in the amount of $450,944,478.01.

Earlier this evening we dealt with Appropriation Act No. 6, which granted full supply for the main Estimates for ten departments in the amount of $825,462,241.67.

The bill before us now, Appropriation Bill No. 7, as I said earlier, grants generally four months' supply for the main Estimates, with the exception of certain items; seven-twelfths generally of the Supplementary Estimates (A), plus certain additional proportions of ten special items; seven-twelfths generally of the Supplementary Estimates (B), plus a certain additional proportion of one special item—this in all to provide for expenditures to October 31, 1966, and the amount to be authorized by this bill is $1,662,982,791.92. The amount to be voted after this bill has passed will be $1,607,786,909.40.

Honourable senators, if I have consent, I shall be glad to place these two schedules upon *Hansard*, to clarify the position of supply up to this time.

The Hon. the Acting Speaker: Honourable senators, is it agreed?

Hon. Senators: Agreed.

(*The statements follow*)

ESTIMATES, 1966-67

(including Budgetary Expenditures and Loans,

excluding Old Age Security Payments)

		Of which	
	Total	Statutory	To be voted
Main Estimates	$ 8,283,224,878	$ 3,375,241,967	$ 4,907,982,911
Supplementary Estimates (A)	332,441,791		332,441,791
Supplementary Estimates (B)	177,027,000		177,027,000
	$ 8,792,693,669	$ 3,375,241,967	$ 5,417,451,702
(Payments from Old Age Security Fund	1,035,000,000		
	$ 9,827,693,669)		

SUPPLY, 1966-67

Appropriation Act No. 3, 1966:	
Two-twelfths generally of the Main Estimates plus additional proportions of 24 special items to provide for expenditures to May 31.	$ 870,275,281.00
Appropriation Act No. 5*, 1966:	
One-twelfth generally of the Main Estimates except for the one vote for which 11/12ths has already been granted plus additional proportions of 11 special items to provide for expenditures to June 30.	450,944,478.01
Appropriation Act No. 6, 1966:	
This bill granted full supply for the Main Estimates for 10 departments	825,462,241.67
This Bill (Appropriation Act No. 7, 1966):	
Four-twelfths generally of the balance of the Main Estimates except Finance Vote 15 for which a 3/12 proportion is hereby granted; and two votes for which no supply is granted plus additional proportions of 26 special items.	
Seven-twelfths generally of the Supplementary Estimates (A) plus additional proportions of 10 special items.	
Seven-twelfths generally of the Supplementary Estimates (B) plus additional proportion of 1 special item.	
To provide for expenditures to October 31	$ 1,662,982,791.92
	3,809,664,792.60
Balance of tabled Estimates yet to be voted	1,607,786,909.40
Total to be voted, 1966-67	$ 5,417,451,702.00

*Appropriation Act No. 4 covered the final Supps for 1965-66.

Hon. Mr. Connolly (Ottawa West): Honourable senators, may I draw your attention to the schedules to the bill you have before you—and I hope each of you has a copy, because we have made a special effort to make a copy available to each honourable senator.

Schedule A, based on the main Estimates, proposes to grant the amount of $4,299,333.33, which is four-twelfths of the total of the amounts of the items mentioned in the schedule in question.

Under the Dominion Bureau of Statistics a certain additional proportion is required to cover the cost of taking the census, which was to be completed by June 1, 1966.

Under the Department of Mines and Technical Surveys, in the geological research department, the completion of the Calgary Regional Building required certain extra payments to be made. It is anticipated that the building will be finished in October of this year, and that is why a small additional amount is required there.

There are certain advances to be made under the Department of Transport to the Nanaimo Harbour Commission for the extension of the boat harbour at Commercial Inlet, Nanaimo. This additional proportion is required to meet the terms of the agreement with the port authority.

Also there is a new general cargo marine terminal in Toronto harbour, and additional proportions are required to cover payments to the commissioners, as stipulated in the agreement with that authority. That is the explanation I have with respect to Schedule A.

Schedule B is based on the main Estimates and is in the amount of $1,902,250.00, which

is three-twelfths of the total of the several items in the schedule. There is an extra amount required to pay for a subsidy on eastern coal to enable Maritime thermal power plants to obtain coal at the same price as that paid by thermal power plants in central Canada. The additional proportions are required now due to a larger than normal carry-over of accounts for payment from 1965 to 1966.

Certain extra moneys are required for research and investigation on water resources under Vote 70 in the Estimates of the same department because of the activities which are concentrated in the summer months. The same applies to Vote 55 in Schedule C with respect to field activities in the summer months, and also to Vote 75 in respect of research and investigation on water resources and the construction and acquisition of buildings. Certain field parties are more active in the summer months than at other times, and that is why the additional amount is required over and above the four-twelfths generally asked for in this bill.

There is an extra amount asked for in connection with the Centennial Commission to provide for various Centennial programs of an historical, cultural or ceremonial character.

Hon. Mr. Isnor: What item is that?

Hon. Mr. Connolly (Ottawa West): Vote 40 in Schedule C. The total amount is $9,519,500.

Under the heading of "Loans, Investments and Advances" there is an item for the purchase of certain securities issued by the Canadian Corporation for the 1967 World Exhibition. This vote provides for the financing of the Canadian Government's share of the cost of the Exhibition through the purchase of the Corporation's bonds. The purchase of larger amounts of securities must be made in order to cover construction costs which happen to be particularly heavy at this time of the year.

An additional amount is required by the St. Lawrence Seaway Authority in connection with the twinning of the Welland Canal. The extra money is required to cover the amount outstanding for the purchase of additional lands in connection with this project.

Hon. Mr. Isnor: Will that be charged to the St. Lawrence Seaway Authority?

Hon. Mr. Connolly (Ottawa West): Yes. It is a loan granted to the Authority by the federal financial authority.

I come now, honourable senators, to Schedule D, the total amount of which is $16,293,229.17, which is one-twelfth of the total of the amounts of the several items in the schedule. The two items under the Department of Agriculture deal particularly with peak activities on research projects, land rehabilitation, irrigation and water storage projects during the summer months. It is at this time of the year that greater than normal bills are accumulated, and for this reason the extra amount is requested.

In the Department of Fisheries an additional amount is required for a capital project, namely, the completion of a large fisheries patrol vessel, as well as various construction projects on the east coast of Canada.

In the Department of Justice the additional amount is required for the administration of the office of the Superintendent of Bankruptcy, the Supreme Court of Canada, the Statute Revision Commission, and the Exchequer Court of Canada, and more especially to pay recoverable advances in connection with the administration of justice in the Yukon and the Northwest Territories.

In Schedule D, in the Department of Mines and Technical Surveys, there are five items, Votes 20, 25, 35, 45 and 60, which deal with surveys and research, and mining and metallurgical investigations and research, which work is more intense during the summertime because of the climatic conditions under which the field parties have to operate.

These five votes provide for non-capital expenditures. As I have stated, they deal mainly with the costs involved having to do with field parties at work during the summer.

Item 80 of Schedule D deals with the construction of dams and other works to assist in the conservation and control of water resources. The extra amount is required for certain provincial projects, namely, river channel improvements in the Upper Thames River in Ontario, the metro-Toronto region system of dams, reservoirs and channels, the greater Winnipeg floodway, and the north and west Vancouver flood control program.

Next, there are two items under Mines and Technical Surveys, one dealing with the polar continental shelf project, the other with the National Film Board, which projects again are more intensive in the summer months than at other times of the year and for that reason extra amounts are requested.

Hon. Mr. Hugessen: What is the polar continental shelf?

Hon. Mr. Connolly (Ottawa West): It is the continental shelf to the north of Canada beyond the mainland, and perhaps even beyond the islands there.

Under the Department of Northern Affairs and National Resources, again the maintenance and operation of the parks and historic sites, the wild life service, National Battlefields Commission—that work is more intensive during the summer months, and for that reason a slightly larger proportion than four-twelfths is required.

In the Department of Transport, likewise, an additional proportion is required due to the concentration of northern operations in the summer months in connection with the St. Lawrence and Saguenay Rivers ship channels and coastguard work. Again, as also in operations in the far north, these operations are intensified during the summer months and therefore extra percentages are required.

In Schedule E the amount involved is $5,709,522.67, and this is four-twelfths of the total amount of the items in the schedule.

In the agricultural lime assistance program under item 35a of the Department of Agriculture, payments are made to the provinces or to the farmers directly, and the bulk of this vote is for crop losses during the year ending March 31 last. I am informed that almost all of the claims have been filed and the extra percentage would be necessary to settle.

In the Department of Defence Production there is an extra amount requested in connection with the Emergency Measures Organization for the carrying out of a survey of large buildings for fallout protection in the event of atomic explosions. I understand that this work is done more intensively during the summer months.

May I draw to the attention of honourable senators the items under the Department of National Defence for contribution to the Government of Manitoba in connection with the costs relating to the flooding of the Red River in 1966. Here again there is a cost-sharing arrangement to be determined by Canada in consultation with Manitoba. The bulk of this vote will be required before October 31 next.

For the Department of Mines and Technical Surveys there is an additional amount required for the construction of a western regional office building in Calgary. It is expected that the building will be completed in October.

Under the Department of Transport the Saskatchewan wheat elevator was relocated, and $250,000 was granted for this purpose and will be required shortly because the relocation has been completed and all of the claims received.

Again, under the Department of Transport there are certain moneys required for widening McKay Pier and filling and grading the Expo parking lot, and other projects. This work is expected to be completed within a month, and that extra percentage would be required before October 31 next.

Schedule F deals with Supplementary Estimates A which are before the Finance Committee and would authorize additional proportions in the amount of $8,459,333.33. This amount is two-twelfths of the items in the schedule. The first of these, under the Department of Finance, arises from the fact that there have been revisions in several classes of the Public Service since the main Estimates were prepared: group A, interim and final; group D, interim; and group B, interim. Group B final revisions will be dealt with during the period for which supply is being asked now and therefore the extra amount will be required.

In the Department of Mines and Technical Surveys there are research and investigation on water resource matters which will require additional payments to be made before October 31. One of these votes provides for the purchase of capital items for the Water Research Branch as well as the construction or reconstruction of gauge stations and the planning and procurements of sites for several new buildings for research.

Under the consolidation of the National Research Council there are items for scholarships for research at Canadian universities. Most of these payments are required to be made early in the academic year, before October 31, and for that reason the additional amount is asked.

May I direct the Senate's attention now to Schedule G in the amount of $966,666.67 which is one-twelfth of the items in the schedule. These are loans, investments and advances in the Department of Mines and Technical Surveys to provide assistance on a loan basis to the Atlantic provinces for the production of power for industrial purposes. This assistance, which will be repaid over a 30- or 40-year period, is for thermal power

projects, electrical transmission lines or thermal stations. There has been a carryover of accounts for the previous year.

Hon. Mr. Isnor: Is that to be charged up to publicly-owned utilities in those provinces?

Hon. Mr. Connolly (Ottawa West): Yes. The last of the schedules is Schedule H, which grants $50 million, being four-twelfths of the amount of the items. It would permit the Minister of Finance to acquire securities issued by the International Bank for Reconstruction and Development and would allow the Government also to have some flexibility in connection with the loan requirements over the next four months.

Honourable senators, may I direct your attention respectfully to the bill itself. I need not go into detail on section 2, as I have given already the particulars of all of the schedules referred to. The amount authorized by the act to be paid in respect of any item may be paid or applied only in respect of the matters specified in this item. Where a commitment is to be entered into, that commitment may be entered into only in accordance with the terms of the item, if the Comptroller of the Treasury certifies that it does not exceed the total amount of the commitment authorized in the item.

Under section 5, the Governor in Council is authorized to raise loans up to $750 million. Authority has been granted so far to raise loans in the amount of $1 billion. This addition of $750 million will bring the borrowing authority into line with the level of borrowing authority in the years 1964-65 and 1965-66, and it is lower than any of the other years back to 1960-61, when it was $1,500,000,000.

Honourable senators, this is a bill of interim supply. The items are open. Any one of them may be discussed in the Committee on Finance. Since it is generally supplying four months requirements up to October 31, 1966, I commend it to the Senate for approval.

Hon. M. Wallace McCutcheon: Honourable senators, I am sure we are all very grateful to the Leader of the Senate (Hon. Mr. Connolly Ottawa West) for the detailed explanation which he has given to us with respect to Bill C-226. As he said, this is a bill for interim supply and it is in the usual form.

I think, generally speaking, all honourable senators would agree that with our Finance Committee operating as it is, and with senators free to call for any matters which they wish to be brought before that committee, it would be a work of supererogation to attempt to go through the Estimates item by item this evening or even to ask questions about them. With all due respect to the leader, I suspect we might get better or quicker answers in the Standing Committee on Finance.

Hon. Mr. Connolly (Ottawa West): Both better and quicker.

Hon. Mr. McCutcheon: Let us say quicker—I will settle for quicker.

As all honourable senators know, an occasion like this is an opportunity to make a speech on any matter at all. As I left Toronto this afternoon I had two speeches in my pocket, and at one time I thought I might deliver both. I thought I might make a speech about foreign affairs, particularly about events in Southeast Asia, and discuss the position of a government which has no position, of a government which takes no posture but which repeatedly congratulates itself on the contribution it is making to world peace, although some of us whose vision may not be that of the Secretary of State for External Affairs are unable to see just what that contribution is. However, I decided there would be another occasion on which I could make that speech, and I am not going to burden honourable senators with it this evening.

I was very interested to see that by and large we are being asked to pass four months' interim supply. The Leader of the Government in the Senate, in answer to my interjection, stated he hoped that when we recess—if and when we do—we would not be returning until October. Then I thought about the other speech I had ready to deliver, and I must confess I am not quite as optimistic as the Leader of the Government. I say this because this other speech—and I may get a chance to deliver it during discussion of a bill which we expect to receive before the end of this week—refers to labour matters and the general ineptness of this Government in the field of management-labour relations. It deals with the failure of the Government to distinguish between collective bargaining and capitulation, and to its taking a position which has resulted in the termination of negotiations with the railway unions at a point when they were about to be settled on a basis satisfactory both to labour and to the company. I greatly fear, unless of course the Government capitulates completely and sacrifices the economy of the country even more, that we shall probably be back here in

August or early September to deal with this question.

However, you will be delighted to know that I merely mention these speeches to indicate that I intend to deal with these matters at greater length on what may be a more appropriate occasion than at a quarter to ten this evening.

With those words I indicate that we have no objection to this bill being passed.

Motion agreed to and bill read second time.

THIRD READING

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

Hon. Mr. Connolly (Ottawa West): Honourable senators, with leave of the Senate, I move that the bill be read the third time now.

Motion agreed to and bill read third time and passed.

ROYAL ASSENT

NOTICE

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

GOVERNMENT HOUSE
Ottawa

11th July, 1966.

Sir,

I have the honour to inform you that the Hon. Emmett M. Hall, Puisne Judge of the Supreme Court of Canada, acting as Deputy to His Excellency the Governor General, will proceed to the Senate Chamber today, the 11th July, at 9.45 p.m., for the purpose of giving Royal Assent to certain bills.

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

The Honourable
The Speaker of the Senate.

STATUTE LAW (SUPERANNUATION) AMENDMENT BILL, 1966

BILL TO AMEND—CONCURRENCE BY COMMONS IN SENATE AMENDMENT

The Hon. the Acting Speaker informed the Senate that a message had been received from the House of Commons acquainting the Senate that they had agreed to the amendment made by the Senate to Bill C-193, to amend the Public Service Superannuation Act, the Canadian Forces Superannuation Act, the Defence Services Pension Continuation Act, the Royal Canadian Mounted Police Superannuation Act, the Diplomatic Service (Special) Superannuation Act, the Intercolonial and Prince Edward Island Railways Employees' Provident Fund Act and the Canadian Corporation for the 1967 World Exhibition Act, without any amendment.

The Senate adjourned during pleasure.

ROYAL ASSENT

The Honourable Emmett M. Hall, Deputy of His Excellency the Governor General, having come and being seated at the foot of the Throne, and the House of Commons having been summoned and being come with their Speaker, the Honourable the Deputy of His Excellency the Governor General was pleased to give Royal Assent to the following bills:

An Act respecting Canadian Pacific Railway Company.

An Act respecting Canadian Pacific Railway Company.

An Act to amend the Canada Student Loans Act.

An Act to amend the Excise Tax Act.

An Act to amend the Customs Tariff.

An Act to ament the Bankruptcy Act.

An Act to provide for the establishment of a fund for the economic and social development of special rural development areas.

An Act to provide for the establishment of The Company of Young Canadians.

An Act to provide for the establishment of a Dairy Commission for Canada.

An Act to provide for the establishment of a Health Resources Fund to assist provinces in the acquisition, construction and renovation of health training facilities and research institutions.

An Act to amend the Atlantic Development Board Act.

An Act respecting the construction by Canadian National Railway Company of a line of railway in the Province of Manitoba from the vicinity of Stall Lake on the Chisel Lake Subdivision of

Canadian National Railways in a northeasterly direction for a distance of approximately 12 miles to a point in the vicinity of Osborne Lake in The Pas Mining District of that Province, and of a line of railway in the Province of Saskatchewan from the vicinity of Watrous on the Watrous Subdivision of the said Railways in a northeasterly direction for a distance of approximately 18 miles to a point in the vicinity of Guernsey in the Regina Mining District of that Province.

An Act to authorize the Minister of Finance to transfer to the Provinces a proportion of the income tax payable by certain public utility companies.

An Act to amend the Exchequer Court Act.

An Act to incorporate Canadian Board of Missions of the Church of God (General Offices: Anderson, Indiana).

An Act to incorporate The International Society of Endocrinology.

An Act to incorporate Mennonite Central Committee (Canada).

An Act respecting United Baptist Woman's Missionary Union of the Maritime Provinces.

An Act to incorporate Lutheran Church in America—Canada Section.

An Act to amend the Crop Insurance Act.

An Act to amend the Public Service Superannuation Act, the Canadian Forces Superannuation Act, the Defence Services Pension Continuation Act, the Royal Canadian Mounted Police Superannuation Act, the Diplomatic Service (Special) Superannuation Act, the Intercolonial and Prince Edward Island Railways Employees' Provident Fund Act and the Canadian Corporation for the 1967 World Exhibition Act.

The Honourable Lucien Lamoureux, Speaker of the House of Commons, then addressed the Honourable the Deputy of His Excellency the Governor General as follows:

May it please Your Honour:

The Commons of Canada have voted certain supplies required to enable the Government to defray the expenses of the public service.

In the name of the Commons, I present to Your Honour the following bills:

An Act for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1967.

An Act for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1967.

To which bills I humbly request Your Honour's assent.

The Honourable the Deputy of His Excellency the Governor General was pleased to give the Royal Assent to the said bills.

The House of Commons withdrew.

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

The sitting of the Senate was resumed.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Tuesday, July 12, 1966

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

Prayers.

NEW SENATOR

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

J. G. Leopold Langlois, Esquire

has been summoned to the Senate.

NEW SENATOR INTRODUCED

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

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

Hon. J. G. Leopold Langlois, of Quebec City, Quebec, introduced between Hon. Mr. Connolly (Ottawa West) and Hon. Mr. Bourget.

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

DOCUMENTS TABLED

Hon. John J. Connolly tabled:

White Paper on Broadcasting, 1966. (English and French texts).

Report of Canadian Overseas Telecommunication Corporation, including its Accounts and Financial Statements certified by the Auditor General, for the fiscal year ended March 31, 1966, pursuant to sections 22 and 23(1) of the Canadian Overseas Telecommunication Act, chapter 42, and sections 85(3) and 87(3) of the Financial Administration Act, chapter 116, R.S.C., 1952. (English and French texts).

CANADA ASSISTANCE PLAN BILL

AUTHORITY TO PRINT COMMITTEE PROCEEDINGS

Hon. Salter A. Hayden, Chairman of the Standing Committee on Banking and Commerce, presented the following report of the committee on Bill C-207, to authorize the making of contributions by Canada towards the cost of programs for the provision of assistance and welfare services to and in respect of persons in need:

> Your committee recommends that authority be granted for the printing of 800 copies in English and 300 copies in French of its proceedings on the said bill.

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

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

Report adopted.

REPORT OF COMMITTEE

Hon. Mr. Hayden, Chairman of the Standing Committee on Banking and Commerce, reported that the committee had considered Bill C-207, to authorize the making of contributions by Canada towards the cost of programs for the provision of assistance and welfare services to and in respect of persons in need, and had directed that the bill be reported without amendment.

THIRD READING

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

Hon. John J. Connolly: Honourable senators, with leave of the Senate, I move that this bill be read the third time now.

Hon. David A. Croll: Honourable senators, before this bill receives third reading I should like to make a few observations with respect to it and to indicate that in my opinion it is a long step forward. I consider it a welcome bill indeed. For the first time we shall have a single comprehensive system of public assistance. To one who has been associated with public assistance since the days of the depth of the depression in the middle thirties, such a bill as this is what dreams are made of.

This bill helps people to help themselves, and will prevent another generation from going through what previous generations

have suffered. I have seen four generations on public welfare in this country, and that is four generations too many. This bill has the possibilities of correcting that condition.

The measure recognizes a vitally important fact, namely, that money is not the complete answer to all our economic and social problems, that there is a need for education, for mental health facilities, job training, economic counselling, and other matters that have been discussed here and in committee. Moreover, the approach is such that I think it will help to break the sense of isolation, the demoralization and the feeling of hopelessness and strangulation that has plagued welfare recipients for so many days.

One of the things that troubles all of us is the means test, the needs test and the income test that came from the Senate Aging Committee.

Hon. Mr. McCutcheon: Which of course still continue under the bill.

Hon. Mr. Croll: The means test, as Senator O'Leary said, is a hangover from the Elizabethan era, but we have lived with it far too long. Now we have a needs test instead. It is an improvement; it has something about it that is really worth while, because for the first time in the history of this country we look at the totality of the family and what are its needs and how we are to meet those needs. In that respect it has much to commend it.

Of course the bill could have gone a step further and accepted the easy, handy, efficient and less costly income test, as was recommended by the Senate Committee on Aging. I presume that will come a little later after the Government has had an opportunity to weigh the wisdom of the Senate of Canada. This measure does provide a sound basis for a progressive approach to public assistance, and for the first time it gives leadership in the social welfare field which has been too long neglected. It is bold in this respect, that it guarantees to Canadians in need, as of right, a modest but adequate income. This is being done for the first time as a matter of right by virtue of the fact that the person affected is a member of a Canadian community. In addition to that, it accepts responsibility for all needs.

Hon. Mr. McCutcheon: If the provinces decide to do that.

Hon. Mr. Croll: I am sure that the various provinces are as anxious to enter into an agreement as is the federal Government itself. As a matter of fact, three provinces have a plan like this one, or at least have been working on it for some time. The Province of Alberta, to my knowledge, has had it in effect for a period of two or three years. Manitoba is nibbling at it, and Saskatchewan has had a piece of it here and there. All of the provinces have been trying to meet the needs of the people. To that extent they have had some valuable experience.

In addition, the plan has flexibility. It is able to deal with many things that cannot now be foreseen. Of course the plan has some disadvantages too, and we might as well face up to them because it will give us an opportunity to correct them in the days ahead. In cases where a provincial government is stingy or has not the funds, the recipient can be worse off because in these matching grants the have-not government is at a great disadvantage. There is a lack of uniformity. Under the Old Age Security everybody in Canada received a fixed number of dollars. Under the family allowances they received a fixed number of dollars. That seems to be the fair way to handle the situation. However, under this measure there may be a disparity between welfare benefits in the "have" province as against welfare benefits in the "have-not" province. This condition may grow, and it is something we will have to examine from time to time.

I am not going to argue the means test, although there is a little of it still available under the categorical projects. The objection has always been that a man resents the fact that he has to prove he is a pauper. It is tough enough to be poor without having to prove it. We should be thankful that we have finally got away from it, at least in the concept in which it began. It will disappear before long and we will evolve a new scheme to meet the needs.

I said there were disparities between the "have" provinces and the "have-not" provinces. This matter should concern the Senate very much.

You will remember when we were discussing winter works that money was available on a matching basis, and Ontario and Quebec walked away with the lion's share, as they could match whatever the dominion would make available.

You will remember also the retraining bill we had before us. If you take note of the figures placed on record in committee, you will see that there too Ontario and Quebec walked off with the lion's share of the money. They could take advantage of the scheme, while some of the other provinces, whose need was great, could not do so as they did not have the money.

On the other hand, in the Health Resources Bill, you will have noted that for the Atlantic provinces a special grant of $25 million was set aside over and above what would come to them normally. That seems to me to be meeting the situation, at least in some respects.

I had hoped that the basis of contribution would be on a per capita basis, plus the previous experience of four or five years, that is, plus the amount they traditionally spend for public welfare, and that the federal Government would come in and contribute whatever else was necessary to keep an equal standard or at least keep the base across the country.

One of the shortcomings of the bill is the lack of an adequate minimum standard, the failure to say that a certain amount must be provided. We had a thorough discussion about the needs test with Alberta when we were in the Committee on Aging. I think what they were paying out averaged roughly $90 or $95 per person. The cost of housing made a great deal of difference in the province; it was a great variable. I do not wish to be taken as saying that this bill is in any way inadequate, because I started off by saying it was a long step forward.

Hon. Mr. Choquette: There is no danger of your ever doing that.

Hon. Mr. Croll: I am delighted that my friend recognizes that.

Hon. Mr. Choquette: But you put the finishing touch to it. It is always a better bill when you are through with it.

Hon. Mr. Croll: I have taken a fair look at this bill, thinking about it, looking at its good points and its bad points.

Hon. Mr. Fournier (De Lanaudière): What was the question? I did not get the question.

Hon. Mr. Choquette: I did not ask one.

Hon. Mr. Croll: He said I was a loyal Liberal.

Hon. Mr. Fournier (De Lanaudière): That is what I am, too.

Hon. Mr. Walker: When it comes to voting it never fails.

Hon. Mr. Croll: I think you are right.

Much has been said on the bill, and many contributions were made yesterday. We went over the bill this morning in committee and it was adequately explained by the minister, who seemed to have an answer for each question and a complete grasp of the situation.

I am not going to deal with some of the matters raised yesterday in connection with the cost of welfare. Although it is interesting to note that we do not lead the world in percentages of expenditure for welfare services, we are in the top six. I must say I am very proud of that record. I tried to get confirmation of the population of Canada about the turn of the century. As most of us know, it was then about five million. In 1931 it was about 10 million, and our gross national product at that time was $27 billion. The latest figures I have indicate that it is now $54 billion and our population is nearly 20 million. That is a considerable change for the good.

It is of interest to note that government expenditures on health and social welfare as a percentage of the gross national product in 1962-63 for various countries was as follows:

New Zealand	12.1
United Kingdom	10.5
Canada	9.4
Australia	8.2
United States	7.00

Hon. Mr. Grosart: Is that for the federal Government only or for all governments in Canada?

Hon. Mr. Croll: I think it is the federal Government only, but I am not certain.

Hon. Mr. Grosart: If that is so Canada will be away ahead of everybody else because the levels for the provincial governments are also very high.

Hon. Mr. Croll: The others would probably have the same situation.

Hon. Mr. Walker: Not England and not New Zealand.

Hon. Mr. Croll: It may be all governments. It says here "Government Expenditure on Health and Social Welfare as Per Cent of Gross National Product at Market Prices, Selected Countries, 1958-59 to 1962-63." The

comparison was made between various countries, so I would imagine that all governments must have been included.

Hon. Mr. Fournier (De Lanaudière): What is the source of the information?

Hon. Mr. Croll: The Canadian Department of National Health and Welfare, Social Security Expenses, January 1965. That is the source of my figures. They come from the Department of National Health and Welfare.

Hon. Mr. Fournier (De Lanaudière): I suppose that is for Canada.

Hon. Mr. Croll: In comparison with other countries.

Hon. Mr. Prowse: What was the gross figure for Canada for the last year?

Hon. Mr. Croll: In 1963 it was 9.4 per cent of the gross national product.

I have some other figures here which are also interesting. The percentage of social security expenditures for old age benefits and survival benefits in five selected countries, including Canada, are as follows:

United States	36.1
United Kingdom	35.1
New Zealand	31.1
Australia	29.1
Canada	22.00

As honourable senators will see, the United States is the highest, the United Kingdom is second and New Zealand is third.

On family allowances New Zealand is first with the following percentages:

New Zealand	21.5
Canada	13.7
Australia	10.5
United Kingdom	5.00

In unemployment benefits we are at the top of the list with the following percentages:

Canada	14.9
United States	8.5
United Kingdom	3.4
Australia	1.7
New Zealand	00.1

For disability benefits the percentage table is as follows:

United Kingdom	6.9
United States	5.5
Australia	4.9
New Zealand	2.2
Canada	1.2

Hon. Mr. Brooks: Might I ask the honourable senator whether in the instance in which Canada is leading, the figure indicates that we had more unemployment in this country than in other countries?

Hon. Mr. Croll: No. It indicates we have paid better benefits.

Hon. Mr. Brooks: If you had no unemployment you would not be paying benefits.

Hon. Mr. Croll: We on this side of the house are very proud, as is everybody I am sure, that we have the lowest unemployment figure in this country for almost a generation. It is down to 2.9 per cent, or perhaps 3 per cent, which is considered full employment for all practical purposes. In fact we are having trouble living with this situation. For years we have been accustomed to struggling with the problem of unemployment, and now that we have that problem solved we find ourselves faced with other difficulties as a result.

Hon. Mr. Brooks: The comparison is with other countries.

Hon. Mr. Croll: Yes. But when I spoke of unemployement benefits you suggested we would not have to pay them if we did not have unemployment. I am saying now that we have minimal unemployment at the present time. However, comparisons are not always good. I thought those figures would be useful.

Hon. Mr. Fournier (De Lanaudière): I could not follow the honourable senator in all his figures. May I ask him to repeat the figures he gave, with a word of explanation so that we will understand them.

Hon. Mr. Croll: Senator, you will forgive me if I take your question under advisement for the moment. Let me say that this legislation is what those of us who are aware of the situation and have been connected with the social welfare field refer to as foot-in-the-door legislation. From now on the only thing that can happen to this legislation is that it will be improved upon from year to year to the point where we will be able to deal with people such as the disabled, the chronically ill, the blind, the unemployable on a basis of a modest but adequate income, by way of guaranteed annual income, and thus relieve their families of the responsibility for their support, and they in turn can go out and try

to make their own way in the world. In this way we are not in the position of perpetuating "reliefism."

This bill has great possibilities, and for that reason I was anxious to discuss it further and associate myself with it.

Motion agreed to and bill read third time and passed.

CONSERVATION OF WATER RESOURCES

DEBATE CONTINUED

The Senate resumed from Tuesday, June 14, the adjourned debate on the inquiry of the honourable Senator Gershaw, calling the attention of the Senate to the need for conserving Canada's water resources.

Hon. Donald Cameron: Honourable senators, when my colleague Senator Gershaw introduced this subject some few weeks ago I hoped we might have a full debate on it. Then when my colleague from Saskatchewan continued to debate the subject I thought we were well on the way to having such a discussion. However, as the session progressed there seemed to be a feeling that we might hold this over until the fall and then continue a full-fledged debate.

I went out to my western office last week and took with me some of the notes I intended to use, because we were in the process of organizing a western regional conference on water resources. Consequently, when the Leader of the Government came to me this afternoon and said it would be helpful if I would resume the debate today I had not realized some notes I was looking for were now safely ensconced in Banff, which is a very pleasant place to be—I understand that it is 56 degrees there today instead of the 90 degrees we are experiencing here. I turned in this morning some reference material I had had from the library, and I rushed down to see if I could get it back, only to find that my colleague Senator O'Leary (Carleton) had just got it, and I would not think of trying to extract it from him on very short notice. However, I think it important we spend some time discussing this very important topic.

I want to emphasize that this is probably the largest and most costly economic problem that Canada must face in the next ten to 20 years. It is a complex problem because it involves all levels of Government, federal, provincial and municipal. It involves constitutional aspects which are at once difficult and complicated, and will call for a great deal of co-operation and understanding between governments. It involves industry in a very large and costly way, and decisions must be made soon as to how the costs of pollution control are to be apportioned.

I am sure you are all aware that the National Council of Resources Ministers will be meeting in Montreal at the end of October and will be discussing this very problem, so a start has been made on studying the matter. It involves health and recreation on an enormous scale, and that this can be a highly charged emotional issue we have seen illustrated by the appalling lengths of distortion and misrepresentation to which certain wildlife associations, the Audubon Societies and other self-appointed groups went last winter in defeating Canada's bid for the 1972 Olympic Games to be held in Banff, on the flimsy excuse that the clearing out of a few ski runs would indefinitely damage water conservation, the prospects of the national parks, the wildlife potential of the national parks, and so on. They even went so far as to cable our representatives on the International Olympic Committee meeting in Rome. I simply cite this as an illustration of how excited and emotional people can become over this particular issue. It involves people on a massive scale, because in the age of electronics and shorter hours, leisure-time recreation will call for a massive re-organization of our whole concept of education for leisure.

The foregoing are just a few of the issues on which we will have to arrive at some major decisions in the very near future.

Above all, we should understand that we must have a national water policy, and I suggest that the Parliament of Canada should at the earliest opportunity take the necessary steps, in co-operation with the provinces, to set up a federal-provincial water resources board. Such a board would involve enabling legislation by both federal and provincial governments. It should be a board of experts representing every phase of the life of the nation—agriculture, business and industry, health and education, and government. It should be set up after the pattern of the Economic Council with the same resources of expertise and study. The National Council of Resource Ministers, to which I

referred a moment ago, marks a beginning in this area, but we need to go much further than they are able to go.

In digging into this subject I was reminded that in the late twenties, when I was a student taking geology at the University of Alberta under a very distinguished geologist, Dr. Ralph Rutherford, he said at that time, which was 37 years ago, that water conservation was the single most serious problem Canada would have to face in the years to come. He referred to the very serious lowering of the water table from one end of the country to the other. As evidence of that he referred specifically to the Peace River country at that time; but now every time we have a dry spell in Ontario the wells in the Ottawa Valley go dry. It is just one more piece of evidence of the fact that the water table is going down literally before our eyes.

To the westerner, who has seen the tumbleweed and wild mustard in Alberta, Saskatchewan and British Columbia, three inches of rain is the biggest fact of life, and what we do with that moisture, how we conserve it, is the most important issue in that country, because three inches of rain spells the difference between 40 bushels of wheat to the acre and 5 or 6 bushels. It spells the difference between fat cattle on the range lands and thin, scrawny cattle getting a bare living on Russian thistle. So, we in the west are particularly concerned with the matter of water conservation.

As evidence of what water conservation and control can do I would refer to the Lethbridge Northern Irrigation District as one of the pioneer schemes. This whole area of southern Alberta between Lethbridge and Medicine Hat in the twenties was almost a desert, and we had an exodus of people which was one of the saddest sights in this country. When that irrigation district was put on a sound economic basis the country began to prosper and develop. One can go around the area of Raymond, Taber and Lethbridge in the fall and see that it is literally a land of milk and honey, a very productive land, with many healthy and prosperous communities.

Also one can go down, as some honourable senators may have done, to the Grande Coulee Dam. I remember that in the thirties we used to drive across a desert from Spokane to Seattle, and we had to take extra water for the car because if the radiator boiled dry there was no place at which to get water. That whole area of the Grande Coulee in Washington was literally a desert. After the dam was built irrigation was started and the whole country blossomed like a rose, and it is now one of the most productive agricultural areas of the United States. That area has gone from a desert to a garden in ten years.

I spent some time in Arizona in the winter of 1954-55, and I was interested to find that that small state of some three and a half million people had spent $36 million in making concrete runways for their irrigation canals, and putting concrete covers over the canals so that they would not lose as much water by evaporation. Those who have heard the story of the wetbacks crossing the Rio Grande to get into the United States find it rather amusing to see the Rio Grande today. When I was there, there was not enough water at El Paso to wet your feet, let alone wet your back. What rivers there are in that part of the country are empty. The water is in the irrigation canals and is being radically conserved.

If honourable senators were to drive from Calgary to New Orleans, a distance of 2,700 miles, as I have done on more than one occasion, they will find that 2,200 of those 2,700 miles is mostly desert land. A tremendous proportion of the American country is dry.

There was some criticism a few years ago when the Government of the day initiated the South Saskatchewan Dam project. I was one of those who supported it from the very beginning. While it is a costly project, it is something that will pay for itself ten times over in the years to come. It will completely convert the life of that country from an unstable, one-shot economy to a healthy diversified and prosperous economy. If you go into my own Province of Alberta and visit the Milk River Dam you will see the same results.

People are concerned today about the proper use and conservation of this resource, and it is high time. Programs like the P.F.R.A. in modest form have changed the basic livelihood of dry area communities. The Special Areas Board, which operated in some areas of Alberta south of Hanna in the twenties, made a start with these first dams. People dammed up coulees and runways in order to grow feed. That was the start of the P.F.R.A. program, although it had no such name at

that time. That modest experiment through the drought of 1925 changed the stability of that country, and gave some prosperity to the people who lived there.

We have also in the west the Eastern Rockies Water Conservation Board which is designed to protect these sources of the great rivers of the western plains.

Again, if honourable senators look over the international scene they will observe that many international quarrels are over water and water conservation. In India and Pakistan the tension started or was aggravated by the control of the Indus River. I have flown over that country from the source of the Indus to see what has happened. This river literally disappears into the sands of the desert as it goes along. The India-Pakistan conflict, while embracing other issues, is one illustration of tension over the use of water. All honourable senators are familiar with the battles between Israel and Egypt over the Nile River and the irrigation of the Negev Desert. There is the same situation between Sudan and her neighbours.

Wherever you go today you will find tremendous water conservation projects, and tremendous tree planting projects to prevent runoff and soil erosion. I was in China a few weeks ago and I travelled 2,100 miles from the Chinese border to away beyond Peking, and I saw the most massive reforestation program I have ever seen anywhere in the world. People were carrying water up the mountains by hand to feed the shrubs because they have not our system of mobile pumping stations which make it possible to irrigate above the dams. In other words, water is one of the greatest and most controversial resources we have to deal with in the world today.

In the last few years we have been hearing of one of the most spectacular programs in the way of expenditure of public funds that has ever been heard of. I refer to The North American Water and Power Alliance, a scheme which if implemented will call for an expenditure of $150 billion, and one that is mainly concerned with our water. This is something that we have to keep in mind, and I intend to say more about it at another time.

We were all rather sad to learn yesterday that a man who has had a tremendous amount to do with conserving Canada's water supplies, the late General A. G. L. McNaughton, died. He was a man who made a tremendous contribution in the conservation of Canada's rights, particularly in the field of water resources. Just one month ago at the Learned Societies' meetings in Sherbrooke, General McNaughton and Senator Moss from Idaho read papers on this project. If time permitted I would have liked to quote something from those papers, but I do not propose to do so this afternoon. Great interest was shown in the two sides of this issue of what to do with Canada's resources, and how they might be developed. The fear that Canadian resources might be exploited with disastrous results for Canada was discussed in some detail by these two men at that particular conference.

Hon. Mr. Connolly (Ottawa): If the honourable senator does not mind an interruption at this point, I wonder if he would indicate whether those papers are published, and if so where they can be found.

Hon. Mr. Cameron: They will be published in the proceedings of the Learned Societies. Fairly good summaries of them appeared in the *Financial Post* of June 18, and a preview of them appeared in the Montreal *Star* of June 8. As I say, I should like to leave a more detailed discussion of this tremendous project to a later time, because it has great implications not only for western Canada but for all of Canada. Many Americans today are talking very seriously about this tremendously imaginative project that will cost $150 billion and which would completely change not only the economy of the American west and southwest but even the situation in the Great Lakes, and have a tremendous effect on our Canadian Rocky Mountain Trench area as well.

A friend of mine, who is the President of the Alberta Society of Professional Engineers, wrote a letter to the Prime Minister and some other people not long ago, from which I should like to quote in part. It is a letter written by John F. McDougall of Edmonton, and it reads in part:

> This country of ours is richly endowed with natural resources such as petroleum, natural gas, coal, metallic minerals, forests, fisheries and fertile soil; but the most abundant and valuable resource of all is water. Water is the one ingredient common and essential to every industry and every manufacturing process.
>
> In spite of water shortages in localized areas there are many persons to whom

> Canada appears to have an inexhaustable supply or even an overabundance of this all important gift of nature. But we need only look at our great neighbour to the south to see how quickly a water deficiency can be created through extravagance, waste and pollution.
>
> And now the United States is casting covetous eyes on Canada's water supply as the easiest and cheapest way of making up the water shortage it faces because of mismanagement and inadequate planning in the use of its own waters. Powerful forces in the United States have embarked upon a campaign aimed at bamboozling Canada out of its water resources and are issuing misleading and erroneous statements to the effect that Canada has a surplus of water in its northern territories, because the full potential of these waters is not being used at the present time.

Remember, I am reading from this engineer's letter—these are not my words.

> Would-be plunderers blatantly refer to water as a continental resource and dream up grandiose schemes such as the so-called North American Water and Power Alliance, commonly known as NAWAPA. Both inside and outside Canada much credence is given to the fact that water is a self-renewing resource and that the world stock is constant. The truth of the matter is that through man's own abuses and neglect the world supply of clean, sweet water is dwindling at an alarming pace.
>
> False analogies are drawn between the export of water and the export of other resources. With the sole exception of water, science has produced or can produce substitutes. For water there is no substitute; but for dirty water there is a cure.
>
> The following comments are taken from an article appearing in the May 1966 issue of *The Atlantic* under the title "Death of the Sweet Waters", the author being Donald E. Carr, a veteran research chemist in the United States.
>
> "...NAWAPA is by far the biggest public works project ever considered. However, it contains internal defects that should oblige us to reflect on our whole continental philosophy of water. NAWAPA would double our irrigation water supply, but do we want more irrigated land? It would create a 'Northwest Passage', but what good is that? It would give Mexico the equivalent of an Aswan Dam, but are we in the business of growing Mexican cotton? It would make the Great Lakes deeper, but is that a good way to solve the sickening pollution of Lake Erie and Lake Michigan?
>
> In a sense, NAWAPA is an agricultural pork barrel for the farmers of three countries. It is based on the erroneous premise that we have a basic water shortage in most of North America. In fact, we have a shortage only of clean water.

Honourable senators will mark this part, because many engineers concerned with water conservation are beginning to challenge the concept of big dams, because big dams fill up. To continue:

> Building a big dam and a reservoir for flushing purposes is one way to try to clean up a river. But it is a very inefficient and very expensive way to cope with pollution. It would not solve, for example, one of the most critical poison-water dilemmas—how to remove trace quantities of dangerous organic chemical wastes. There is another defect in this method of getting more clean water; storage dams represent essentially an irreversible action committed upon a river. The river is tied in chains. If you decide later you must treat the river water instead of diluting it, you have already built your monument of concrete and must pay the interest on it. Acreage has been inundated.
>
> In New York Governor Rockefeller's $1.7 billion program for abatement of water pollution, if coupled with reduction of losses and installation of full water metering (New York City loses twice as much water in its transmission system—400 million gallons a day—as the city of Boston uses), would go further to relieve the local famine than such airily conceived notions as diverting water from Canada.
>
> What must somehow be pounded into the heads of the people who govern us is that as far as the eye can see into the future, our big problem in water is pollution. The problem of water shortages is a problem of treating dirty water, whether

the dirt is in the form of municipal sewage, industrial waste, salt, or silt."

Canada is fortunate in that so many of its rivers rise and terminate within its own boundaries. Its control of these waters is absolute and will remain so unless it surrenders its sovereignty. Unfortunately, Canada's history, especially before it gained complete mastery of its own household, is full of give-aways, sell-outs and surrenders to the United States by spineless, incompetent or indifferent politicians.

The unilateral enunciation of a continental concept on water resources smacks of the Hitler tactics before Munich and if Canada capitulates on this vital issue it will become and henceforth remain a vassal of the United States. Water cannot be loaned. Once it is diverted across an international boundary it may never be repossessed.

It is therefore imperative that the federal and provincial governments jointly develop and steadfastly adhere to a water resources policy embracing the whole sphere of water conservation and utilization which will guarantee in perpetuity that all storage reservoirs created, and all stream diversions undertaken, be so designed and managed as to bring the maximum long-range social and economic benefits to Canada; that they will be used to attract industry to Canada, and not for the purpose of bolstering industries in a foreign country to the detriment of this country's growth and development, as the proposed North American Water and Power Alliance or similar schemes are intended to do. Shortsighted squandering of this priceless asset for political prestige or the quick buck must not be tolerated.

I am not anti-American but I am pro-Canadian. Nor am I dogmatically opposed to water export per se. But dazzlingly colossal projects such as the proposed North American Water and Power Alliance are an insult to Canada's sovereignty and it should be stated emphatically and unequivocally that Canada's interpretation of NAWAPA is—"Not All Waters are Providentially American."

That is the end of Mr. McDougall's letter. The other night I was travelling by plane, and a man sitting next to me, an engineer, said that he was on his way to Edmonton, Alberta, to meet with the water resources board in that province. He said that the following day he was going to speak in Denver, Colorado, on the diversion of water from the Hudson Bay area to the Great Lakes. That is by way of background.

I would like now to come to a few of the points in connection with the need for a national water conservation policy, and I shall deal with the arguments in favour of it.

Land and water are basic resources for a productive agriculture, just as minerals and energy are fundamental to developing industry. Water was described by one authority to be "at least our second greatest asset, next to soil; and as the years go by may even exceed the value of our soil."

This importance of water derives from the fact that it is more interrelated with the various facets of the total environment than any other natural resource. Significant variations in water supply can affect many areas of our environment. Furthermore, an entire river is part of its geographical setting throughout which operates a system of cause and effect involving water, land, vegetation and animal life, and human activity. Changes in these other facets can in turn affect water supply or quality. Piecemeal development usually creates more problems than it solves. Accordingly, the best development of any one resource is dependent upon planned, integrated development of all interrelated resources. This principle is recognized in the widely accepted concept of whole basin development which provides a framework for the coordinated development of an entire drainage basin, and the efficient and economic utilization of all resources for the benefit of the people of the region.

During the past year or so, there has been an increasing concern about water in Canada. Our concern has been prompted by the growing concern of American authorities towards the availability of fresh water. President Johnson stated recently that every major river system in the United States is polluted.

In Canada, the problem of availability of water might appear insignifiant at first glance for Canada has about 25 per cent of the world's total volume of fresh water. About 7.6 per cent of the country's total area

is fresh water and Canada's fresh water flowage is about six per cent of the world's total.

Recent suggestions by Americans that surplus Canadian water be exported to the United States has focused Canadian attention on the need for a national water policy. It is doubtful if the federal Government in Ottawa is constitutionally in a position to dictate a national water policy. However, even if it cannot dictate a policy, it is in a position to initiate such a policy by co-ordination and consultation with the provinces. There are many arguments advanced in favour of such a policy:

(a) water is a commodity that is just now in transition from a free to a scarce good. A national water policy was not needed in the past because water has been a cheap resource and sufficiently plentiful that serious conflicts for its use had not arisen. But this is no longer the case.

(b) Just as the need for a national manpower policy has been recognized, so a national water policy will be needed to co-ordinate and weight the alternative uses of water against each other: municipal and industrial uses, irrigation, recreation, fishing, aesthetic, etc.

(c) Water will be allocated to its best use or combination of uses only if there is some clearing house in which competing demands can be systematically weighted against each other. It is obvious that this cannot be done by the existence of eleven varying, uncoordinated and often conflicting policies.

(d) A national policy would not deal only with the alternative end use of water, for example between its use for agricultural irrigation or recreation, but it would also deal with the problem of alternative supply: desalinization, re-routing of northern rivers such as proposed by the United States Department of the Interior in the Rampart project for the Yukon River or by Mr. T.W. Kierans and Major O.K.H. Kierans in the GRAND project (Great Replenishment and Northern Development Canal) to divert water from the Harricanaw River and tributaries to the Great Lakes, and North American Water and Power Alliance (NAWAPA).

(e) A national water policy would also be a prerequisite for establishing an equitable and adequate pollution preventive policy. If a national policy is not adopted, provinces will compete with each other by offering the least stringent pollution controls so as to attract industry. Some members of the New Brunswick Water Authority have said that its work and that of similar agencies would be assisted by federal-provincial co-operation in the development of standards for pollution control. We have no such thing in this country at present.

(f) Someone must represent the public. Industry and agriculture have powerful voices that make known their needs for water in its alternative application. A national water board, or some similar agency established to co-ordinate the policies of a national water policy, would represent the interest of the public in the present and for future generations.

These are some of the basic principles with which we must be concerned if we are to evolve a national water policy.

There are people in the federal field particularly who say that in these days the provinces would look upon the establishment of a national water policy or the taking of the initiative for a national water policy as an intrusion into provincial rights because water is a provincial resource. It is true that water is a provincial resource but many of our rivers are interprovincial and some are international. The only way we can evolve a rational, logical and sound program is to get these agencies together. I suggest that the Senate is the body which can initiate such action.

I want to conclude with the summary and conclusions of a conference held recently on developing Saskatchewan's water resources. It says:

> The evidence with respect to the demand and supply of water in Saskatchewan has been reviewed in a very general way. The review of this evidence as well as consultation with knowledgeable persons in Saskatchewan suggests:
>
> 1. A continued increase in the demand for water. In the future the major demands will be for domestic and industrial water supply, pollution abatement and recreation and wildlife. Water will also be used to an increasing extent for irrigation and power.
>
> 2. This increased demand can be satisfied through:
>
> (a) better use of existing water supplies now in the Saskatchewan-Nelson drainage area, and
>
> (b) diversions from adjoining rivers such as the Peace, Mackenzie or Churchill.

3. The better use of existing water supplies will require investigation and planning on a multi-purpose basis to achieve optimum use of the available water supply for all uses.

4. The diversions from adjoining river systems will require a high degree of co-operation between the three Prairie provinces and the Government of Canada.

5. The review of the B.N.A. Act by competent authorities suggests there is nothing in the Constitution which should prevent the investigation, planning and development of an interprovincial system on an integrated, multi-purpose basis.

6. A review of the legislative authority of the Department of Northern Affairs and National Resources suggests there is legislative authority to permit the Government of Canada to play an active role in the investigation and planning of resource developments on a multi-purpose basis.

7. A review of existing administrative machinery on both the federal and provincial level suggests the need for modifications in the existing framework.

8. There is a need to create through federal legislation a regional development agency competent to investigate and plan the development of the water resources of the Saskatchewan-Nelson Basin on an integrated, multi-purpose basis. This could be achieved by establishing a Prairie Provinces Water Commission with federal and provincial representation, or it could be achieved through a suitable federal agency that would carry on along lines previously approved by the province or provinces concerned.

9. The three Prairie provinces might consider establishment of provincial commissions comparable to the South Saskatchewan River Development Commission with authority over water development programs on a province-wide basis.

Honourable senators, this is probably a good place in which to leave the matter. I would propose that when this discussion is renewed in the fall, we examine first the constitutional limitations of a federal-provincial and national agency; secondly, that we examine in some detail the seriousness and the cost of water pollution; thirdly, that we try to establish, if we can, how the cost of taking care of this water pollution problem should be met. It cannot all be met from industry, although industry may be one of the major sources of pollution. It is a national problem, a municipal problem, and it has to be met on a total and collective basis.

Finally, I would like to analyse in detail this tremendous, spectacular, North American water power alliance project, because it has tremendous implications, not only for western Canada but for the whole of Canada. Imagine that Northwest Passage through to the Pacific coast. This is one of the spectacular schemes of this NAWAPA. Imagine filling the great Rocky Mountain trench. My friend Mr. Herridge from the Kootenay is worried about filling up his little part of the Kootenay, that this would be the squandering of land on a tremendous scale. If the decision should be at a later time to conserve water supplies and to put up a big dam in the Rocky Mountain trench, our first responsibility is to pump that water over the Rockies to irrigate the western prairies and take care of the millions of new Canadians who we hope will come to this country in the years to come.

On motion of Hon. Mr. Beaubien (Provencher), debate adjourned.

BUSINESS OF THE SENATE

Hon. John J. Connolly: Honourable senators, I am informed that the debate on the resolution stage of the Medicare bill has begun in the other place. That debate may not be as long as was expected originally. Also, there is a possibility that the Income Tax bill can be disposed of in the other place later today. For this reason, it might be prudent for us to adjourn now until 8 p.m., when we will have some idea of the position. Even then, I may have to inform the house there is no prospect of receiving that legislation.

I therefore move that the Senate take recess now to reassemble at the call of the bell at approximately 8 o'clock this evening.

The Senate adjourned during pleasure.

At 9 p.m. the sitting was resumed.

Hon. Mr. Connolly (Ottawa West): Honourable senators, my information is that the debate on he Medicare resolution, is continuing in the other place. The prospects are that it

will continue until 10 o'clock this evening, and there is no indication that the house will sit beyond that hour. Therefore it seems unlikely that we shall have any legislation to deal with this evening. As the other place will resume sitting tomorrow at 2.30 p.m., the prospect of receiving legislation in time for our own sitting at three o'clock is remote.

Therefore I now move, with leave, that when the Senate adjourns today it do stand adjourned until tomorrow evening at eight o'clock.

Motion agreed to.

The Senate adjourned until tomorrow at 8 p.m.

THE SENATE

Wednesday, July 13, 1966

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

Prayers.

INCOME TAX ACT

BILL TO AMEND—FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-216, to amend the Income Tax Act.

Bill read first time.

SECOND READING

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

Hon. Salter A. Hayden, with leave of the Senate, moved the second reading of the bill.

He said: Honourable senators, some changes have occurred in and some mutilation has been made to this bill, C-216, even since it was introduced in the Commons.

The title of this bill now is, "An Act to amend the Income Tax Act", because, as honourable senators will notice in the copies of the bill as passed by the House of Commons, certain clauses which would transfer sections now in the Canadian Vessel Construction Assistance Act to the Income Tax Act have been dropped. The reason for this, I understand, is that the industry wishes to make further representations, although I should add that any change which would have occurred by the transfer of those sections from the one statute to the other is of relatively minor importance. In any event, the industry will have its opportunity to make its representations, and in the meantime those clauses are eliminated from the bill.

The parts stricken out of the original bill are, clause 1, subclause 1 of clause 2, subclauses 3, 4, 5 and 6 of clause 3, and clause 20. Honourable senators will find clause 3 runs from pages 3 to 7 inclusive, clause 20 is on page 24, and clauses 1 and 2 are where one would expect to find them, at the beginning of the bill.

I should like to make a preliminary remark to the effect that after having read and digested this bill I do not think there is anything of very serious moment left in it, with one or two exceptions that I shall mention later. It would seem that this is a year for looking on the shelf to see what things have been tucked away for a day when certain amendments for tidying-up could be made.

In order to illustrate what I mean, let us take the question of tuition fees. I refer to clause 1(1) on page 2 of the bill. Under the law as it stands, a student may deduct tuition fees paid from what would otherwise be his income, and such a student in order to deduct such payment is not required to pay such fees himself. A practice has developed under which you have a category of student-employee and the employer pays the tuition. I am now addressing myself to the student in full-time attendance at a university outside of Canada on a course of not less than 13 weeks. When the employer pays the tuition of his student-employee he deducts it as wages or salary. Under the law as it stood, if the student availed himself of it he would also deduct from his income the tuition fee paid by the employer and not reflect in his income the amount of the payment.

All this amendment does is to say, both in relation to full-time attendance at a university outside of Canada and those in attendance at educational institutions in Canada, that where the tuition fee is more than $25, to the extent that the employer pays and deducts, then the student-employee may deduct if he includes the amount as well in his income for that year.

This is really just a tidying-up operation. I would have thought that this might have been the case and should have happened in any event.

Hon. Mr. Connolly (Ottawa West): You cannot have it both ways.

Hon. Mr. Hayden: No. There was a double deduction as a result of this apparent poor, perhaps thoughtless, draftsmanship.

Next, I wish to remind honorable senators that last year we had a little bird of reasonably gay plumage, nice feathers, flying around and chirping notes announcing an income tax deduction of the lesser of 10 per cent or $600. The Income Tax Act this year, under section 5 on page 9 of the bill, shoots down that bird,

and the poor little thing is now mutilated and has no feathers, because all that is left for a full year is that the reduction will be the lesser of 20 per cent or $20. The only area in which any benefit would come from that would be in the area below $1,600-odd of taxable income.

Having said that, I should point out to you that the reduction, in what I call the Gordon formula of last year—that is, the lesser of 10 per cent or $600—lessened the revenues of the Crown by about $325 million if applied to a full year. It is estimated that when this new formula is applied to a full year the revenues will be lessened by about $210 million. Of course, there is a special formula for the year 1966-67. You will see it in the bill and as it is very simple to follow I will not spend any time on it.

I want to talk for a moment about the provision for a "no withholding tax" on certain classifications of bonds, effective since April 15 of this year. This will be found on pages 19 and 20. There you will see the classification of bonds and securities in regard to which, on and after April 15, 1966, there will be no withholding tax leviable against payments of interest to non-residents.

The situation that results from this is that you have a whole series of securities comprising different categories. Prior to December 20, 1960, there was no withholding tax on federal bonds when they were held by non-residents. On provincial bonds the tax was 5 per cent, and on municipal bonds it was 15 per cent. In the period starting December 20, 1960, the levy was made a straight 15 per cent on all these categories of bonds.

Now you come to another period and you have three categories: pre-December 20, 1960; pre-April 15, 1966; and after April 15, 1966. Of course, whatever taxes were payable in relation to bonds, municipal and provincial, prior to December 20, 1960, carries on. As to whatever withholding tax was payable on these bonds when issued to non-residents, in the period December 20, 1960, to April 15, 1966, that carries on. It is in the area on and after April 15, 1966, that the benefit arises of what you might call "tax-free interest," although more properly it should be described as "no withholding tax" because it is only the non-residents who get the benefit of it.

I should like to speak for a moment about stock options.

Hon. Mr. McCutcheon: Hear, hear.

Hon. Mr. Hayden: You will find stock options dealt with in clause 9 on page 12 of the bill. It amends to some extent section 85A of the Income Tax Act. May I tell you what the present formula is and then tell you what has been changed. The present formula is this: If a company grants a stock option on some of its shares to an employee, and it is for a period of time, and as and when the employee exercises that stock option the market price of the shares is higher than the price at which he may exercise the option, in those circumstances the difference is called "a benefit" and in the Income Tax Act presently there is a special way of taxing that benefit. They do it by taking the aggregate of the income taxes payable by that employee for the three years immediately preceding the taxation year in which he achieved his benefit. Then they take the aggregate of his income in those years—and note I say advisedly, "the aggregate of his income", not "taxable income." From that they arrive at an average rate of tax.

If we assume that is 25 per cent, then under the law as it presently stands you might deduct 20 per cent of that. So, that man's special taxes would be in the order of 5 per cent in those circumstances.

I have worked out an example, which I might give to you. Under the present law, for instance, if the benefit were $10,000 and the average rate was 25 per cent, the tax would be $2,500.

Hon. Mr. McCutcheon: On what amount?

Hon. Mr. Hayden: On $10,000. But then I am entitled to deduct 20 per cent which is $2,000, and I end up with a tax of $500 on the illustration I have given.

If I apply the same illustration to the law in this bill, we start with a benefit of $10,000, and then we have an average rate of tax at 25 per cent. That would produce tax at $2,500, but instead of being able to deduct 20 per cent, under the new bill we are entitled to deduct the lesser of 20 per cent or $200. If we deduct $200 under the new law, the person with the benefit of $10,000 would pay tax of $2,300. Under the law at the present time the tax would be $500. So, financially there is a considerable difference.

I think this is something we should inquire into in committee so that we may find out the circumstances that led to the change. I say this because the design of the stock option

was to enable employees who are depreciating themselves in their application to work as a result of which they improve their benefits and become more valuable to the company. In that way their rate of income goes up but their rate of tax goes up also. This stock option was concerned with the idea of enabling an employer to give an employee the opportunity on merit of building a little estate for himself. The only gamble he would take would be that he exercise the option when the price is up.

What are the circumstances that brought about this drastic curtailment? Is it the need for revenue, or have there been abuses? Frankly I do not pretend to know all the things that go on, but in the area in which I move I know of no abuses of this benefit.

Now I should direct your attention at this time to the Tax Appeal Board. There is a change. Under the Income Tax Act the age limit of members presently is 65, and the tenure of office is for any period up to ten years. But having reached 65 a member cannot be reappointed, and some of the senior members of the board who are experienced, serious and capable judges of the Tax Appeal Board would not, unless there is some change in the age limit, be eligible for reappointment when their term expires. This proposed amendment provides for an age limit of 75 years which is in line with that for judges of the superior courts, judges of the Supreme Court of Canada, and—

Hon. Mr. McCutcheon: And senators.

Hon. Mr. Hayden: And senators, yes. I should have started a new sentence when I was going to talk about the Senate.

It does not necessarily mean that any or all of these people will be reappointed; that is a matter for the judgment of those charged with the administration. But my own feeling is that it is a good step, and I think Canada has an investment in these men. They have served for quite a number of years, and if you look at their record of performance you will see that it is very good. If you study appeals and the results of appeals you may ask why should we deprive ourselves of the benefit of persons who perform such service. I commend that to your attention.

Hon. Mr. Connolly (Ottawa West): The Senate should have a very special interest in that board, because I think the original idea for the board came as a result of recommendations from a Senate committee.

Hon. Mr. Hayden: As a result of studies we made back in the forties—

Hon. Mr. Connolly (Ottawa West): Before my day.

Hon. Mr. Hayden: Yes, before your day. This was one of the recommendations we made, that a Tax Appeal Board should be set up to take appeals out of the department.

Hon. Mr. Connolly (Ottawa West): The Senate must have been quite a place in those days.

Hon. Mr. McCutcheon: We are not going to discuss all the effects of that tonight, are we?

Hon. Mr. Hayden: If you agree, I agree. There is an armistice.

Now we come to another portion to which I should draw your attention. If you look at page 11, clause 8, dealing with the mining of potash, you will find the words "sylvite deposit"—that is potash. What they are providing for in the definition of a mine is that the exemption section of the Income Tax Act shall include an operation of this kind. But if that operation has commenced prior to March 29, the tax holiday period of three years will run from the commencement of operations, so there would only be the balance of the period from March 29 to the expiration of the three-year period.

Hon. Mr. McCutcheon: This was what was described in another place as, "a section in relief of Ross Thatcher."

Hon. Mr. Thorvaldson: This remedy is three years overdue; it should have been here in 1963.

Hon. Mr. Hayden: Anything that you say is "overdue," if it is beneficial to the taxpayer, I agree with you. But I am happy to get it sometime because I have been here long enough to know that all life in the Senate and House of Commons in this area is a matter of compromise. You never stand on principle—if you do, you are very silly—for every last ounce. You get as much as you can, and you can come back; there is always another day. Even storm clouds have a way of disappearing and the sunshine returns. A thing that is not fashionable at one time is fashionable at another time.

Hon. Mr. McCutcheon: We will remember that statement of not standing on principle. I have suspected it for a long time, but now we have it on the record.

Hon. Mr. Hayden: Speaking off the record—or, I might say, putting it on the record and letting you deny it—you have been a pretty good practitioner in that art.

There is one other point, while I am giving an explanation of these tidying-up provisions. Under the definition in the Income Tax Act of "new manufacturing or processing business," for the purpose of those benefits administered in the Department of Industry, for businesses located in designated areas the time limit within which they had to commence business to get the benefit was April 1, 1967. They have now provided circumstances, as you will see by looking at page 11, clause 8 of the bill, under which if you satisfy those conditions and come into operation before April 1, 1968, you are in time for the tax holiday.

Hon. Mr. Connolly (Ottawa West): May I draw the honourable senator's attention to the fact that that is now clause 7. I refer to that for the benefit of *Hansard.*

Hon. Mr. Hayden: This copy only came to my attention after I entered the chamber, and there was a lot of conspiracy to prevent me getting in here tonight. I think they decided at take-off time they needed a new converter in the electrical system of the plane—I do not know why they could not have discovered that half an hour earlier. However, I was half an hour late arriving, so I did not have a chance to look at this.

There is a clause dealing with charitable organizations at page 8.

Hon. Mr. McCutcheon: Page 12, is it not?

Hon. Mr. Hayden: It is now part of section 3 on pages 7 and 8.

What this does in effect—and it takes a couple of pages to do it—is define a registered Canadian charitable organization. I should direct your attention to what is included in it, which you will find on page 8 of the bill, in paragraph (3b) and in (b) of that paragraph. Included within that definition is:

> a branch, section, parish, congregation or other division of an organization described in paragraph (a) that receives donations on its own behalf.

Then there is a requirement that these organizations must maintain records and they must be available for inspection. The penalty for not keeping records and not having them available for inspection is likely to be the revocation of your registration. Whether this in some particulars works any hardship, I am not aware at the moment, but it seems to me that where an exemption from taxation in relation to charitable organizations is granted the Government should have a method which will disclose to it, by the maintenance of records, that the operation has been carried on within the requirements to qualify for that kind of an organization.

I come now to the communication of information. When we were considering the Estate Tax Act some years ago we put in it what was regarded at that time, back in 1958, as an up-to-date provision. This is section 53 of the Estate Tax Act dealing with the matter of communication of information by employees. Here it would be employees in the Income Tax division. The present provision is a very skimpy one, and there was the question of how extensive it would be.

You may recall some years ago that a particular departmental officer was subpoenaed and appeared in court and refused to give evidence. As a result, he was committed to jail for contempt of court, and it took a few days to get him out.

Hon. Mr. McCutcheon: What are you complaining about?

Hon. Mr. Hayden: I am not complaining.

Hon. Mr. McCutcheon: Good.

Hon. Mr. Hayden: I will leave that to you.

Hon. Mr. McCutcheon: I am not complaining.

Hon. Mr. Hayden: Neither am I. What I am saying is that this is a more detailed section dealing with the prohibitions on the communication of information.

There is one thing in it I would like to reflect on a bit before I express full approval. It provides for the exchange of information as between a province and the federal authority. I do not know, but they say that if two people know something, the whole world knows it. I am not sure that the situation is such that if a provincial government will make these tax records available on a reciprocal basis to the federal authority, the federal authority should make that information available to the provincial government. I am willing to be convinced, but—

Hon. Mr. McCutcheon: If the federal authority is bound to turn over part of the

taxes to the provincial authority, surely the federal authority must make the records available.

Hon. Mr. Hayden: I do not know what records they are talking about.

Hon. Mr. McCutcheon: I do not know, but if I were the provinces I would want to know whether the federal authority had collected the proper amount of money.

Hon. Mr. Hayden: And if you were the federal authority you might have a little different idea, or if you were the taxpayer you might have a different idea.

I should call your attention to the fact that on page 24 there is a new definition of "in Canada". You would not think that would present many problems, but the reason for this is to make sure that in the offshore areas for exploration for oil and gas taking place, there is a clear assumption in law that such expenses are deductible under section 83A of the Income Tax Act. The reason for that is that in the section of the Income Tax Act they refer to drilling and exploration expenses that are incurred in connection with such operations, drilling or exploring for petroleum or natural gas in Canada. So, to remove it beyond doubt, they say this is what it means.

There are one or two other matters I would like to bring to your attention. For once I was not a voice crying in the wilderness. I refer to the section at the bottom of page 10. In our Income Tax Act for many years we have had, under section 70, a kind of company called a non-resident-owned investment corporation. It had to meet special tests, such as, I think, 95 per cent of the shares had to be held by non-residents, and there were certain conditions or certain sources of income. If there was a certain source of income you could not have in excess of a certain percentage. One of the things you were permitted to do, without limitation, was to deal in and trade in securities, et cetera. The special rate of tax for such companies is 15 per cent under the act, and when the dividends are dispersed there is no withholding tax. But the test for the determination of what is proper in the case of a particular company is a higher, a different and a tougher one in the way of allowances you do not get than in the case of an ordinary corporation. This is carried on for years. The minister has announced that effective March 29, if an n.r.o. company trades or deals in securities on or after that date, it shall be subject to the full corporate rate.

The way in which the resolution was drawn, I think, would have left the situation that if the fiscal year of such a company ended on April 15, and it had operated for all of previous period of its fiscal year under the law as it was, conforming to all the requirements of the law, and then carried on its operations during the next 15 or 17 days according to the way the amendment in this bill was drawn, then those operations would have contaminated all the operations of the fiscal period and made them all subject to the full corporate rate. That would have been retroactive taxation of the worst order.

When I was discussing this with the department I was quite bold about saying that I would misinterpret the attitude of the Senate if I thought it was going to allow retroactive legislation increasing taxes. I told them that I thought the Senate would agree to a retroactive measure decreasing taxes, but not increasing them. Accordingly, you will find an amendment at the bottom of page 10 which corrects what I call that inequity. Clause 6 (3) reads:

> Subsection (1) is applicable to dividends and interest received after March 29, 1966, and subsection (2) is applicable to taxation years ending after that day but for the purpose of determining whether the principal business of a corporation for the whole of the taxation year of the corporation that includes March 30, 1966 was trading or dealing in bonds, shares or debentures or any interest therein, the whole of such taxation year shall be deemed to be that portion of the taxation year that is after March 29, 1966.

So it corrects the situation, and we do not have to worry about that when we get to committee.

There are a few provisions in the bill that deal with special situations which can be clarified in committee. They occur so rarely that I am not going to take up the time of the Senate in explaining them. However, I do want to call attention to the 5 per cent refundable tax to which Part IID is devoted. This Part starts at page 12 and goes through to page 17.

Hon. Mr. McCutcheon: A normal amendment—six pages.

Hon. Mr. Hayden: Well, of course I prefer to make my own comment and my honourable friend can make his.

The purpose of this 5 per cent refundable tax, as the minister said, is to temporarily immobilize and divert a portion of the flow of funds that are the chief source of financing increasing capital expenditures of business. I think this amendment will be a success in curtailing inflationary pressures, but only if certain conditions are followed, namely, that the taxes so collected are not all spent by the Government—and judging by the bills that have come here during this session we are doing a very good job at spending—and that the corporations do not borrow on the security of the tax to be refunded. There is a formula in the bill providing for a corporate tax base and also for a trust tax base. It makes very interesting reading. The only thing in it to which I want to call the attention of this house is that the corporate tax base is designed to approach closely the cash flow of the company and not the taxable income.

Hon. Mr. McCutcheon: That is right.

Hon. Mr. Hayden: That is because certain things are added back for the purpose of arriving at the corporate tax base. One is the capital cost allowance which is added back to the amount of 50 per cent of the gross income.

I should call attention to the fact that the minister also announced amendments to the Income Tax Regulations dealing with capital cost allowance. In various of those classes he reduced the capital cost rate for the period that this refundable tax is in force, namely, 18 months. Originally, on budget night, that included automotive equipment and automobiles, but there was an amending order in council issued the other day which restores the original rates of depreciation to those assets.

Now, when do you get the money back? Well, a corporation has to pay this tax on a monthly basis. An estimate will have to be made monthly as to this 5 per cent, and then the actual amount has to be caught up with at the end of the year. That is, at the end of the year it can be ascertained what additional amounts are payable or what amount has been overpaid. But the minimum period before repayment will start is 18 months and the maximum period is 36 months. So, if you figure your eighteenth month as the last month in which you deduct the 5 per cent, you will have to wait 18 months or 36 months, as the case may be, before you get your money back. Of course, you will be receiving 5 per cent interest in the meantime.

Hon. Mr. McCutcheon: Which is taxable.

Hon. Mr. Hayden: Of course.

Honourable senators, I think I have dealt with what I regard as the important clauses of this bill. If there are any questions honourable senators have to ask, I am prepared to try to answer them.

Hon. M. Wallace McCutcheon: Honourable senators, as I have done for four years, I have listened again to Senator Hayden describe the effect and intent of a bill to amend the Income Tax Act. The bill before us tonight is of course much simpler than some of the others he has described to us. Part of our difficulty in this house is that we do not debate the resolutions before the bills. We do not debate the budget speech. We receive a bill which purports to do certain things.

While I intend to talk specifically about this bill, I should like to make one or two general remarks. The first one is that this is an unusual bill in that it does not implement the budget resolutions. Budget Resolutions 11, 12 and 13 are not reflected in this bill at all. We are told that they present difficulties, but what that really means is that they were ill-considered and not thought through. When certain people started to think them through they realized it was going to be a little difficult to reproduce them in legislation. So we have a bill before us that really does not reflect what was in the budget.

Then, we have a confession of the minister. I suppose it is open to every member of the public to sit in the gallery of the House of Commons, as I did this afternoon, and if other honourable senators were there they heard a confession from the minister that the only really urgent clause of this bill is the one Senator Hayden referred to dealing with the withholding tax on federal, provincial and municipal bonds. I am fully in accord with this clause. The minister said it must be put through because, as he put it, the financial communities in other countries have not the same faith in the implementation of budget resolutions that we in Canada have.

Having said that, I point out that we are now faced with a truncated bill—a bill which,

in my opinion, does not accomplish what the minister suggested would be accomplished in his budget speech. The minister talked about inhibiting inflation. I do not think any one here will quarrel with that great objective. But how does the minister inhibit it? First, he inhibits it by amending the personal income tax with regard to the concessions and the reductions granted by his predecessor. I agree that his predecessor did not properly recognize the economic climate. There was no necessity at that time, except that of an election, to stimulate the economic growth of the country. However, the present minister has decided to reverse that situation and he did it by giving tax increases in the lower income brackets where the money is bound to be spent.

We are assuming, and I am quoting the minister, that he is concerned about inflation.

He also reverses the situation by decreasing the tax benefits in the higher brackets or the tax deductions in the higher brackets, where the money will not be spent, where it will be put into savings, where it will do what the minister and his predecessor and his colleagues want—it will go into savings in Canada. It might even buy back Canada. I do not go that far, but at least it will be available.

That is the minister's contribution to counter inflation so far as personal income tax is concerned.

An amount of $580 more in tax paid by the man in the $40,000 or the $25,000 income bracket is not going to affect his spending habits. It is merely going to affect his savings habits. The sooner our governors realize that the better, because they cannot, on the one hand, say, "We want more savings," and, on the other hand say, "We are going to take more money from the very people who will make the savings."

Then we come to this great omnibus clause referred to by Senator Hayden. I will not attempt to go through it. I refer to the new Part IID, the special refundable tax. This is supposed to be an anti-inflationary measure.

Honourable senators, this was announced on March 29 last. I have had some slight experience in business. The plans of large companies are not made on March 28 to be cancelled on March 29. They are made a year or two years before, to be carried out over a period of two or three years.

Is there any honourable senator in this house who believes that the effect of that tax will affect MacMillan Bloedel from spending $125 million to which they were committed in Powell River? Does anyone in this house believe that this tax will in any way affect the spending plans of the Steel Company of Canada?

One of the companies with which I was formerly associated, Domtar Limited, has scores of millions of dollars committed. I could name a number of others, but I do not want to name specific companies.

The fact is that this is just a façade. The Government is going to obtain and enforce payment of a 5 per cent loan. As Senator Hayden said, it is not 5 per cent on taxes, but 5 per cent on cash flow. The Government is going to have to repay it with 5 per cent interest.

Let us suppose that the XYZ company, one of the type of companies I have already named, is itself a little short of cash. Well, it will go to the market. Today it would probably pay 5¾ per cent or 6 per cent. Therefore, its costs would increase and it would be less competitive. Of course, the Government is urging us to be more competitive. Who will be put out of the money market? It will be the small business man, for whom the Government has such great concern.

Honourable senators, I am getting a little tired of all these shams which say, "We will hit big business, because of course this five per cent doesn't hit small business. We will hit big business—we will take care of inflation." Well, they will not take care of inflation in that way.

As a matter of fact, the best way to take care of inflation is to have more productive facilities, produce more goods and have more goods on the market; not to say, "Don't build another paper mill, don't build another pulp mill, don't build another chemical plant." But that is what is being said in this budget.

Somebody described this budget as a kind of a milquetoast piece of business. Compared to the budgets presented by the former Minister of Finance, I agree with that. There is nothing particularly wrong with it; it does not mean too much. However, it is just irritating here and there, and with these resolutions numbers 11, 12 and 13 hanging over the heads of people who do not know what is going to happen to them, it is a most unsatisfactory situation.

If I had a substantial interest in a deferred profit-sharing plan I would be very much

concerned, and I would wonder what the Government was going to do. I would wonder, in the light of the statements made on March 29, why we did not have some resolutions on those statements, but of course we have not, and we are told that even the Department of Justice is having a little trouble writing down the rules.

The real fact is that in both the deferred profit-sharing plan and the stock options, to which I am going to refer shortly, a few abuses were found. A few abuses will be found under any system you can mention.

I am greatly disappointed, and I do not feel that it does justice to the present Minister of Finance, using a sledge hammer to hit a fly. Let him close the gaps, but do not let him destroy the basis of the whole thing.

Honourable senators, I have given my views about the ineffectiveness of the budget for the reasons that the minister gave for his refundable tax and his change in the personal income tax, because in terms of dollars and cents they are not going to affect anybody seriously.

Now I want to come to this new clause 9, numbered clause 10 in the original bill, respecting stock options. What the minister has done here, in effect, is to say, "If you are deemed to have taken a benefit you are deemed to have received a benefit"—I hope Senator Hayden will correct me if I do not describe it properly—"and as a result of a stock option from your employer you may now elect to have that benefit taxed at the average effective rate of tax that you have paid over the past three years against your income; but the added benefit which was provided in the former act, of the deduction of 20 per cent, shall now be reduced to $200." May I ask Senator Hayden, have I described the situation correctly?

Hon. Mr. Hayden: Yes.

Hon. Mr. McCutcheon: That does not destroy the value of the stock options in this country but it very seriously inhibits them. In the United States you hold a stock option, you hold it over the prescribed period, you have a flat rate of 25 per cent, no matter what the tax is. I have enough experience to know that we will obtain the quality of management personnel that we have to hire in this country from time to time from the United States, only by providing them with stock options. I also know that the only way we will cut down on the brain drain is to have this sort of incentive for top management people in Canada.

Honourable senators, I do not understand this thing at all. There is no loss to the treasury. As a matter of fact, let us take a company that is giving Jack Jones an option on its stock.

Hon. Mr. Hayden: Yes; if he were not an employee there would not be money in the till.

Hon. Mr. McCutcheon: I was going to say that they can give me an option on the stock. I know several ways of getting around this, but I do not like getting around things. I just object to it. The treasury is losing nothing. I do not understand this at all, except as a reflection of a bureaucracy which resents people in business making money—and we will suffer from it.

Honourable senators, we are complaining about the brain drain. You need only go to the Parliamentary Library and ask for the literature on deferred executive compensation dealing with this principle and you will find many volumes in the United States. But what are we doing at the same time we are complaining about the brain drain? If you were 30 years old and were comparing jobs, would you stay in Canada under that situation?

Honourable senators, you will notice that I have not dealt with the details of the bill. I am hoping we will have the opportunity to talk to the minister about them tomorrow.

As far as any n.r.o. companies are concerned, I have a few points that I am sure Senator Hayden will not agree with. I am wondering why we should give them special exemptions at all. We are obviously closing in on them and it may be that the time has come to do away with them.

Hon. Mr. Hayden: But they are not doing away with them.

Hon. Mr. McCutcheon: I am saying that I think the time is coming when we should do away with them.

I regret that the Minister of Finance, in his budget speech, failed to repeal the sales tax on production machinery. I admit that he is going to do it over a period. The time to have done it was on March 29 if he is serious about preventing inflation and about keeping

our costs competitive in world markets and against imports.

Of course I now come to my perennial regret, that the minister has not announced that he is going to take the federal Government out of the estate tax field, a field which produces practically no revenue, minimal revenue, to the federal Government. Every article that one reads says that the existence of that tax is one of the principal reasons for the disappearance of small businesses. That is bad enough, but for small businesses to be taken over by foreign holders for the sake of $30 million a year to the federal treasury, that is worse. What did we spend the other afternoon?

Hon. Mr. Hayden: We spent $500 million, which you thought was a crumb.

Hon. Mr. McCutcheon: I thought it was a crumb in that particular area, but we spent $500 million. So I am saying, what is $30 million to avoid the winding up of small businesses, their sale and disappearance to foreigners. I understand the Government policy is that they do not want these businesses sold to foreigners.

Honourable senators, I have rambled but I have rambled deliberately, because I think we should have an opportunity in this place to discuss the principles behind a bill of this nature rather than simply to discuss its technical aspects.

Hon. Gunnar S. Thorvaldson: Honourable senators, some years ago it was my great pleasure, when sitting on the other side, to have the privilege each year for some years of introducing and explaining the Income Tax Act. Recently, however, that has become the honour of my good friend honourable Senator Hayden, who has done it every year in very distinguished fashion. In fact, I do not know of anyone in this house, if I may say so, who has a greater and keener knowledge of income tax law and taxation problems in general than has Senator Hayden. It is always a pleasure to listen to him explain the annual Income Tax bill.

I wish to say one thing, however, which may not be accurate and he may deny it. I believe that on no occasion in the last three or four years has the honourable senator had less pleasure in introducing and explaining the annual Income Tax bill than he has had tonight. There are good reasons for that.

Most of the reasons have been suggested and indicated by my friend Senator McCutcheon. I hope to discuss and emphasize some of the things Senator McCutcheon spoke of.

The content of Bill C-216, to amend the Income Tax Act, is nothing but bad news for the Canadian taxpayer. It is a drab, dreary and unimaginative document. With one or two exceptions, every item in it increases the tax burden on Canadians or takes away from them benefits which they previously enjoyed.

The only benefit to taxpayers is a slight broadening of the base in regard to gifts to charitable institutions, but at the same time there is a more stringent requirement regarding registration of such organizations with the Department of National Revenue. That, of course, is quite proper and I do not object to it.

The only other benefit in the bill to the Canadian taxpayer is the improvement of the tax position of mining companies relating especially to the potash mines, whose operations previously did not give them the three-year tax exemption enjoyed by other mineral operations. As we all know, the present Premier of Saskatchewan has been pleading and begging for this amendment for three or four years. It should have been enacted quite some time ago but only this year is this reform consummated. It is, as I said a moment ago, three years overdue.

Now the worst thing about the whole budget speech, apart from the income tax, is that there is no effort on the part of the Government to cut expenditures in any sphere. On the other hand, there is a consistent and constant escalation of cost of government in every conceivable direction. As to how long that sort of thing can go on, no one can indulge in anything but conjecture. At least it seems to be a good bet that the present Government will just spend, spend, spend.

Hon. Mr. McCutcheon: And tax, tax, tax.

Hon. Mr. Thorvaldson: That is right, tax, tax, tax—without any relief being in sight at any time for the Canadian taxpayer. Certainly the worst feature of the bill is that the modest tax cut on personal incomes introduced last year has been virtually withdrawn. It amounts now to an almost complete cutting of the tax cut. In fact the tax cut which occurred a year ago might just as well have been withdrawn entirely because so little remains for the benefit of the taxpayer.

Hon. Mr. McCutcheon: There is $20.

Hon. Mr. Thorvaldson: There is so little remaining you cannot put it in your eye. It is practically nothing. You need a magnifying glass to see it.

I said that was the worst feature. Having said that, I want to say this: In my opinion the most vicious of the income tax amendments is the one which compels businesses, indeed forces them, to make a loan to the Government of 5 per cent of their cash profits. This is dictatorial in the extreme. Think of it! Loans by business enforced by the Government. People in this country have always recognized the right and privilege and power of governments to tax, but I suggest it is something entirely new and unheard of that in peacetime the Government of this country should compel companies and businesses to lend it money. I would add much more to what I have just said in this regard were it not for the fact that Senator McCutcheon has already indicated the purposelessness and the uselessness of a thing of this kind.

Honourable senators, this is just a gimmick. One wonders who can have thought of it. Certainly those who thought of it must have been people without any business experience whatsoever. Let us look at the facts.

Look, honourable senators, at the great array of gentlemen we have had, experienced businessmen, lawyers, economists and others who have been finance ministers of this country over the years. I suppose we will have to excuse gimmicks of this kind when you consider that the second last Minister of Finance of this country was born with a silver spoon in his mouth, and the present minister, regardless of the high regard that I have for him personally, has never had to meet a payroll. I suggest to honourable senators, and many of you know this, that unless you have had to meet a payroll you do not know very much about the basic principles that govern business. These principles govern business and also the growth of a nation.

Hon. Mr. Isnor: I wonder if the honourable senator would be good enough to give us the names of any of the businessmen he refers to who have been finance ministers during the past 15 or 20 years.

Hon. Mr. Thorvaldson: I shall be glad to. There was Mr. Charles Dunning, who was one of the ablest finance ministers this country ever had.

Hon. Mr. Isnor: He was a Liberal.

Hon. Mr. Thorvaldson: At the age of about 29 or 30 he was president of one of the greatest grain companies in this country, the Saskatchewan Elevator Company, which developed eventually into the Saskatchewan Wheat Pool. Then there was Mr. Ilsley. I admit he was not a businessman; he was a lawyer, but to my mind he was one of the great finance ministers of this country.

Hon. Mr. Hugessen: He never had to meet a payroll.

Hon. Mr. Thorvaldson: I think he did. He was a lawyer, and except for those who have a one-man practice, those of us in the legal profession, employing as we do many people in our offices and therefore having to meet a payroll, know something about business. I do not have to mention Sir Alexander Galt. As all honourable senators know, he was an extremely capable businessman, and this nation's first Minister of Finance.

Hon. Mr. Isnor: One businessman in the last 20 years.

Hon. Mr. Brooks: What about Edgar N. Rhodes?

Hon. Mr. Thorvaldson: Yes, what about Edgar N. Rhodes?

An Hon. Senator: Do not be diverted by this.

Hon. Mr. Thorvaldson: I do not intend to be diverted by sidelines of this kind. I made certain statements and I stand by them. I think it is important for a country such as ours to have a businessman, or a man who has had previous business experience, as Minister of Finance. It is my belief that this 5 per cent enforced loan gimmick was initiated either by amateur tax experts or by amateur politicians. It is a most unfair form of compulsion against the people of this country. I repeat that for a democracy in peacetime it is unprincipled and vicious.

I turn now to the amendment to section 85A in respect of employee stock options. I suggest that this is a most retrograde step and in my view it will be most harmful to

business in the long run. Senator McCutcheon has had much to say on this point already, and consequently I do not intend to deal with it in great detail. But in my view good management is the basis of all profitable business operations, and it has to a large extent been through stock option plans that Canadian companies have been able to attract and hold good managerial material to work for them and to remain in Canada instead of going to the United States.

Hon. Mr. McCutcheon: And to bring them from the United States.

Hon. Mr. Thorvaldson: I am coming to that.

In my own personal experience and from association with companies, I am aware of the results of the previous legislation concerning stock options. It has in the past been possible for Canadian companies on many, many occasions to bring very eminent managerial material to Canada. Why were they able to attract this material? Not because of high salaries which are highly taxed, but by virtue of stock options granted to those people. Can anyone think, for instance, of a Canadian company getting a man like Mr. McNamara to come to Canada for a salary only? On the other hand, if at some time he might be available, he could be attracted only by stock options whereby he could benefit by the growth of the business that he entered, a growth which he had created and from which he would be entitled to benefit, and which at the same time would be of great benefit to Canada.

Hon. Mr. McCutcheon: Provided there was a growth and he had contributed to it.

Hon. Mr. Thorvaldson: I am most serious in referring to these two items as being pieces of legislation that are most harmful to this country—both this stock option legislation and the legislation in regard to the 5 per cent enforced loan.

I come now to another feature, to which I shall refer very briefly. That is the amendment in regard to capital cost allowances. In my judgment, this is a retrograde step and is something that should not have been done at the present time. I cannot understand what inexperience would dictate interference with the capital cost allowances which prevailed in the former act. What abuses are there which are being remedied? Those are some of the things to which we need answers, and if we do not get them here I hope we shall get them in committee tomorrow.

Again, I repeat that perchance some of the retrograde features of the Income Tax amendments may have been acceptable to the business community and the average taxpayer if these amendments had been accompanied by an indication from Government that it was intending to pull in its spending horns rather than indulge in the fantastic extravagances which have been such a notable feature of the past two or three years.

Honourable senators, I repeat what I said at the beginning, that I think this is one of the worst Income Tax bills that has ever come before this house—one of the worst for the taxpayer and for the people of Canada; and, above all, a retrograde step in respect to the economy of this country.

Hon. Mr. Hayden: Honourable senators, just a word or two—

The Hon. the Speaker: I must remind honourable senators that if the honourable Senator Hayden speaks at this time, it will have the effect of closing the debate.

Hon. Mr. Hayden: Honourable senators, I wish my friend Senator Thorvaldson could indicate in what fashion imagination could be worked into the Income Tax Act. It is a factual demonstration of what taxes you have to pay for all the different situations that the mind of man might conceive. Frankly, if he looks to the Income Tax Act for imagination, I would suggest that there are many areas where he is missing a much better opportunity to exercise real imagination.

My friend talked about capital cost allowances. The capital cost allowances in various classes are generous. The reductions of one-third and one-quarter, in some cases, are for a period of 18 months, to coincide with the 5 per cent refundable, and I am sure that my friend, with his great business experience, knows there are many companies that for corporate purposes do not deduct the full rates. In other words, they are prepared to attribute a greater life. I just cannot get excited at the suggestion that 18 months at these lower rates is going to mean the difference between success and failure in Canada.

I was interested in my friend's description of the 5 per cent refundable as being a gimmick. I wonder if he would take the first step with me, that there is the problem of

inflation at the present time. Once he takes that step, if he says the method imposed in the Income Tax amendment is a gimmick and not a real method, what does he suggest as a replacement? Senator McCutcheon suggested more production. That is easier to say than do, because in the present state of the labour market inflation may just become more so when you have additional businesses scrambling for additional materials or workers which may be in short supply.

Hon. Mr. McCutcheon: It is a better solution though.

Hon. Mr. Hayden: I do not like a levy of this kind. We had something of the same kind in the war years, and money was repaid, but they are special circumstances. I am more concerned about what the Government does with the money than about how they gather it in. It may not produce the full results in the first six months or the first year, but at some stage, unless the cash flow of this country increases tremendously and the supply of money increases, it is going to have an effect in levelling out certain operations; but, of course, if the Government takes the money and spends it, the benefit of that is gone. To describe the 5 per cent refundable as a gimmick does not add anything either to the stature of the senator or the argument, because we are reasonable people, and if you make that kind of statement you should rationalize it and say, given inflation, how many solutions are practical and how many are not.

Hon. Mr. Thorvaldson: I think Senator McCutcheon did rationalize it, and I did not want to repeat his argument.

Hon. Mr. Hayden: If my friend had been listening, he would know I had acknowledged Senator McCutcheon said that instead of the 5 per cent refundable tax you should increase production. My friend has called it a gimmick without going into the rationalization—

Hon. Mr. McCutcheon: I think the record will show that I said there was no substantial company in Canada that had a capital program ahead of them—and I named two or three of them—that would be in any way inhibited by this 5 per cent refundable levy. In other words, what I was trying to say—and if I did not make it clear, I hope I do now—was that it is completely ineffective to combat whatever inflation in that field the Minister of Finance says there is.

Hon. Mr. Hayden: I understood that was what my friend was saying. It is a daring statement to make when there is only a short period of 18 months in which to find out whether it is correct or not.

Hon. Mr. McCutcheon: That is right.

Hon. Mr. Hayden: If Providence is kind to both of us, I may be able to show you were not much of an oracle.

Hon. Mr. McCutcheon: Or vice versa.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Hayden, bill referred to the Standing Committee on Banking and Commerce.

NATIONAL ARTS CENTRE BILL

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-194, to establish a corporation for the administration of the National Arts Centre.

Bill read first time.

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

Motion agreed to.

DOCUMENTS TABLED

Hon. John J. Connolly tabled:

Report on Technical and Vocational Training for the fiscal year ended March 31, 1966, pursuant to section 13 of the Technical and Vocational Training Assistance Act, chapter 6, Statutes of Canada, 1960-61. (English and French texts).

Statutory Orders and Regulations published in the *Canada Gazette*, Part II, of Wednesday, July 13, 1966, pursuant to section 7 of the Regulations Act, chapter 235, R.S.C., 1952. (English and French texts).

Report of the Centennial Commission, including its Accounts and Financial Statements certified by the Auditor General, for the fiscal year ended March 31, 1966, pursuant to section 16 of the Centennial of Canadian Confederation Act, chapter 36, Statutes of Canada, 1963. (English and French texts).

Report of the National Librarian for the fiscal year ended March 31, 1966, pursuant to section 13 of the National Library Act, chapter 330, R.S.C., 1952. (English and French texts).

The Senate adjourned until tomorrow at 3 p.m.

23031—74

THE SENATE

Thursday, July 14, 1966

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

Prayers.

INCOME TAX ACT

BILL TO AMEND—AUTHORITY TO PRINT COMMITTEE PROCEEDINGS

Hon. Arthur L. Beaubien, for Hon. Mr. Hayden, Chairman of the Standing Committee on Banking and Commerce, presented the following report of the committee on Bill C-216, to amend the Income Tax Act:

> Your committee recommends that authority be granted for the printing of 800 copies in English and 300 copies in French of its proceedings on the said bill.

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

Hon. Mr. Beaubien (Provencher): I move, with leave of the Senate, that the report be adopted now.

Report adopted.

REPORT OF COMMITTEE

Hon. Mr. Beaubien (Provencher), for Hon. Mr. Hayden, Chairman of the Standing Committee on Banking and Commerce, reported that the committee had considered Bill C-216, to amend the Income Tax Act, and had directed that the bill be reported without amendment.

THIRD READING

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

Hon. John J. Connolly: Honourable senators, with leave of the Senate, I move that this bill be read the third time now.

Hon. M. Wallace McCutcheon: Honourable senators, before this bill is read the third time, I propose to move an amendment. The effect of that amendment, which I shall read shortly, if adopted, will be to strike out clause 9 of the bill, which is the clause dealing with stock options.

I touched on this matter when I addressed myself to the bill last evening. I want to add to what I said about this particular section and to bring some authorities to my assistance. Under the law as it stands at present, when an employee receives a stock option from his employer, on any benefit being realized—and of course there may be no benefit—he is taxed at a rate which is calculated as the average effective rate paid by him on his taxable income over the previous three years, less 20 per cent. Therefore, if he has an average effective rate of 50 per cent, he pays tax at the rate of 30 per cent; if his average rate is lower, his tax rate is lower; if his average is higher, his tax is higher.

When this was discussed in committee this morning, it was interesting to note that neither the minister, nor the deputy minister or any official could estimate what the effect of the proposed change would be on the revenue. As a matter of fact, they could not even tell us what they had collected in tax on these benefits in any recent typical year.

There was no suggestion that there had been any protest from the public about the way in which these benefits have been dealt with since 1951. No representations were made that this should be changed.

What is more significant is that the minister admitted in committee—because I was afraid I might have missed something—that in his budget speech and in the press release which he issued on the evening of March 29 when he delivered the budget, there was no reference to this provision, to this change in taxation, at all. The only place you will find it on *Hansard*—until people started to protest—is in the small print of the resolutions which, at the end of his budget speech, the minister, by consent, tabled.

Honourable senators, the only conclusion I can come to is that, for some reason, departmental officials have decided that junior, intermediate and senior executives are obtaining benefits that they themselves cannot obtain and they persuade the minister that this had better be cut down. As a matter of fact, the minister said this morning that he had not realized how extensive this practice was.

I know one large retailing organization where stock options are available down to the level of store managers.

This is a legitimate and useful incentive. After all, that executive gets no benefit unless the company prospers, and that, after all, is what the shareholders want. It is a useful

and legitimate incentive which is very firmly bound into the economy of the United States. I suggest today, as I did yesterday, that any honourable senator who suspects me of exaggeration, should merely call the research branch of the library and obtain the United States literature on this type of compensation, which has gradually become recognized in Canada. I am satisfied that when the present section was incorporated in the act in 1953 it was incorporated because the Minister of Finance had given the matter some consideration and had decided that this was appropriate.

The minister said to us in committee, "Well, it is inequitable. Lots of people cannot get stock options." That is quite true; I never had any. I would have liked to have had some, but it just happened I was never associated with a company which granted stock options.

The minister says, "We are wiping out an inequity." Well, if I could take a couple of months off I could speak for five hours to honourable senators and tell them about inequities in tax law which the minister is not attempting to wipe out. Why is he striking at this? Why is he upsetting the applecart? There is no demand for it. Many honourable senators must have received a barrage of objections against this amendment, as I did, particularly from companies that are competing for management in the international field. This proposal, of course, affects their competitiveness in attracting executives and top management. There are enough disabilities affecting top management in this country as compared to some other countries that we do not have to add one more to them. That is what we are doing.

Mr. John Meyer, managing editor of the Montreal *Gazette*, is, in my opinion, one of the ablest financial critics in Canada. I have an article of his before me now, the date of which I cannot give you, in which he says:

> The stock option is one of the most useful incentives to senior executives within the power of a corporation to grant. It directly equates return with ability, something which can no longer be done, with the steeply escalating rates on personal income now in effect, by simply raising salaries.

Why would any person making $75,000 a year take on more responsibilities and risk an earlier heart attack for $100,000 a year? That is a subject with which I shall deal again, but that is the situation faced by management in this country.

> It has been a powerful inducement, too, to the entrepreneur by giving him the promise of a return more commensurate with the risks he might take in establishing new enterprises or reviving old ones.

I do not intend to read the whole article to you, but with reference to the position the minister has taken, he has this to say:

> It is inconsistent too, with the now common acceptance of the inadequacies of much of the country's managerial force.

I think the Economic Council of Canada had something to say about it in its last report.

> The extent to which high rates of personal taxation have driven competent managers into the more rewarding American economy can only be guessed. It ought to be recognized that competency will never be achieved unless the rewards are attractive enough. Anything which diminishes those remarks—and that is precisely what the new rate on benefits from stock options does—reduces the chances of achieving competency.

I adopt Mr. Meyer's views as my own; he has expressed them somewhat more succinctly and better than I could.

The minister said this morning, "Well, of course the banks are in competition for top people and they cannot grant stock options." Well, the minister has a bill before Parliament now in which he could arrange for banks to grant stock options, if he wanted to. On the other hand, I suspect that if the minister looked into the perquisites of all kinds—including pensions, which leave the Civil Service pensions far behind those employed by senior bank executives—he would not be too concerned about their competition in top management. As a matter of fact, I do not think he really advanced the matter seriously.

Honourable senators, there seems to be a feeling in this building today that proceedings should not be too prolonged, so I shall say nothing further. I now move, seconded by the honourable Senator Macdonald (Cape Breton), in amendment to the motion that the bill be not now read the third time, but that it be amended as follows:

Strike out clause 9.

The Hon. the Speaker: With leave of the Senate, it is moved by the honourable Senator Connolly (Ottawa West), seconded by the honourable Senator Leonard, that this bill be now read the third time.

In amendment, it is moved by the honourable Senator McCutcheon, seconded by the honourable Senator Macdonald (Cape Breton), that this bill be not now read the third time, but that it be amended as follows:

Strike out clause 9.

Honourable senators, is it your pleasure to adopt the motion in amendment?

Some Hon. Senators: Agreed.

Hon. A. K. Hugessen: Honourable senators, I listened with a great deal of interest to my honourable friend Senator McCutcheon yesterday evening, and again this afternoon, on this question of stock options. I hope he will forgive me for saying that I think he has not got to the basic principle of the matter in any way, shape or form.

What is a stock option? It is a right which a company gives to its senior executives to acquire, within a certain period, a certain number of shares at a favourable price.

Say a man gets an option to acquire a thousand shares of his company at a price of $20 per share within five years. On the same assumption, let us say the company does well, that the stock market is favourable and that at a certain period within those five years the stock is selling at $50 a share. Then it obviously becomes in the interests of the holder of the stock option to exercise his option and to acquire for $20 a share what is selling in the public market at $50. In other words, he gets $30,000.

Hon. Mr. McCutcheon: What is the vice in that, senator?

Hon. Mr. Hugessen: I did not interrupt my honourable friend.

Hon. Mr. McCutcheon: Sorry.

Hon. Mr. Hugessen: That, to my mind, is just as much of a wage or compensation for the man's activities as an officer of the company as any other kind of salary. For myself, I see no reason in the world why that benefit should not be taxed as salary—as, indeed, all other benefits are.

My honourable friend talked about inequity. Well, where is the inequity? Here you have hundreds of thousands of people earning salaries throughout the country, paying full income tax on their salary, and one man, who happens to have the advantage of a stock option and makes a profit on it, paying much less than that on the profit that he has made as a result of exercising his stock option.

That, I think, is unfair. The effect of this bill is to reduce to some extent, although by no manner of means entirely, the advantage that the man with the stock option has, as a result of his holding the stock option. That, to my mind, is the basis of the thing. This is part of that man's salary, and as part of his salary it should be taxed.

I am not interested in people who say they want to get important American associates to come up here to manage Canadian companies, and they cannot do that without offering them inducements of this kind. In my opinion, if a man earns a salary as a senior officer of a company, then he should pay his proper proportion of the taxes due by him and which are used for the carrying on of the business of the country.

That, to my mind, is the basic principle behind this thing. I support it in every way, and I certainly intend to oppose my honourable friend's amendment.

Hon. T. D'Arcy Leonard: Honourable senators, I should like to say a word or two in support of what Senator Hugessen has said. I listened to the minister this morning, and I am satisfied, after hearing him, that this provision dealing with stock options in the Income Tax Act is fair.

I should like to point out something that has not been mentioned before, namely, that existing stock options are not affected. This new legislation will apply to stock option agreements that were entered into after the budget announcement was made. The only change in so far as previous stock option agreements are concerned is that the option must be exercised by January 1, 1968.

The reason given by the minister, and emphasized by Senator Hugessen, was that the previous treatment of stock option agreements was too generous. While Senator McCutcheon indicated that there had been no public representations in this regard, the minister did say that people had called to his attention the fact that there was a discrimination in treatment beween the manager, executive or senior employee of a company that did not have a stock option plan and those employees of companies that did have stock option plans. That, in the minister's view, was discrimination. He said also there was a case for treating the different kinds of

employees on an equitable basis. In addition, he said that this was a matter that had been called to the attention of the Government by the Canadian Institute of Chartered Accountants which is an independent body. Chartered accountants are not directly concerned with it, but in their examination of accounts, they see that these stock option agreements do exist in some cases and not in others.

Hon. Mr. McCutcheon: By and large, they are not eligible for them. That is jealousy.

Hon. Mr. Leonard: That is true, but I do not think you can say they were selfish in the representations they made.

Senator McCutcheon made something of the fact that this was not referred to in the budget speech. The minister answered that very frankly indeed when he said that this particular resolution was not introduced because of any fiscal situation. It was not introduced to increase the amount of money that the Government might take as a result of the change. It was introduced solely for the purpose of removing a discrimination in taxation, and the minister did not think it was of such importance that it needed special mention. He did not realize it extended as widely as he found out afterwards it did; and said that had he realized that, having regard to the events that took place after the budget speech, he would have explained it on budget night. That is, I think, a very satisfactory explanation.

Up to now Canada's treatment of stock options from the tax standpoint, on the whole, has been more favourable and more generous than that of the United States. I presume that had we adopted exactly the same tax as is imposed in the United States we would still have heard a great many complaints because we would, in fact, be increasing taxes in Canada. We have put it on a much more equitable basis by treating it as income and gauging it against the taxable income over a three-year period. The United States, on the other hand, has treated it more as a capital gain.

Honourable senators, after listening to the minister I am quite convinced that the legislation under which we have been operating up to now gave too generous a treatment to the kind of deferred remuneration which an employee was able to get under a stock option plan, when compared to the treatment of the remuneration that the ordinary salaried employee receives. I propose to vote against the amendment.

Hon. M. Wallace McCutcheon: Honourable senators—

An Hon. Senator: Question.

The Hon. the Speaker: Honourable senators, with leave of the Senate, it is moved by the honourable Senator Connolly, (Ottawa West), seconded by the honourable Senator Leonard, that this bill be now read the third time.

In amendment, it is moved by the honourable Senator McCutcheon, seconded by the honourable Senator Macdonald (Cape Breton), that this bill be not now read the third time, but that it be amended as follows:

Strike out clause 9.

Is it your pleasure, honourable senators, to adopt the motion in amendment?

Hon. Mr. Choquette: Honourable senators, I think there would be unanimous consent to allowing Senator McCutcheon to speak.

Hon. Senators: Agreed.

Hon. Mr. McCutcheon: Honourable senators, I am not going to presume on your generosity. I want merely to make one or two comments. One is that this plea of inequity leaves me completely cold. There are employees who have their entire medical services and hospital insurance and other benefits paid for by their employers. They are not taxed on the value of those benefits. There are other employees whose employers provide none of those benefits, and if those employees desire them they pay for them themselves.

Nobody who has ever looked at the Income Tax Act—and I do not have a copy here, otherwise I would hold it up—has suggested that it is equitable. It contains the most complete set of inequities from the first page to the last that there is in any legislation in Canada.

Hon. Mr. Connolly (Ottawa West): It has been there a long time.

Hon. Mr. McCutcheon: Yes, since 1947. I hope that the Carter Commission—and I do not think it could be a centennial project—

Hon. Mr. Connolly (Ottawa West): It would be a very worthwhile one.

Hon. Mr. McCutcheon: Yes.

I do not accept that argument at all. Nor do I think that Senator Hugessen was being fair when by implication he suggested I was

concerned about bringing American executives up here. I am, and I think it is a worthy objective. I am very much more concerned about our doing nothing to discourage the limited amount of top management we have in Canada from going down to the United States. That is the position into which we are rapidly getting ourselves.

While on the subject of equity I will mention that the minister talked about the banks. There is a provision in the Bank Act—and I apologize for not having it in front of me—which specifies the price at which banks can issue treasury shares. The result is, of course, that a bank issues treasury shares by means of rights. That is an option. It is a piece of paper a shareholder receives that says, "You may, within a certain time, buy these shares at a certain price." I have heard no suggestion that that formula is going to be changed in the new Bank Act. That price should be $30 a share less than the market price. Is that taxed? Is that an inequity? That never happens in a commercial or industrial company.

Hon. Mr. Hugessen: Oh, yes.

Hon. Mr. McCutcheon: No, not that far below the market, senator; or, if it does the stock exchanges would take a very dull view of it. It is the law of the country that produces that, and yet you talk of inequities. What I am trying to say is that we should not, in relation to manpower, make ourselves any less competitive than we are.

This is not a fiscal measure, as Senator Leonard said and as the minister said. Somebody remarked, "Oh, but I do not have a stock option. Let us change this. This is far too generous." I do not have a Cadillac paid for by a company either, and I could complain about that. My plea is that we do not change today a device—I have not Mr. Meyer's quotation with me at the moment, but I read it before—which has been most effective in producing efficiency in management. By management I do not necessarily mean top management, but management going right down, let us say, to the retail store level, because many companies carry it through to that level.

This morning the minister said he did not realize how widespread this was. It just happens that because it is easy to amend section 85A he put the amendment through. I do not think he realized how widespread deferred profit-sharing plans are, which have a great similarity in their net result to stock options. But is there any legislation based on the resolution about deferred profit-sharing plans in this bill? None at all, because the minister became aware of the fact that this was a much more complicated business than he thought.

There has been no demand for this type of legislation; it has no fiscal effect, and it should not go through.

Hon. John J. Connolly: Honourable senators, I did not intend to take part in this discussion, but apart altogether from the reasons behind the bill and including the reasons given by the honourable Senators Hugessen and Leonard, I think I would have to oppose the motion for other reasons that are obvious. Of course honourable senators will understand that as a member of the Government I would have to take this stand.

This discussion this afternoon has been most interesting. I would hope that this amendment did not succeed. However, I think an area has been opened here which is important for consideration in respect of the economy of this country, in view of the fact that it is becoming more and more industrialized as time goes on.

As leader on this side I simply make as a suggestion, for what it is worth, that this matter of stock options, as well as some of the other inducements which business proposes from time to time in respect of the development of executive capacity, might be a worthy study for one of our committees. Obviously we have people here in quantity and of quality who could make a good contribution to a study of this kind. If a study were undertaken by a committee it need not be lengthy but could be informative. It would be a useful thing to do in the interests of the public, of the business community and of the economy.

Apart altogether from those considerations, I think the discussion this afternoon has been salutary. If there is merit in what Senator McCutcheon says, and certainly it is not without merit, it is on the record. However, we have a bill before us which arises out of the budget resolutions, and in the circumstances I must take the stand that I oppose the amendment and I would hope the Senate would support the main motion.

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

Hon. Mr. Connolly (Ottawa West): No.

The Hon. the Speaker: Those in favour of the motion in amendment will please say "Content."

Some Hon. Senators: Content.

The Hon. the Speaker: Those against the motion in amendment will please say "Non-content."

Some Hon. Senators: Non-content.

The Hon. the Speaker: In my opinion, the non-contents have it.

And five honourable senators having risen:

The Hon. the Speaker: Call in the senators.

Amendment of Hon. Mr. McCutcheon negatived on the following division:

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Aseltine	Haig
Blois	Irvine
Brooks	Macdonald (Cape Breton)
Choquette	McCutcheon
Fournier (Madawaska-Restigouche)	Phillips
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NON-CONTENTS

Baird	Hugessen
Basha	Inman
Beaubien (Provencher)	Isnor
Boucher	Kinley
Bourget	Lang
Bourque	Langlois
Burchill	Leonard
Cameron	Macdonald (Brantford)
Connolly (Ottawa West)	MacKenzie
Davey	McDonald
Denis	McElman
Deschatelets	McGrand
Dessureault	McLean
Dupuis	Nichol
Fournier (De Lanaudière)	Prowse
Gouin	Rattenbury
	Vaillancourt—33

The Hon. the Speaker: I declare the amendment lost.

It is moved by the honourable Senator Connolly (Ottawa West), seconded by the honourable Senator Leonard, that this bill be now read the third time. Is it your pleasure, honourable senators, to adopt the motion?

Some Hon. Senators: Carried.

Hon. Mr. McCutcheon: On division.

Motion agreed to and bill read third time and passed, on division.

NATIONAL ARTS CENTRE BILL

SECOND READING

Hon. Norman A. MacKenzie moved the second reading of Bill C-194, to establish a corporation for the administration of the National Arts Centre.

He said: Honourable senators, I am pleased that I have the privilege of speaking briefly about Bill C-194, an act to establish a corporation for the administration of the National Arts Centre. I was a member of the Royal Commission, under the chairmanship of the Right Honourable Vincent Massey, which reported on the National Development of the Arts, Letters and Sciences in Canada soon after World War II. I was one of the original members of the Canada Council and served on that council for the full six years that were legally permissible.

During the period since World War II, I have watched with surprise and great satisfaction the way in which all of the fine arts have blossomed and grown and developed across and throughout Canada. The most impressive evidences of this are naturally in our centres of population, Montreal, Toronto Winnipeg and Vancouver, but other centres, too, Halifax, Fredericton, Quebec, London, Regina, Saskatoon, Edmonton, Calgary, Victoria, Saint John and St. John's, are all in their own ways doing exciting things in this whole field.

Even little Charlottetown in the smallest of our provinces has, with the co-operation and support of the federal Government and all of the provincial governments, established, as a permanent and living memorial to the Fathers of Confederation, a remarkable Centre for the Fine Arts, and each year provides for the hundreds of thousands of visitors, most of them Canadians, who go there as tourists, a most exciting and colourful summer Festival of the Fine Arts.

Our peoples have lived in what is now Canada since 1583 when Sir Humphrey Gilbert took possession of Newfoundland for the then sovereign of England, the first Queen Elizabeth, but throughout nearly four centuries they and we have been so concerned with developing the physical aspects of Canada and providing for our physical needs

that we have had little time, energy or interest for or in the fine arts, and we have overlooked or forgotten that these same fine arts have made the older nations of the Western World, from which we have taken our culture and our civilization, famous and distinguished.

Those of you who have travelled in Europe will remember the glories of Greece and of Rome—the glories of their unique cultures, their architecture, sculpture, literature, including drama, painting and music. In every great city of Europe there are galleries, theatres and buildings which are the homes of orchestras, operas, ballets and the like. Who can picture Paris without the Louvre, the Tuileries, and Versailles, and the Opera and the Comédie Francaise?

Within the past few years, we in Canada have established in Montreal a Centre for the Fine Arts, La Place des Arts; in Toronto, the O'Keefe Centre; in Vancouver, the Queen Elizabeth Theatre; in Calgary and Edmonton, magnificent auditoria. Winnipeg is adding to its already substantial cultural assets a Centre for the Performing Arts as a centennial project which, I believe, will cost something of the order of $21 million. Regina and Saskatoon, too, are going ahead with their centres for the arts as centennial projects.

In Halifax a dedicated group of men and women a few years ago created the Neptune Theatre and have maintained it in operation despite formidable difficulties. Fredericton, thanks to the generosity of the late Lord Beaverbrook and of the Sir James Dunn Foundation, has a delightful playhouse. Perhaps the most important and exciting of all these developments is Expo 67, which will bring to Canada the great art of the whole world.

So, honourable senators, I feel it more than fitting and appropriate that here in the capital of our country there should be a home and a centre for the performing arts. One of the truest statements ever made was to the effect that "man does not live by bread alone," and more generally that the physical in life, while of major importance, is only half, and in some respects the lesser half, of life.

In the complicated and mechanized society which we have created and live in, a society which sees more and more of its citizens thronging together in great centres of population, it is of the utmost importance that our people have not only "bread and meat" and shelter, but that they should have the opportunities for emotional, spiritual and intellectual satisfaction, relaxation and recreation.

I give it to you that, if we are to remain sane in this fantastic society which we have developed and are changing so rapidly, we must find ways and means not only for the use of leisure time, but for release from the tensions as well as the frequent drabness of urban and industrial life.

I suggest, in fact I claim, that one of the ways in which we can meet these problems is through the growth and development of the fine arts and similar areas of human activities. These, I hope, will provide opportunity for the actual and personal involvement of tens of thousands of citizens, as well as recreation, entertainment and amusement of hundreds of thousands. All this, too, will provide evidence that we as a country and as a people are in fact coming of age and achieving a maturity which is the hallmark of a modern and developed nation. This will cost money but we, in typical Canadian fashion, forget that we are actually one of the great and most advanced nations in wealth, in industrial production and in commerce.

It is against this background that I present to you briefly Bill C-194. It is, as far as I can judge, a very simple bill providing as it does for the establishment of a corporation to administer the National Arts Centre now under construction here in Ottawa. Its objectives, or more accurately the objectives of the corporation, are, first, to operate and maintain the centre; second, to assist in the development of all of the performing arts in the national capital region, and, finally, to assist the Canada Council, and I am sure other organizations and bodies, in the development of the performing arts throughout the whole of Canada. These objectives and powers are contained in clause 9 of the bill, to which I shall return in a moment.

The bill itself provides for a board of trustees; that the centre be located in Ottawa; that the minister responsible will be designated by the Governor in Council; that performing arts includes the arts of the theatre and concert hall, the creating, staging and performing of drama, music and the dance.

Clause 3 provides for a chairman and a vice-chairman who will be appointed for periods not exceeding four years and will be eligible for reappointment for a further four-year period. The board, in addition to the chairman and vice-chairman, will be made up of the Mayor of Ottawa, the Mayor of Hull,

the Director of the Canada Council, the President of the Canadian Broadcasting Corporation, the Government Film Commissioner—all *ex officio*—and nine other members. The appointed members are to serve for three-year periods and may be reappointed for a further three-year period. The first appointments are staggered over two-year, three-year and four-year periods to provide a measure of continuity.

Provision is made for a Director, who is to be a full-time, salaried official and whose term of office is five years, but who is eligible for reappointment. The Director is to be the chief executive officer of the corporation with supervision over the direction of the work and staff of the corporation.

Clause 8 provides for the employment of other officers and employees as necessary.

Clause 9 I will give you in full in a moment for it is in a sense the heart of the bill.

Clauses 10, 11 and following are the usual formal clauses. Clause 10 provides for acquisition of property, capacity to accept gifts, to operate restaurants, lounges, parking facilities, etc., and to expend moneys appropriated by Parliament or received from its own operations.

Clause 11 provides for by-laws and for the establishment of committees, mainly advisory, and for the payment of travelling expenses and remuneration, on what I would imagine would be a per diem basis, for the members of the board who are not government officials but who serve in a voluntary capacity.

The corporation is not to be an agent of Her Majesty, save as set out in clause 13. That is to the effect that the Director, officers and employees are deemed to be employed in the Public Service for the purposes of the Public Service Superannuation Act and for the purposes of the Government Employees Compensation Act and any regulation made pursuant to section 5 of the Aeronautics Act, which I have learned on inquiry provides for protection for the individuals, officers or others, connected with the corporation when travelling on airplanes on matters of business affecting or growing out of the work of the corporation.

The corporation is to be recognized as a charitable organization. Its accounts and financial transactions are to be audited annually by the Auditor General, who will report to the chairman of the board. The chairman of the board, in turn, is to submit a report within three months of the termination of each fiscal year to the appropriate minister and include in his report the financial statement of the corporation and the report of the Auditor General thereon. The minister, in turn, shall cause the report to be laid before Parliament within 15 days of the receipt thereof, or, if Parliament is not sitting, within the 15 days next thereafter that Parliament is sitting.

I said a moment ago that section 9, which gives the objects and powers of the corporation, is important, and I would like to read it to you.

> (1) The objects of the Corporation are to operate and maintain the Centre, to develop the performing arts in the National Capital region and to assist the Canada Council in the development of the performing arts elsewhere in Canada.
>
> (2) In furtherance of its objects, but without limiting the generality of subsection (1), the Corporation may
>
> (a) arrange for and sponsor performing arts activities at the Centre;
>
> (b) encourage and assist in the development of performing arts companies resident at the Centre;
>
> (c) arrange for or sponsor radio and television broadcasts from the Centre and the showing of films in the Centre;
>
> (d) provide accommodation at the Centre, on such terms and conditions as the Corporation may fix, for national and local organizations whose objects include the development and encouragement of the performing arts in Canada; and
>
> (e) at the request of the Government of Canada or the Canada Council, arrange for performances elsewhere in Canada by performing arts companies, whether resident or non-resident in Canada, and arrange for performances outside Canada by performing arts companies resident in Canada.

These, honourable senators are the principal purposes of this bill, and what I have said is a brief statement on and explanation of the bill itself. On this basis, I would propose and so move, seconded by Senator Davey, that the bill be now read the second time.

Hon. Donald Cameron: Honourable senators, first of all I would like to compliment my colleague Senator MacKenzie on his complete and excellent exposition of this bill. I merely wish to make a few remarks pertaining particularly to sections 6 and 7.

As one who has had a good deal to do with the arts and artists over the last 30 years, I must confess that all too frequently few of them are gifted with the kind of managerial skills that would make them, except in rare and exceptional cases, the kind of people who would operate a $36-million or $40-million centre. As I see it, the weakness of this bill is that section 6 does not make provision for the separation of the director of operations and the artistic director.

Section 6 reads:

> (1) There shall be a Director of the Centre to be appointed by the Board to hold office for a term not exceeding five years.
>
> (2) A person appointed as Director is eligible for reappointment.

That is satisfactory. The point I want to make is that this person is to run a big corporation, and, first and foremost, he should be a businessman and, particularly, a businessman who has a sensitivity towards and an appreciation of the arts. I think this would have been a stronger bill had it made provision for dividing the position of the business officer and the artistic director, but that can probably be done later.

Section 7 (1) provides that:

> The Director is the chief executive officer of the Corporation, and has supervision over and direction of the work and the staff of the Corporation.

I am only emphasizing this, that in selecting the person who will be the director of this corporation under the board, it will have to be recognized that he is running a big and very complicated business, a business that calls for a sensitivity towards and an appreciation not only of the place of the artist in the community and in this corporation, but also of the box office appeal, if you like, because this could be a regular sink-hole for money—and we have made a fairly good start in spending a lot of money already. I would like to write the job specification for this director, because I think that it a vitally important. However, there will be competent people on this board who, I am sure, will do that. I do want to underline that this person, in addition to having an appreciation of the arts and their place in the community, must be a first-class businessman.

The second observation I make is that the building of a magnificent centre, no matter how many millions of dollars we pour into it, is not the most important thing—the most important thing is what we do in that centre. Again, unless we have the proper kind of businessman at the head of this corporation, the organization of tours, the sponsoring of companies, and so on, could be a squandering of untold millions of dollars. It would be a good thing for Canada to spend substantial sums on the arts because she has been backward in this area in comparison with other countries; but once we build a magnificent centre in Ottawa—and let me say I am delighted it is going to be here—let us not become complacent and think that is the end. That is only the beginning. It is the quality and diversity of programs we put on, not only in the centre, but which we send out on the highways and byways of Canada, that is important.

I simply underline these as two very important principles that have to be kept in mind in consideration of this bill.

Hon. Allister Grosart: Honourable senators, we have had a very full and excellent explanation of the bill from Senator MacKenzie. I need hardly say that he has anticipated almost everything I had intended to say. I am not surprised at that, because he was doing that to me 40 years ago when I was a student of his at the University of Toronto.

Hon. Mr. Connolly (Ottawa West): He pretty well trained the Senate, I would think, before he ever got here.

Hon. Mr. Grosart: I thank the Leader of the Government for saying "well trained," because I understand Senator MacKenzie has some other views on that subject.

Forty years ago this summer I was celebrating my first escape from his class. Next year I would have thought I would be celebrating my final escape, but here I find myself, years later, in the position of listening to him make an exposition and then being required to make a statement of my own with him listening critically. All I would ask of him is that he show the mellowness which has overtaken him over the years, and give me better marks than he did the last time.

Like Senator MacKenzie and Senator Cameron, I have followed the developments of the last few years that have led up to this bill. I welcome it because I welcome the great national arts centre that it will make possible. I agree with Senator Cameron that the real difficulties will come when the director and the trustees are faced with the great problems of maintaining this very expensive

centre. However, one has to admit that it does fill a long-neglected need in Canada.

To many of us it has simply not made sense over the years that Canada is probably the only remaining civilized country that does not have a national arts centre in its capital city, or indeed any other kind of adequate performing arts centre. Given our place among the nations, and given our quite remarkable affluence when compared to other nations, this decision to build here a national arts centre could not, I think, have been very long postponed.

In older countries, of course, the development of great arts centres in national capitals has gone on over a long period of years. The sponsors sometimes have been wealthy hereditary princes, sometimes merchant princes, sometimes, and increasingly so in the last 100 years, the state itself. In Canada we have had a little of that experience. Eighty-five years ago Lord Lorne was responsible for the creation in Ottawa of the Royal Canadian Academy. The enterprise of the merchants and municipal officials of Stratford, Ontario, not very long ago created a remarkable enterprise in the field of the performing arts. To take an even more modern example, the long-gone Mr. O'Keefe, wherever he may be now—and I would hope he is not where the holy citizens of Toronto or muddy York said he might wind up—would, I am sure, be rather surprised to learn that his name is every bit as much associated with the flourishing arts as it is with his famous foaming ale.

By and large, however, as we look across the civilized countries of the world we see that a trend has definitely developed towards a recognition of the responsibility for the support of the arts, and particularly in buildings for the performing arts as a primary responsibility of the state. This bill, therefore, does no more than bring Canada into line with that trend. As Senator Cameron said, we do not have to be very much worried about state support of the arts in Canada being in any way excessive when we compare what is happening here with what has happened in other countries, many of which have much less in the way of material wealth to support them.

In speaking to this bill I should like to pay a tribute to the present Government, not merely for this measure but for the fact that in other ways it has brought encouragement to the Canadian cultural community. I hasten to say that that is a large community. It is a growing community. It is a community which embraces today Canadians of all walks of life. It is an important community because most honourable senators will agree, I think, that it is this part of our national community more than any other that is bringing about a desirable rapprochement and mutual understanding between those of various cultural backgrounds in Canada as we look forward to celebrating them next year.

In saying that, honourable senators, I refer not only to the two founding cultures, but to those who came later, because it is a fact that the cultural explosion in Canada—and that is a fair description of it—in the last 20 years has been due to a great extent to the climate created by the post World War II immigrants from many countries.

The present Secretary of State, the Honourable Judy LaMarsh, has made a magnificent contribution. She would be the first to agree, I think, that she has followed fairly closely in the steps of her predecessor, the Honourable Maurice Lamontagne. Each of them has given the cultural community in Canada a minister with which that community could identify itself, and that is something that has been wanting in many periods of our history.

I need hardly say that this cultural explosion of the last 20 years is closely tied to our national affluence. The poet Cowper said many years ago:

> Art thrives most
>
> Where commerce has enriched a busy coast.

I imagine there are those who have serious reservations about the role of the state in the development of the arts. The tradition of the struggling poet and painter in the garret dies hard. To those who have those reservations I would say that this kind of rounding out of our national cultural posture is also a part of our entire national development. As the experience of other countries has made abundantly plain, it will not be without its material returns.

It was Emerson, I think, who said that classic art was the art of necessity. By that he meant that the art of the traditional classical world—Greece and Rome, particularly—grew out of the necessity of the people of those countries to give expression to their nationality. In many ways we Canadians are in very much the same state of national development as were the peoples of Greece and Rome when they created their great

artistic masterpieces. It is not surprising, of course, that many of the masterpieces that have survived are great buildings.

There is, of course, a danger here. As Senator MacKenzie has pointed out, the building of performing arts edifices has been going on in Canada for some time. He drew attention to the magnificent start made in Alberta with the building of the great auditoria in Calgary and in Edmonton. Some wit recently put that danger in these words: "We may be nationally in danger of developing an edifice complex." There is some possibility of that, but as Senator Cameron has pointed out, the edifices alone are not enough.

We have, on the other hand, the Canada Council, which has been doing an excellent job for many years and has developed some of the culture that we can expect to put into these cultural palaces. It might well be—and I think most people interested in the arts will agree—that this building would be premature had it not been for the development of artistic performing groups in Canada, which development occurred largely through the sponsorship and assistance of the Canada Council.

I see no reason to view this very expensive plunge into support of the arts, and this granting of a huge subsidy for the building of an art centre here, with greater alarm than the participation by the state in developing the interests of Canadians in other sociological and economic fields.

I would be the first to admit that this is by no means a national priority, and perhaps it had to wait until we had reached our present stage of affluence when we could say with some justification that we can now afford it.

Honourable senators, the bill itself is a good one. It has been well designed to meet its objectives realistically. I think this is partly, if not wholly, due to the fact that the concept was worked out in great detail by people who were personally involved in the problem, that is to say, some 65 organizations here in Otttawa, as I remember, who banded themselves together into what was called the National Capital Arts Alliance. The alliance raised the money to commission a feasibility study which it presented to the Prime Minister. Mr. Hamilton Southam, the distinguished co-ordinator of the centre, told us that the Prime Minister said, "Yes, this should be it." The go ahead was given by the Government in December 1963, one month after the presentation of that feasibility study—which is some kind of record for promptness in Government decision.

Unfortunately, Government action to follow up the decision was not as decisive. There have been delays of one sort and another, and the Government of Canada's centennial project, which was designated by the Government as its major centennial project in the City of Ottawa, will not open its doors, we are told, until the spring of 1969 instead of 1967. We can only look at this as another sorry example of administrative inertia and red tape.

I am sure many honourable senators who have been in Ottawa much longer than I will regard as amazing the fact that the City of Ottawa, the national capital of Canada, has been without any kind of adequate theatre since the old Russell Theatre, on Queen and Elgin Streets was demolished after the fire of 1928. Until then Ottawa did have some fine performing arts centres which if not national were at least a source of local pride.

Senator Connolly (Ottawa West) will be interested to recall that 112 years ago Her Majesty's Theatre was built on Wellington Street on the site of the Norlite Building, which now houses his Commonwealth Parliamentary Association staff. The theatre cost $7,500 and seated 1,000 people—quite a contrast to the $30 million or more which our newest art centre is going to cost.

There were other theatres. The next was the Grand Opera House, which I do not remember. It was built 80 years ago at a cost of $40,000 and seated 1,000 people. That theatre was superseded by the Russell Theatre which at one time was managed by that mysterious and exciting figure in Canadian history, Mr. Ambrose Small.

The centre therefore has a tradition in Ottawa. It is not something entirely new, it is something that fills a long vacant gap.

I am glad to see that this bill goes a long way toward making the management of the centre independent. As I read the bill I think there is in it a studied avoidance of what Shakespeare, drawing from his own experience with the Puritan element 350 years ago in London, referred to as "Art made tongue-tied by authority." There is evidence in the wording of the bill that the hand of authority will not be excessively heavy in the management of the theatre. On the other hand, I would hope that this wide freedom will not be interpreted by the management as a mandate for licence. I think most honourable senators will agree that in recent years there has been enough of that in connection with the performing arts on the part of private

entrepreneurs, by films, paperbacks, radio and television, and at times, from our own C.B.C.

It is a major problem in the performing arts to balance freedom of expression against licence of action. It is my own view that whatever standards may be applicable in the private sector, there are other standards which should be applied where the public is paying the bill. In my view, the public has a right not only to scrutinize the bill, as it will do through Parliament, in respect of the expenditures of this centre, but a right to insist that the bill of fare be reasonably related to its own general good taste.

That is not an easy balance to achieve. In my opinion the present troubles of the C.B.C. are almost entirely due to its failure to achieve that balance. Perhaps a good motto for the new centre would be, "Liberty to express but not licence to offend."

I am also pleased to note that the bill places heavy emphasis on the national character that the centre is to attain. That also will not be easy to achieve, yet somehow it must be accomplished. The whole project will be a failure if it becomes just one more government institution in Ottawa.

I am sure that in time it will succeed. The management will have the fine example of Stratford, which has sent its good works across Canada almost since its inception. Another example is the National Art Gallery, which I believe has 40 exhibitions on tour in Canada. The National Museum is moving encouragingly in the same direction. Even the National Library in its short existence has placed the same kind of emphasis on its service to the whole country.

The bill has been carefully designed to place a specific statutory obligation on the trustees and management of this centre to make it something that will benefit all Canada. I say that this is not going to be an easy task, but I suggest to honourable senators that it is one of the most important obligations the bill places on management. I hope that this obligation to make the National Arts Centre a truly national institution will always be in the minds of those who have its responsibility in their charge.

Hon. John J. Connolly: Honourable senators, first of all I wish to thank Senator MacKenzie for assuming the responsibility of sponsoring this bill and for the comprehensive and able way in which he did so. I also thank Senator Cameron for the suggestions he made, which will be brought to the attention of the Government. We are indeed grateful to Senator Grosart for the trouble he has taken to put his views upon record; they also will be of help.

Without wishing to be contentious, Senator Grosart said it was a matter of inertia and red tape that prevented the completion of the centre in Ottawa in the centennial year.

This was a deliberate but regrettable decision which had to be taken as a result of the work being done in other places for the centennial year. I refer particularly to the demand for supplies and for labour in connection with the international exposition in Montreal. This and many other public works in this area had to be cut back, because supplies, both of labour and of materials, created a serious problem. In fact, it would have added even more to inflationary pressures if these steps had not been taken. It was with regret that this step had to be taken, but it was felt that in the national interest it must be.

Honourable senators, I claim no special credit to the Government for moving this project forward as quickly as it could be done, or for bringing it on at this time. It is one of those steps in the progress of national development that every government in office would want to take. I am very pleased indeed that this step has been taken.

As an old Ottawa resident, I might argue about the location chosen. However, having heard from people who apparently know about the proper use of land in Ottawa, in the end I believe this will be a good place for it. I doubted this before and I am not thoroughly convinced yet. However, perhaps wiser minds than mine have prevailed.

There is a good deal here in Ottawa now, as Senator Grosart has indicated, which reflects the national desire and the national aspiration to emphasize the spiritual, intellectual, and cultural sides of national activity. The National Gallery, the National Museum, the National Library, the National Archives, all are monuments to this. I believe in monuments. I believe in the voices of silence, which is a good way to express it, of a people. The voices of silence of the ancient people have told us so much in their works on stone, in the way in which they conceived their architecture, their buildings, about the state of intellectual development which they had achieved. In some cases we have not really caught up with what they did many centuries ago.

The monuments themselves are not the things that make the people great: it is what is done with the monuments. I never was much of a television fan until an enforced illness last winter kept me in bed a great deal. I cannot say that I have become by any means a television addict, but I did watch it a good deal, because I could not concentrate and I could not read. I was deeply impressed by the variety of talent which has been developed among our young people, a talent which never would have found adequate expression if it had not been for that vehicle. Television has aided considerably the development of the arts we talked about this afternoon. There is a deep reservoir, a capacity in our people, that we will never plumb. We must give them the incentive and the opportunity to take advantage of what we can do in this country.

I say the same thing about the National Library. It is fine to have all the books in the world, but books are not made to be put on library shelves: books are made to be used, to be read, to be digested. It is likewise in regard to museums and the archives.

Long before the Massey Commission, of which our colleague Senator MacKenzie was a member, made the point about the importance of the arts and sciences in Canada, Canadians themselves, privately and in public, groups like the Little Theatre movement and many other organizations, realized that there was a potential that should be used to the national advantage and the development of the individual. All these things have made great contributions.

I agree, too, with Senator Grosart that the problem of distinguishing between the right to do these things and the undue exercise of licence can lead to problems and trouble. I remember that in the old textbook on rhetoric, which Senator Choquette and I at least used—I think Genung was the author—he gave an example of what was meant by antithesis in a speech; the example used was the puritans opposed bear baiting, not because it gave pain to the bear but because it gave pleasure to the spectators. We have come a long way since that kind of puritanism or that kind of thinking has prevailed almost anywhere in the world.

I am pleased, too, to hear talk about the contribution that has been made and is continuing to be made in an increasing volume by the various ethnic groups in this country. Those of us who have been in some foreign countries and have observed the local customs in Britain, in Scotland, in Ireland, in the Mediterranean countries, even in the Far East—and we have representatives of almost all of these people here—know that in an institution of this kind there an opportunity is provided for them to add to our own cultural enrichment.

I am going to say something that may be rather practical. On June 24 last I was at my camp in the evening and I turned on the television. There was a western program on one of the English channels and there was a play that did not look very interesting to me on another channel. But on the French channel they were photographing the St. Jean Baptiste parade in Montreal. I have watched the Tournament of Roses parade on New Year's Day, which is televised live from California; I have seen the Grey Cup parade, which is televised live from wherever it may happen to be held; but I challenge anyone to say that the St. Jean Baptiste parade program, which I watched for perhaps an hour or more, failed to equal and indeed surpass either of the other two programs I mentioned.

What I regretted was that our own national television network did not carry that program with English commentators, to show what was going on in Montreal, one of our great metropolitan centres. It was a very impressive performance. It had not only all the best features of a good parade, but it had the very imaginative features of pointing up many of the historical things which have happened in the Province of Quebec, which was celebrating its national day.

By way of local reference, may I say I was particularly impressed by one float, at the head of which was a banner bearing the name of one of the former leaders of this house, the honourable Senator Dandurand, portraying his distinguished career, not only in public life in this country but as President of the League of Nations and in other international spheres. To me the showing of a program like that in English Canada would have given a lift to everybody who saw it. Now there are opportunities for this with other ethnic groups. To bring the Calgary Stampede to Ottawa on television and to bring the mountains of Vancouver to Toronto might do those cities a lot of good.

Honourable senators, I am most grateful to the honourable senators who have participated in this debate and I hope that this project will measure up to the high expectations we all have for it.

Motion agreed to and bill read second time.

THIRD READING

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

Hon. Mr. MacKenzie: With leave of the Senate, I move that the bill be read the third time now.

Motion agreed to and bill read third time and passed.

BUSINESS OF THE SENATE

Hon. John J. Connolly: Honourable senators, it is now five o'clock and debate has started in the other place on the bill which we expect to receive later. Although I cannot say what progress is being made there, I understand that there are not to be many speeches. There is, however, the possibility that members there may not forego private members' hour; it is difficult therefore at this stage to make an accurate forecast.

I think that our best course would be to adjourn now to reassemble at the call of the bell at approximately eight o'clock.

Hon. Mr. Brooks: Is the honourable leader anticipating Royal Assent tonight?

Hon. Mr. Connolly (Ottawa West): Let me say I am certainly hopeful. When we reassemble at eight o'clock I hope to be able to give some further information. As I understand the situation, the bill being discussed in the other place is the only outstanding piece of legislation which we may expect.

The Senate adjourned during pleasure.

At 11.10 p.m. the sitting was resumed.

ST. LAWRENCE PORTS WORKING CONDITIONS BILL

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-215, respecting certain conditions of employment of dock workers at the Ports of Montreal, Trois-Rivières and Quebec.

Bill read first time.

SECOND READING

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

Hon. John J. Connolly, with leave of the Senate, moved the second reading of the bill.

He said: Honourable senators, Bill C-215, which enacts the St. Lawrence Ports Working Conditions Act, deals with certain disputes and attempts to bring them to finality.

The first party to the disputes is the International Longshoremen's Association. This is composed of three locals in Montreal, two in Quebec, and one in Trois-Rivières. It involves some 4,500 longshoremen and also certain related trades. The second party to the proceedings is the Shipping Federation of Canada. This involves the wharf operators in these ports, the stevedoring companies in these ports and the shipowners and their agents who are located in these various localities.

Perhaps I should take a few moments to review some of the proceedings that led to the legislation which is before us at this moment.

The previous agreement between the parties expired on December 31, 1965. Notice of revision was served by the union upon the Shipping Federation on October 18, 1965, and they began their talks leading to a new agreement. These negotiations broke down, and on April 4, 1965, a conciliation officer was appointed by the Department of Labour. He worked for the purpose of trying to get the parties to come to an agreement. On April 15, after finding that he could not succeed, he recommended the appointment of a conciliation board. Each of the parties chose their representatives and, finally, on May 10 this year Mr. Justice Prevost was chosen to be the chairman of that board. On May 17 that board reported to the minister that there could be no settlement as a result of their deliberations and activity. On May 18 a general strike started in the three ports.

I should tell you too that on that same day, May 18, Judge René Lippé was appointed mediator under section 56 of the Industrial Relations and Disputes Investigation Act for the purpose of trying further to get these parties to reach an agreement. I need not remind honourable senators that Judge Lippé has had a long and fruitful career in dealing with industrial disputes, and his sense of fairness and responsibility are of the highest order. He is a magistrate in Montreal and a trustee of the Maritime Transportation Unions there.

Finally, on June 14, after a great deal of work on the part of many people, terms of settlement were reached. Honourable senators will recall that I filed and incorporated in the

Debates of the Senate on July 5 the report made by Judge Lippé, dated June 23. I did this for the convenience of honourable senators, and so that they would know well in advance of this moment the history of this situation.

I should say at this point that prior to the strike, which began on May 18, there had been a stoppage of work on April 19 over a parking problem in the Port of Montreal. This lasted but two days, and through the good offices of a conciliating officer from the Department of Labour the walkout was ended on April 21.

Judge Lippé, as I said earlier, began his work on May 18. On May 25, or about a week later, he invited the international president of the union to come from New York to see himself and senior officers of the department, and he did what he could with the president in an endeavour to work out an arrangement.

I should also tell the house that on May 28 the Minister of Industry and the Minister of Labour were at Montreal working with both parties. This discussion continued on May 29. I am not sure whether they were all in Montreal or in Ottawa on that day, but I do know that they sat together until 2 o'clock in the morning of Sunday, May 29, hoping to achieve a settlement.

Finally, on June 11 the parties met with four ministers, including the Acting Prime Minister, but still they were not able to work out a settlement. However, a settlement was reached late at night on June 14, and the negotiation of it involved the Prime Minister of this country. The terms of that settlement are to be found at page 875 of our *Hansard*.

May I summarize the terms. First, it was provided that the contract will be in force as between these parties for two years from the date of the expiry of the old contract. The terms also involve certain wage increases. In the year 1966 there is an increase of 20 cents an hour, and this is an outright increase dating from January 1, 1966. In addition there is another award of 20 cents an hour in compensation for improvement in productivity. In other words, the second 20 cents is not an unconditional wage increase, but is in compensation for better productivity activities on the waterfront.

Dating from January 1, 1967, there is another outright increase in the wage rates of these longshoremen of 15 cents an hour, plus another 25 cents an hour, dating from May 15, 1967, to the end of the contract, in compensation for increased productivity.

In addition to that there are special small rate increases of three cents, four cents or five cents an hour for the various ports. Whether the increase is three cents, four cents or five cents depends upon conditions in those ports. This is all spelled out in clauses 8, 9 and 10 of the minutes of settlement of June 14.

There is another provision in the settlement relating to the call-up of gangs, particularly in Montreal, and the amount of notice that is to be given. In clauses 5 and 6 arrangements are made for the handling of cargoes, as to whether or not hooks should be used in certain cases. There is a provision as to what should be done with reference to the opening and closing of hatches. These are all details. There is a provision in clause 11 for vacation pay, to which the parties have agreed. There is a minimum hourly guarantee in clause 12. There is a special clause that has no number and which, for the purposes of my statement, I think I should read to the house. It will be found at page 876 of *Hansard* of July 5, and reads as follows:

> The agreements terminating on December 31, 1965, shall be amended by incorporating therein the terms of settlement—

That is, the terms of settlement that I have just described and which are in this document dated June 14.

> —set out above and these amended agreements shall remain in effect until December 31, 1967—

That is the provision for the two year agreement.

> —unless amended by negotiations or otherwise.

That word "otherwise" is put there as a result of the discussions which took place between the parties and the people who were attempting the conciliation.

I want to say why the Shipping Federation said at that time they would accept legislation in the form in which it had been passed and is now before us. The unions, I must say, did not ask for this, and they made no comment about it other than to say that if the legislation were produced they would obey the law. I think that is a very important point. To continue:

> The parties agree to attend a meeting convened and presided by Judge Lippe for the purpose of signing the new agreements in accordance with the above. It is

understood that all of the above is subject to ratification by the membership of the respective I.L.A. Locals and of the membership of the Shipping Federation of Canada.

I wish to say at this point that this strike is over. The parties have accepted these terms, the ports are open and the workers are back at work.

Another point is that these terms, although they may appear to be indefinite, and particularly by the use of the words "by negotiation or otherwise," there was an understanding at that time and, if there had not been, so far as the unions were concerned I think it fair to say that they could have said, "We will not sign the terms as they have been stated." Therefore, I think we can feel assured that at that time there was agreement as to what was to be expected.

The Lippé Report, which was dated June 23, recommended the appointment of an industrial inquiry commission under the Industrial Relations and Disputes Investigation Act; and I have read the sentence from the clause which refers to it.

The commissioner for that inquiry was appointed on June 23. He is Mr. Laurin Picard, an engineer, of Montreal.

Now I come to the act itself, which can best be described as the terms of reference of the commissioner. Under sections 3 and 4 of the act his findings are to form part of the terms of settlement of June 14, 1966.

To clarify that point may I simply read a few extracts from the preamble to the act?

> ...in the report of the mediator appointed to mediate the issues then in dispute, it was recommended that an Industrial Inquiry Commission be appointed under the Industrial Relations and Disputes Investigation Act to inquire into certain matters on which agreement was not reached—

Then the next clause, which I will not read in its entirety:

> And Whereas an Industrial Inquiry Commission to inquire into those certain matters has been appointed under the said act,...

I have already indicated who was appointed as commissioner.

> ...and it is in the national interest that the conclusions of the said Commission with respect thereto be carried into effect without delay following receipt of the report of the said Commission, by the incorporation of those conclusions in the terms of settlement that were entered into following the settlement of the other issues...

May I read now the opening paragraph of clause 3, which is as follows:

> Forthwith upon the receipt by the Minister of Labour of the report of the Commission—

I have already defined the commission, and it is defined again:

> —the Minister of Labour shall cause copies of the report to be furnished to the Federation and to the Union, and thereupon each collective agreement to which this act applies shall be deemed to be amended by the incorporation therein of the conclusions of the Commission, as set forth in the report—

Let me say now what items are still open. First of all, under section 3(a) of the bill the commission is to inquire into and report upon the size of the work gangs, the sling loads, the use of equipment which is to come into play in the handling of freight in these ports. All of these items of course will affect productivity and go to the question of the increases in wages that were granted in return for certain improvements in productivity. In this matter of improving productivity, the commission—and it is provided in the bill—is to have regard for the health and the safety of the workers.

The further protection of the workers is considered in clause 3(b), which provides that the commission shall look into the question of the call up and the recalling of men.

The commission will also consider the question of job security—which is a very important issue when you are talking about increased productivity—for the union members in good standing on June 1, 1966, and who qualify for the welfare benefits under the plan they have.

The commission is also required, under the terms of reference imposed by this legislation, to have regard to special cases, as determined by the commission.

You may note that by clause 5, even with the findings of the commission, the parties may agree to vary the agreement; and the total agreement will be the terms of reference of June 14, 1966, as they vary the agreement that existed and which expired on 31 December, 1965, and as added to by the findings of the commission. But the parties may still agree to vary that agreement composed of those three elements.

Hon. Mr. Macdonald (Cape Breton): May I ask the honourable Leader a question at this point? On section 5, when you say they could agree to vary it, could the parties also agree that the findings of the commission would not apply to their collective bargaining agreement, in other words, that it be a nullity?

Hon. Mr. Connolly (Ottawa West): I think not. In other words, it is fair to describe the result that would flow from the passing of this bill as compulsory arbitration. I say they have agreed to it and that they agreed to it on June 14, with the rider that they can vary the terms. It is not compulsory arbitration in the sense that once the commissioner makes his findings and these findings are put in a form that can be inserted into a collective agreement that they are fully binding. The parties can still, by agreement between themselves, vary those items. I assume, however, that if they do not agree, then the findings of the commission are final.

Hon. Mr. Haig: That is compulsory arbitration.

Hon. Mr. Rattenbury: But if they do agree, it is not compulsory arbitration.

Hon. Mr. Connolly (Ottawa West): We are talking about this as a matter of semantics at the moment. This is compulsory arbitration, certainly, and I think they all agreed they could accept it.

Hon. Mr. Haig: They agreed to do it before they started the arbitration.

Hon. Mr. Connolly (Ottawa West): Yes, they did, because the commission cannot start to work before the act is passed. This bill contains the commissioner's terms of reference. There is the rider that even after having heard the findings of the commission they can still, by agreement, vary those terms. But they must agree, and if they do not, then I would assume that the findings of the commission are binding on both parties.

Honourable senators, we have been looking for this legislation for a long time, but the parties have been looking for it since June 14. I think the proposal is a reasonable and fair one, and I commend it to the Senate.

Work has been resumed, the ports have been re-opened. This is a very important consideration at this time, particularly in the St. Lawrence area from where so much of the grain being exported under the huge wheat contracts we have is shipped, and where so much importation is going on in connection with the development of Expo '67. All these elements make this a highly important measure, even though it may be a difficult problem to deal with.

I think I have said as much as I need say in introducing the measure. If honourable senators have any questions they wish to ask I shall do my best to answer them.

Hon. John M. Macdonald: Honourable senators, I do not propose at this hour of the evening or at this stage of the session to take up much of your time in discussing this bill, important though it undoubtedly is. For that reason I do not propose to deal with any of the details of the bill itself.

I object to the bill, and my objection is to the principle of the bill. In many ways this is a very remarkable bill. By this I do not mean that the bill itself or any of the terms are complicated; they are not. But the story behind the events leading up to it gives it an interesting and indeed a fascinating history. The purpose of the bill is to incorporate into a collective bargaining agreement already signed the conclusions to be reached by an industrial inquiry commission, and this to my mind is a most unusual and uncommon procedure. As has been stated, the collective bargaining agreement has been signed since June 14 last between the Shipping Federation of Canada and six locals of the International Longshoremen's Association.

Now, in order to understand this bill some reference must be made to the conference which took place between the Shipping Federation and the representatives of the International Longshoremen's Association aided, assisted, mediated, and perhaps confused by, I suppose, the most distinguished group of volunteer mediators in the history of industrial arbitration in Canada. We had the Prime Minister, the Minister of Labour, and four other cabinet ministers along with the Deputy Minister of Labour, his senior officials, and at least one parliamentary secretary. These all assisted in the mediation of this industrial dispute. Now whether or not this V.I.P. intervention helped or only added some confusion to an already difficult situation, I do not know. Just what was agreed upon or indeed stated at these conferences is difficult to determine. Misunderstandings have arisen; recollections of what took place differ. However, one thing would seem clear: it was understood that the Government would appoint an industrial inquiry commission. That much is clear, but that is about all that is clear.

From that point on a controversy has arisen as to what actually took place. This is unfortunate, since I think it would be helpful if we knew whether this bill just seeks to implement an understanding or agreement which was arrived at between the parties, or if the Government took the initiative to impose compulsory arbitration. I do not understand why precautions were not taken to prevent such misunderstandings, as it is obvious from the correspondence which has been tabled that the union representatives were somewhat suspicious of the Government representatives.

If you look at page 7442 of the House of Commons *Hansard* of July 8 you will see in the telegram to the Prime Minister that the union representatives said, in part:

> When I.L.A. St. Lawrence river ports locals delegation left Montreal for Ottawa it was determined that no member of delegation would meet alone or without witnesses in seeing any minister or any representative of federal Government.
>
> While such an attitude may appear hostile it was the unanimous decision of the 18 delegates who having met with Government representatives on two previous occasions in same dispute refused to go to Ottawa unless that rule be observed.

So it is obvious certainly there was not that trust in the Government representatives which one would like to see.

The Minister of Labour, in his correspondence, leaves no doubt that he feels the union representatives were fully informed as to the intentions of the Government to introduce this legislation. In his letter of June 27, he quotes from the terms of settlement to prove this. You will find it on page 7438 of the Commons *Hansard* of July 8. As was mentioned by the Leader of the Government—and this does not simply confirm it, because this is in the letter of June 27 from the minister—he says this:

> The terms of settlement signed on June 14 include the following statement: "The agreements terminating on December 31, 1965, shall be amended by incorporating therein the terms of settlement set out above and these amended agreements shall remain in effect until December 31, 1967, unless amended by negotiations or otherwise."

Honourable senators, this may seem crystal clear to the Minister of Labour. According to him the words "or otherwise" were put there to signify compulsory arbitration, although care was taken never to use that expression. What I do not understand is this: Why the secrecy? Why the attempt to disguise the matter, if the minister is correct on the hidden understanding? If it was known to both sides that legislation such as this was to become part and parcel of the terms of settlement, then why was not that clearly stated and set out in the terms of settlement?

The longshoremen, the members of those six locals, had a vote on those terms of settlement. I do not imagine that they read the fine print or, if they did, that it was crystal clear to them that the words "or otherwise" meant compulsory arbitration in their dispute with the Shipping Federation of Canada.

As far as I can learn, the minister has given no reasonable explanation for his strange action in keeping secret what he had in mind. Certainly, if honourable senators look at the statement he made announcing the settlement on June 14 they will find not one syllable to signify there was to be compulsory arbitration. Again I ask: Why the secrecy?

As I mentioned, if there was an agreement between the two parties that the conclusion of the commission would be part of their agreement, then this legislation is simply a matter which concerns those two parties to that industrial dispute. It would be a strange method of adding some clauses to their contract, but if they wanted it that way I suppose no strong objection could be made.

However, honourable senators, I do not think it could be seriously contended that there was such agreement. But it has been stated that the representatives of the longshoremen were informed and they fully understood that this legislation would be introduced, and that their consent was implied, if not expressed. If this be so, or if they had no such knowledge, then the matter of compulsory arbitration is no longer a matter concerning only the two parties to the dispute. It has become a matter which concerns the whole labour movement in Canada.

The bill itself, I suppose, is the best evidence we have as to why it was introduced. The second paragraph of the preamble is very clear and definite. It is:

> And Whereas an Industrial Inquiry Commission to inquire into those certain matters has been appointed under the

said Act, and it is in the national interest that the conclusions of the said Commission with respect thereto be carried into effect without delay following receipt of the report of the said Commission, by the incorporation of those conclusions in the terms of settlement that were entered into following the settlement of the other issues involved in the dispute and in any collective agreements entered into pursuant to those terms of settlement;—

This is compulsory legislation. It so states in the preamble. It is so admitted by the honourable Leader of the Government in this house. Yet, there was no word up to the time the bill was introduced to the effect that the Government contemplated compulsory arbitration of this dispute. Again I ask: Why the secrecy?

It is of passing interest that the first paragraph of the preamble which was mentioned by my honourable friend the leader reads:

...in the report of the mediator appointed to mediate the issues then in dispute, it was recommended that an Industrial Inquiry Commission be appointed...

On June 23 the mediator made his report, in which he recommended this compulsory arbitration. If it was agreed upon by the parties on June 14, if it was known to the longshoremen on that date that there was to be compulsory arbitration, why was not the mediator informed of this? Because it is obvious that if he recommended it he had no knowledge that it had already been agreed upon.

Hon. Mr. Connolly (Ottawa West): I understand that the mediator was present at the discussions.

Hon. Mr. Macdonald (Cape Breton): I can well believe that if he was present he did not understand there was to be compulsory arbitration, because apparently there were present 18 representatives of the longshoremen's union, I do not know how many from the Shipping Federation, and I suppose a dozen or more Government representatives, and everyone of them seemed to have a different recollection of what took place at those meetings. So I daresay the mediator also had a different recollection.

Hon. Mr. Connolly (Ottawa West): In all fairness, if you do not mind, may I say that in a matter of this kind Judge Lippé, who has had a great deal of experience, would certainly know what the consensus was.

Hon. Mr. Macdonald (Cape Breton): If he knew, then why was he cluttering up his report with the recommendation that there be this type of legislation?

Honourable senators, at this time I shall not go into the question of whether or not there should be compulsory arbitration in cases of this kind. I will say this, that traditionally, and with very good reason, organized labour has been opposed, and bitterly opposed, to having settlement of labour disputes imposed upon them rather than being allowed to negotiate.

I know there are people who will contend that there should be compulsory settlements of industrial disputes where the public interest is heavily involved. Indeed, whenever we are in a period of labour unrest—and we are in such a period now—there are renewed demands for imposing a settlement on the parties to these disputes, rather than have the public interest suffer.

Honourable senators, I can appreciate that there may be times when some type of compulsory settlement may be necessary, but generally speaking it should be remembered that the collective bargaining procedure is the best method yet devised to allow labour and management to get along together and to settle any disputes that may arise between them. It may be that the time has come to take a new look at all our labour legislation, to see if it is as effective and as beneficial as it might be, to see if improvements could be made.

I think it would also be as well to investigate and to learn the causes of so much labour unrest at the present time. Some people believe, as I do, that the main reason is the ever-increasing cost of living. Others believe it is the threat to job security caused by automation, new procedures, and the like. In any event, whatever the cause, if we knew it we might be able to take preventive action.

I do not know how many honourable senators read an editorial which appeared this morning in the Montreal *Gazette*. If they have not, I commend it to them. I shall not quote it, but it deals with the situation of the Province of Quebec at the present time. With equal effect, it could have applied to the whole of Canada.

Honourable senators, with regard to the bill itself, I do not think it should be passed at this time. It is an amazing thing that an industrial inquiry commission has been appointed but, before a report can be brought down, that report is to be incorporated into a collective bargaining agreement. At least, could we not have waited until the report

was received and made public? I realize that there is a great deal of dispute, a great deal of controversy, as to the attitude of the parties, as to whether or not there was an agreement, whether or not there was acquiescence in the passing of this legislation.

I have here some quotations—which I am not going to read, because I presume others have seen them also—where the labour leaders deny there is such knowledge and such information.

Honourable senators, I would like to see this bill given a hoist, so that we could send it to a committee, where all parties interested could come and be heard. Every time we pass legislation containing compulsory arbitration in an industrial dispute, we are weakening the whole fabric of our collective bargaining as we know it.

Honourable senators, from my words you may take it that I am opposed to this measure and that I shall vote against it.

Hon. John J. Connolly: Honourable senators, I shall not detain the house for any length of time—

The Hon. the Speaker: Honourable senators realize that if honourable Senator Connolly (Ottawa West) speaks now, it has the effect of closing the debate.

Hon. Mr. Connolly (Ottawa West): There are some things that I should say in reply to my honourable friend the senator from Cape Breton.

It is important to try to project our minds back to the night of the June 14. These parties had then been negotiating, disputing, probably with some heat, for some eight months. The ports had been closed from May 18—almost a month. It was realized that this situation was creating a condition which was dangerous to the Canadian economy in many ways.

The parties came very close to a final conclusion. There was very little separating the federation from the union in their respective positions. We must give both of them credit for desiring to get those ports open again. This was a commendable attitude for them to have and they took it. There were many, even minor points of difference between them. For example, 20 cents of the 40 cents increase for the first year was to be in return for certain improvements in productivity; in the second year, 25 cents out of 40 cents was to be granted for increased productivity.

Now, they might have been able to go on bargaining. How many more days, how many more weeks, how many more months might have had to elapse before they came to a final conclusion about these relatively minor points, when they were so close to a final agreement is not known. What they did in effect was this. They said, "Let us get the ports open, let us get the men back to work, let us get these cargoes moving, let us appoint an arbitrator who will examine these outstanding points of difference."

This arbitrator is not going to go into these hearings with a preconceived idea of what should be done; neither is he going to take dictation from anybody at these hearings. The union representatives and the representatives of the federation will present their cases, not only in respect of productivity but in respect of certain protection and advantages that are to accrue to the workers themselves. I do not think we should prejudge what this commission will find.

There is another aspect to be considered, honourable senators. The negotiating team from the union in this atmosphere was anxious for its union to agree that they should return to work, and I could understand they would hesitate to see put down in writing the precise terms of the legislation. That, I think, more than anything else, was the reason why the wording was as indefinite as it was. I think that at that moment of time they felt they could rely upon the fairness of the arbitrator and of the commission that would be appointed to deal with these outstanding points of difference. These productivity factors had to be measured. There was going to be payment for them, but they felt that this could be done in a way that would be fair to both parties and that would recognize the seniority and the position in the union of the various workers.

The words "compulsory arbitration" may have a bad connotation, and perhaps it is unfair to apply it to this particular legislation. I do not mind applying it because I think there is certainly an element of compulsion in it. But I think there is an element of fairness about it that will result from the incorporation into these agreements of the findings of a fair investigator, and that is the kind of man the Government has appointed to do this.

I commend the bill to the Senate.

The Hon. the Speaker: Honourable senators, it is moved by the honourable Senator Connolly (Ottawa West), seconded by the

honourable Senator Beaubien (Provencher) that this bill be now read a second time. Is it your pleasure, honourable senators, to adopt the motion?

Hon. Mr. Macdonald (Cape Breton): On division.

Motion agreed to and bill read second time, on division.

THIRD READING

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

Hon. Mr. Connolly (Ottawa West): With leave of the Senate, I move that the bill be read the third time now.

Hon. Mr. Macdonald (Cape Breton): On divison.

Motion agreed to and bill read third time and passed, on division.

PENITENTIARIES

JOINT COMMITTEE—CHANGE IN COMMONS MEMBERSHIP

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons to acquaint the Senate that the name of Mr. Winch has been substituted for that of Mrs. MacInnis on the list of members appointed to serve on the Joint Committee on Penitentiaries.

ROYAL ASSENT

NOTICE

GOVERNMENT HOUSE

Ottawa

14th July 1966

Sir,

I have the honour to inform you that the Hon. Emmett M. Hall, Puisne Judge of the Supreme Court of Canada, acting as Deputy to His Excellency the Governor General, will proceed to the Senate Chamber today, the 14th July, at 11.30 p.m., for the purpose of giving Royal Assent to certain Bills.

I have the honour to be,

Sir,

Your obedient servant,

A. G. Cherrier

Assistant Secretary

to the Governor General.

The Honourable

The Speaker of the Senate.

ADJOURNMENT

Leave having been given to revert to motions:

Hon. Mr. Connolly (Ottawa West): Honourable senators, I move, with leave of the Senate, that when the Senate adjourns today it do stand adjourned until Tuesday, October 18, 1966, at 8 o'clock in the evening.

I must couple this motion with these remarks. I understand that the House of Commons will be reassembling on October 5. There is always the possibility that, in circumstances somewhat similar to the ones in which we find ourselves tonight, they might reassemble earlier, but we all hope this will not happen. It may be that the Senate will be required to reconvene before October 18. So, while I make the motion in this form now, I do so in the expectation and hope that if we reassemble at that time there will be work from the other place for us to do, or legislation for us to introduce here.

On the other hand, if work is available earlier and our presence is required, the Senate can be recalled by His Honour the Speaker on appropriate advice. So, while the adjournment is to October 18, it is subject to recall earlier. I need not emphasize it to honourable senators because they understand —but I want it to be very clear to the press and to the public.

Motion agreed to.

The Senate adjourned during pleasure.

ROYAL ASSENT

The Honourable Emmett M. Hall, Deputy of His Excellency the Governor General, having come and being seated at the foot of the Throne, and the House of Commons having been summoned and being come with their Speaker, the Honourable the Deputy of His Excellency the Governor General was pleased to give Royal Assent to the following bills:

An Act to authorize the making of contributions by Canada towards the cost of programs for the provision of assistance and welfare services to and in respect of persons in need.

An Act to amend the Canadian Corporation for the 1967 World Exhibition Act.

An Act to amend the Income Tax Act.

An Act to establish a corporation for the administration of the National Arts Centre.

An Act to incorporate Bank of Western Canada.

An Act respecting certain conditions of employment of dock workers at the Ports of Montreal, Trois-Rivières and Quebec.

The House of Commons withdrew.

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

The sitting of the Senate was resumed.

The Senate adjourned until Tuesday, October 18, at 8 p.m.

THE SENATE

Monday, August 29, 1966

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

Prayers.

NEW SENATORS

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

Hon. Alan Aylesworth Macnaughton, P.C.
Paul Desruisseaux, Esquire
James Duggan, Esquire
Thomas Joseph Kickham, Esquire.

NEW SENATORS INTRODUCED

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

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

Hon. Alan Aylesworth Macnaughton, P.C., of Westmount, Quebec, introduced between Hon. Mr. Connolly (Ottawa West) and Hon. Mr. Hugessen.

Hon. Paul Desruisseaux, of Sherbrooke, Quebec, introduced between Hon. Mr. Connolly (Ottawa West) and Hon. Mr. Vaillancourt.

Hon. James Duggan, of St. John's, Newfoundland, introduced between Hon. Mr. Connolly (Ottawa West) and Hon. Mr. Basha.

Hon. Thomas Joseph Kickham, of Souris, Prince Edward Island, introduced between Hon. Mr. Connolly (Ottawa West) and Hon. Mrs. Inman.

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

EMERGENCY SITTINGS

Hon. John J. Connolly: Honourable senators, it is most gratifying but not surprising that there should be so many honourable senators present this evening. I think we can take judicial, if not senatorial, notice of the fact that there is in this country a serious national emergency; and I would expect nothing less than a general as well as a generous response from the members of the Senate in this emergency.

While it would be quite improper to anticipate any legislation, I should inform honourable senators that an effort has been made to provide them with the legislation which is being considered in the other place. Each senator entering the chamber this evening was given a copy of a piece of legislation which may reach us at any time. In any event, copies are available here this evening.

Tomorrow morning, honourable senators will receive in their boxes not only copies of the legislation to which I obviously refer but also another piece of legislation which was introduced in the other place. It may not come to us at a very early date; nonetheless, it will be of interest to honourable senators.

I make this announcement so that honourable senators will be aware of the fact that this material is available now.

DOCUMENTS TABLED

Hon. John J. Connolly tabled:

Report of the number and amount of Loans to Indians made under section 69(1) of the Indian Act for the fiscal year ended March 31, 1966, pursuant to section 69(6) of the said Act, chapter 149, R.S.C., 1952. (English and French texts).

Revised Capital Budget of the Farm Credit Corporation for the fiscal year ending March 31, 1967, pursuant to section 80(2) of the Financial Administration Act, chapter 116, R.S.C., 1952, and a copy of Order in Council P.C. 1966-1297, dated July 12, 1966, approving same. (English and French texts).

Report on the Administration of the Small Businesses Loans Act for the year ended December 31, 1965, pursuant to section 11 of the said Act, chapter 5, Statutes of Canada, 1960-61. (English and French texts).

Report of a Loan made August 4, 1966, out of the Consolidated Revenue Fund to The St. Lawrence Seaway Authority,

pursuant to section 26(4) of the St. Lawrence Seaway Authority Act, chapter 242, R.S.C., 1952. (English and French texts).

Report of the Minister of Finance on the state of the Unemployment Insurance Fund as of March 31, 1966, and of the transactions under section 86 of the Unemployment Insurance Act for the fiscal year ended March 31, 1966, pursuant to section 87 of the said Act, chapter 50, Statutes of Canada, 1955. (English and French texts).

Statutory Orders and Regulations published in the *Canada Gazette*, Part II, of Wednesday, July 27, August 10 and August 24, 1966, pursuant to section 7 of the Regulations Act, chapter 235, R.S.C., 1952. (English and French texts).

Report of operations under the Coal Production Assistance Act for the fiscal year ended March 31, 1966, pursuant to section 9 of the said Act, chapter 173, R.S.C., 1952, as amended. (English and French texts).

Report of the Unemployment Insurance Advisory Committee for the fiscal year ended March 31, 1966, pursuant to section 90(2) of the Unemployment Insurance Act, chapter 50, Statutes of Canada, 1955. (English text).

Statement of Receipts and Expenditures under Part V of the Canada Shipping Act (Sick Mariners) for the fiscal year ended March 31, 1966, pursuant to section 321 of the said Act, chapter 29, R.S.C., 1952. (English and French texts).

Report of the Department of Transport for the fiscal year ended March 31, 1965, pursuant to section 34 of the Department of Transport Act, chapter 79, R.S.C., 1952. (English and French texts).

Report of the Department of Transport containing a Statement of Wharf Revenue Receipts and a Statement of Harbour Dues for the fiscal year ended March 31, 1966, pursuant to section 14 of the Government Harbours and Piers Act, chapter 135, R.S.C., 1952. (English text).

Copies of telegram, dated August 22, 1966, from the Prime Minister to:

1. The President and Chairman C.N.R. (Donald Gordon)

2. The President and Chairman C.P.R. (Ian Sinclair)

3. The Chairman, Negotiating Committee, Associated Non-operating Unions. (R.C. Smith)

4. The President and Secretary-Treasurer, division No. 4, Railway Employees Department, (T. W. Read)

5. The National President, Canadian Brotherhood of Railway, Transport and General Workers, (W. J. Smith)

6. The Chairman, Employees Negotiating Committee, Brotherhood of Railway Trainmen, (G. C. Gale), and replies by telegram, dated August 23rd, 1966, to the Prime Minister from:

1. The President and Chairman C.N.R.

2. The President and Chairman C.P.R.

3. The Chairman, Negotiating Committee, Associated International Non-Operating Railway Unions

4. The President, division No. 4, Rail-Railway Strike called August 22nd, 1966. way Employees Department

concerning Railway Strike called August 22nd, 1966.

RICHELIEU BRIDGE COMPANY ACT

BILL TO AMEND—FIRST READING

Hon. John J. Connolly presented Bill S-44, to amend an act to incorporate the Richelieu Bridge Company.

Bill read first time.

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

Motion agreed to.

MANITOBA-SASKATCHEWAN BOUNDARY BILL

FIRST READING

Hon. John J. Connolly presented Bill S-45, respecting the Boundary between the Provinces of Manitoba and Saskatchewan.

Bill read first time.

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

Motion agreed to.

SASKATCHEWAN-NORTHWEST TERRITORIES BOUNDARY BILL

FIRST READING

Hon. John J. Connolly presented Bill S-46, respecting the Boundary between the Province of Saskatchewan and the Northwest Territories.

Bill read first time.

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

Motion agreed to.

MANITOBA-NORTHWEST TERRITORIES BOUNDARY BILL

FIRST READING

Hon. John J. Connolly presented Bill S-47, respecting the Boundary between the Province of Manitoba and the Northwest Territories.

Bill read first time.

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

Motion agreed to.

CANADA LANDS SURVEYS ACT

BILL TO AMEND—FIRST READING

Hon. John J. Connolly presented Bill S-48, to amend the Canada Lands Surveys Act.

Bill read first time.

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

He said: Honourable senators, although we do not make a practice of giving explanations on first reading, I should like to say something not about the measure itself but about the procedures of the Senate in respect of the measure.

As honourable senators are aware, as a general rule private bills are by custom introduced in the Senate. There are exceptions. We receive here for introduction in the first instance private bills to incorporate various types of companies and organizations: insurance companies, trust and loan companies, pipe line companies and banks; we receive bills to establish religious, cultural and philanthropic organizations: organizations like the Medical Council of Canada, the Canadian Dental Association and Red Cross. I think I need not give examples of the other type of private bills that we have here.

The bills that I have introduced here this evening, and there have been five of them, are not in the category of private bills. They are government bills. I draw honourable senators' attention to the fact that government bills which are purely financial in character, which appropriate a part of the public revenue, which impose a tax, are not properly introducible in the Senate.

The reason for that lies in sections 53 and 55 of the British North America Act which, for the purposes of the record, I shall read. Section 53 provides that:

> Bills for appropriating any Part of the Public Revenue, or for imposing any Tax or Impost, shall originate in the House of Commons.

And Section 54:

> It shall not be lawful for the House of Commons to adopt or pass any Vote, Resolution, Address, or Bill for the Appropriation of any Part of the Public Revenue, or of any Tax or Impost, to any Purpose that has not been first recommended to that House by Message of the Governor General in the Session in which such Vote, Resolution, Address, or Bill is proposed.

In other words, bills which are purely financial, appropriation bills, require a resolution for introduction in the other house, and a message from the Governor General must recommend such bills. Clearly, such bills are not introducible here.

However, there are other government bills in which Parliament is interested and with which Parliament deals at times, and in such a category are bills which have no financial implications. There is no prohibition against the introduction of such bills in the Senate. Indeed, many such bills have been introduced here: for example, an act to amend the Criminal Code, acts to amend the Bankruptcy Act, acts to deal with admiralty matters, the Shipping Act of 1935, and bills affecting trademarks.

Generally speaking, these are measures which have no financial implication, and for that reason were brought before this house in the first instance, although this is primarily a chamber of review.

It is conceivable, of course, that some bills or resolutions of importance to the Government may be of such major concern to the appropriate minister or to the Government itself, or be matters of major Government policy, that everyone would consider it reasonable that the ministers or the government of the day should feel it more appropriate to introduce them in the other place, and that the ministers should speak to them in their own house. In this session, for example, there has been introduced in the other place a number of such measures which, technically speaking, could have been introduced here. For example, the bill to amend the Bank Act—the decennial revision of the Bank Act—was introduced in the other place. It could have been introduced here, and some honourable senators with very good reason have suggested that it would have been a good thing had it been introduced here.

Hon. Mr. McCutcheon: Was not that a money bill?

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

Hon. Mr. McCutcheon: It was introduced by resolution.

Hon. Mr. Connolly (Ottawa West): I think not. Perhaps that bears checking. If it falls within the other category then I stand corrected. I will have it looked up. But the bill to extend the time for consideration of objections pursuant to section 20 of the Electoral Boundaries Readjustment Act was certainly not a money bill in the strict sense of the word. It was introduced in the other place. The bill to amend the Combines Investigation Act and the Criminal Code was not a money bill, but it was introduced in the other place because it was thought to be important enough for the minister concerned to deal with it there.

The bill to amend the Financial Administration Act, which was dealt with here earlier, was introduced in the other place, and it did not have implicit financial implications. I might say that there are cases in which the dividing line between strictly money bills and those which are not is sometimes hard to find.

I desire to draw the attention of this house to the fact that Senator Farris on an earlier occasion this session dealt particularly with Rule 18A of the Senate which permits ministers who are members of the House of Commons to come here, if they so desire, to introduce a measure. This device has been used on five different occasions. The Honourable Lionel Chevrier did it twice, and the Honourable Brooke Claxton, the Honourable Stuart Garson and the late Honourable Gordon Bradley each did it once. This may be a useful device on occasion, but I am sure all honourable senators like to think that the practice that has grown up here whereby members of the Senate, regardless of the political persuasion of the government in office, take the responsibility of sponsoring public legislation introduced here, is a good practice. If I may say so, this work has been done particularly well by members of this chamber who have assumed that responsibility. I would like to go further, honourable senators, and say that during this session a number of new senators have demonstrated their willingness to take that responsibility, a responsibility that they discharged with honour to themselves and to the Senate.

I should like to point out also that while we may not take advantage of Rule 18A often, it does happen in many cases that when a bill is sponsored by either myself as the Leader of the Government in the Senate or on my behalf and on behalf of the Government by an honourable senator, that bill goes to a committee where we have an opportunity of hearing directly from the minister. My honourable friend Senator Hayden, the Chairman of the Standing Committee on Banking and Commerce, has presided over many sittings of his committee at which ministers have been present to explain bills in which they were involved.

The onus of starting government bills in this chamber is primarily one that is upon the shoulders of the Government, but I think, in a certain sense, it is an onus that falls also upon the Leader of the Government in the Senate, particularly when he is a member of the Cabinet. He does this because of his membership in the legislation committee of the Cabinet as well as his membership in the Cabinet itself. For the record, and for the information not only of the new senators but of all of us, it is interesting to note that in my 13 years here—and when I was appointed to the Senate the Honourable W. Ross Macdonald was the Leader of the Government—there have been 110 public bills introduced in this chamber.

There is another category of bill which qualifies for introduction here because of a Canadian practice and a background of Canadian precedent. These are bills which

have incidental monetary aspects. As so many of us have done, I have consulted with the Clerk of the Senate in this matter. Indeed, as so many of us have done, I have sat at his feet for instruction in this respect. He has provided me, first of all, with a quotation from *Bourinot's Parliamentary Procedure,* Fourth Edition, page 493, part of which reads as follows:

> It is frequently found convenient to introduce bills involving public expenditure in the Senate, and in such a case, the money clauses are embodied in the bill as presented, in order to make it more intelligible. When the Senate goes into Committee on the bill, these clauses are ordered to be left out. They are printed in red ink or italics in the engrossed bill sent up to the Commons, and are technically supposed to be blanks.

Perhaps the practice now is slightly different because I do not think red ink is used; perhaps it could be. I do not think italics are used; perhaps they could be.

There was another precedent established in 1947. In that year Senator J. J. Donnelly presented to the Senate a report of the Standing Committee on Natural Resources concerning Bill M-9, respecting certain National Parks and to amend the National Parks Act. Senator Donnelly, as reported at page 431 of the *Debates of the Senate* of 1947 said:

> Honourable senators, the committee have, in obedience to the order of reference of June 5, 1947, examined this bill, and now beg leave to report the same with two amendments. These amendments are not contentious. They were both either suggested or approved by the Law Clerk of the Senate or representatives of the department. The first amendment deletes paragraph (p) of clause 9. That paragraph purports to grant certain powers to tax; but the power to tax must originate in the House of Commons. It is therefore proposed that the paragraph should be deleted, in the expectation that it will be inserted by the other house and returned for our consideration.

That report was adopted and the bill was given third reading. This is reported in the *Debates of the Senate,* 1947, at pages 458 to 462.

When it reached the House of Commons the bill was amended as follows:

> Page 2, line 26: Insert the following paragraph between paragraph (o) and (q):
>
> (p) levying taxes upon the residents of a Park in order to defray the cost of health and welfare services supplied to such residents by a province pursuant to an agreement made under paragraph (o) of this subsection or supplied to such residents by the Government of Canada.

The amendment was concurred in by the Senate, as reported in the *Debates of the Senate,* 1947 at pages 556 and 557.

The third Canadian precedent occurred in 1949 when the National Defence Bill was introduced and explained in the Senate by the then minister, the Honourable Brooke Claxton. This bill involved expenditures of public moneys. Senator Hayden in reporting the bill from the Standing Committee on Banking and Commerce, as reported in the *Debates of the Senate,* 1949, second session, at page 39, said:

> 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.

Honourable senators, when I was in London late in May, I had a discussion about this general matter with Mr. Charles Gordon, the Fourth Clerk at the Table in the House of Lords. He gave me a copy of the Criminal Procedure (Insanity) Bill, which was introduced in the House of Lords in 1964.

For some reason, which I cannot explain, nor could he, clause 6 of this bill was considered to have an incidental monetary aspect. I shall read clause 6, which is very short.

> 6. In section 3(2) of the Costs in Criminal Cases Act 1952, any reference to an appeal against conviction which is allowed shall include a reference to an appeal which is allowed against a special verdict or a finding that the accused is under disability.

The House of Lords treated this clause much as the Senate treated the two bills which I have mentioned, in 1947 and 1949. I understand that the section was struck out on

third reading after the committee stage, but when it went to the House of Commons the blank was filled in and the clause was restored. Again the bill was returned to the Lords and they accepted the amendment.

Honourable senators, the procedure which I have outlined so far reflects one side of the coin; but the House of Lords has also at times adopted a procedure which reflects the other side of the coin. I have here a copy of the bill passed in 1966 by the British Parliament, called the Commonwealth Secretariat Bill. This was introduced in the House of Lords. The bill dealt with the establishment of a Commonwealth Secretariat, and followed a decision which was made at the meeting of the prime ministers just prior to the time the bill was introduced in the British Parliament. It made the Secretariat a body corporate, it conferred certain privileges on the Secretariat and its staff, and it provided that the bill should have retrospective effect to July 1, 1965.

As honourable senators know, the head of the Secretariat is Mr. Arnold Smith, who was a former public servant in Canada.

While in the bill there is no reference, even incidental, to a monetary aspect, it is quite clear, of course, that the establishment of the Secretariat would involve the expenditure of money, which would have to be provided for in the Estimates.

Recognizing the Lords' incapacity to deal with a matter which would make a charge upon the Treasury, and indeed, too, as a gesture of recognition of this limitation, the Lords inserted subsection (3) of section 2, as follows:

> Nothing in this Act shall impose any charge on the people or on public funds, or vary the amount of incidence or otherwise alter any such charge in any manner, or affect the assessment, levying, administration or application of any money raised by any such Charge.

It is quite clear that, despite the wording of the inserted subsection, a charge would be imposed on the people or on public funds. Nonetheless, the addition was made and the reason for the addition was clear, even though with it the bill would be ineffective to carry out the purposes for which it was intended.

When the bill reached the House of Commons, this clause was struck out. The bill as amended was returned to the Lords and they concurred.

In the short memorandum that I received from Mr. Gordon, he says this:

> The methods by which financial provisions are inserted in Bills originating in the Lords (described on pp. 506 and 555 of the 17th Edition of Erskine May) are governed entirely by practice and are not referred to in the Standing Orders of either House.
>
> Although no Money Bill (in the technical sense) can originate in the Lords, Bills from that House containing financial provisions are not uncommon. In the last complete Session of normal length (1964-65), thirty Bills were sent down from the Lords to the Commons. Of these, fourteen were Consolidation Bills, which of their very nature imposed no charge. Of the remaining sixteen, ten contained no financial provisions; five contained a "privilege insertion" later struck out by the Commons (May, p. 506); and the remaining one had a provision left blank for the Commons to fill.

Honourable senators, I conclude only by saying this, that the bill before us now, to amend the Canada Lands Surveys Act, has some minor incidental monetary provisions. It is not a contentious bill and can be considered as being more in the nature of a housekeeping bill. I have taken advantage of its introduction here this evening to point out the possibilities of the Senate getting more such bills, more work, more such legislation, even though there may be monetary clauses in them which otherwise might make it desirable that they be initiated in the other place.

I hope honourable senators will express their opinions about this matter when we reach the second reading stage of this bill; and I hope that some of these proposals will commend themselves to their approval.

Hon. Jacques Flynn: Honourable senators, may I put a question to the honourable Leader of the Government. I am very much interested in the suggestions he has made whereby this house may deal with bills having money implications. I wonder if the honourable leader would suggest any device whereby this house could amend some money clauses in bills introduced in the other place.

As the honourable leader knows, it has been ruled out of order for us to amend a money clause if it imposes a burden on the Treasury. Perhaps there could be a device along the lines of that which he has suggested, whereby we could do this. It might help the other place in some circumstances.

Hon. Mr. Connolly (Ottawa West): It might very well. So far as an increase in the impost is concerned, there has been a firm opinion given to the Senate. I think the understanding always has been that in no circumstances can the Senate increase the impost. That opinion was given many years ago, in conformity with sections 53 and 54 of the British North America Act, by very prominent leaders of the legal profession—Eugene Lafleur, Aimé Geoffrion and W. N. Tilley.

Hon. Mr. McCutcheon: But the Senate can decrease it.

Hon. Mr. Connolly (Ottawa West): On the question of decreasing it, since I became a senator, sitting either on this side of the house or on the other side, I have seen and heard leaders stand and say that even a decrease—because of the effect it would have upon ways and means—would be resisted by the other place and resisted by the Government.

Hon. Mr. McCutcheon: But they were wrong.

Hon. Mr. Connolly (Ottawa West): They have said this repeatedly. Many honourable senators will remember that we made certain amendments when the Estate Tax Act was brought before us here. One of them was a minor amendment—what we suggested was done later through the Income Tax Act—but because there was a possibility of an increase in the revenue, even a very minute one, the amendment was resisted. Honourable Senator Macdonald (Brantford) will remember this particular case.

Hon. Mr. Macdonald (Brantford): You resisted it.

Hon. Mr. Connolly (Ottawa West): No. We were in opposition at the time.

Hon. Mr. Macdonald (Brantford): I did not press it.

Hon. Mr. Connolly (Ottawa West): In any event, the amendment was resisted and the Senate then did not insist upon it.

The suggestion made by honourable Senator Flynn certainly deserves consideration. However, it is not to that point that I have been speaking; I have been referring more particularly to bills which have an incidental monetary consideration in them. For the most part such bills are non-contentious. I would hope that we could deal with more of them. So far we have dealt with quite a number. I intend to refer in a few minutes to the work which has been done thus far by the Senate this session. I think we are doing fairly well in having new legislation introduced here first. If I may say so without appearing boastful, the legislation which is initiated here benefits as a result of the work done by the Senate and particularly by its committees.

Hon. W. Ross Macdonald: May I say a word in answer to the inquiry made by Senator Flynn? I would remind him and other honourable senators that there have been times when the other place has refused to accept an amendment to a financial measure, a taxation measure, although the amendment made in this chamber had no bearing whatever on the financial aspects of the measures. It was an amendment with respect to the administration of the act. However, the other place would not accept it; they took the attitude that it was a financial measure and the Senate could not amend it.

Hon. Mr. McCutcheon: We should not have agreed to it.

Hon. Mr. Macdonald (Brantford): I might say we did not, and the result is that the bill died on the Order Paper.

Hon. Mr. Choquette: The result would be that we could never make an amendment to such a bill in those circumstances.

Hon. Mr. Flynn: It was a matter of policy in the other place to refuse an amendment made here. What we are discussing this evening is the question of our own rules.

Hon. Mr. Macdonald (Brantford): The reason they gave on that occasion was that the bill was a financial bill.

Hon. A. J. Brooks: Honourable senators, I do not intend debating this matter tonight. As a matter of fact I doubt if I could debate it at any time to any extent. We all agree, I am sure, that if there is any possible way in which our honourable leader can increase the work of the Senate, we would be all in favour of it. As we know, while we have dealt with a large number of bills in the Senate, we are capable of dealing with a far greater number. We have not only the time to do so, but so far as our members are concerned we also have the ability to do so.

With reference to what the honourable leader has said, may I ask this question: Is

this bill which he is introducing intended to be what I might call a test bill or a "guinea pig" bill? If it is found that this method of introducing legislation is sound, will we have any greater number of bills before the Senate in addition to the one which he hopes to bring in at this time? If this were the case the main justification for a bill of this kind would be that it is going to increase the work of the Senate. We are very anxious to increase our work. There is no reason why these bills should not be presented here, except that under our present rules it appears this cannot be done. If we can circumvent the rules and have more business, that is all to the good. If we cannot do it that way, perhaps some amendment could be made. In my view the Senate should have more work to do, and I congratulate the Leader of the Senate on his efforts to provide more work.

Hon. Mr. Connolly (Ottawa West): My friend asks if this is what he calls a "guinea pig" bill—

Hon. Mr. Brooks: Let us say a test bill.

Hon. Mr. Connolly (Ottawa West): —or a test bill. In view of the precedents in 1947 and 1949, it is obvious that the Canadian Senate has already adopted the practice that is probably applicable here. I took advantage of the opportunity this evening to speak about another practice that has grown up in the House of Lords which might very well be a useful device for this body to use, and which might have the effect also of permitting more legislation to be introduced here. I refer to what has been called the "privileged insertion."

Hon. Mr. Brooks: Were these bills you mention, the two in the Senate of Canada and the two in the House of Lords, questioned at all? Was there any objection made to them or any debate as to whether they were constitutional or not?

Hon. Mr. Connolly (Ottawa West): I think it was quite clear in the two Canadian precedents that the committee refused to consider the bills with the financial clause and struck them out knowing what the result would be.

So far as the action of the House of Lords on the Commonwealth Secretariat bill is concerned, they knew there were financial implications, but it was a good bill, and the House of Commons at that time was loaded down with legislation after the Prime Ministers' Conference. This was the device they used, and it was a useful one. The important point to keep in mind, however, is that it was not a matter of the rules of either house which enabled it to be done. It has been done a number of times and as a result a practice has developed. I suggest that practice is sound.

Coming now to this particular bill, I simply regard it as an opportunity for introducing another piece of legislation in the Senate. I was happy to have four pieces to introduce to the Senate when it returned this evening. I felt there was a likelihood that when the Senate met here this evening it would simply be for the purpose of adjourning, and I do not think that is as it should be. I would fail in my duty as a member of the Senate, having a seat in the cabinet and being on the legislation committee of the cabinet, if I did not do all I could to get every new piece of legislation possible for introduction in the Senate in the first instance.

Hon. Jean-François Pouliot: Honourable senators, there is nothing I enjoy more than free discussion between the two leaders of this house. The Leader of the Government (Hon. Mr. Connolly, Ottawa West) has opened the window and a gust of fresh air has come in to blow off the dust that covers the rules which we call the Standing Orders. I think it is high time to simplify the rules of both houses. There are some who have been posing as experts. One of the experts in the House of Commons published big books which were made with scissors, Pepper and glue—the scissors to cut quotations from other books; Pepper was the messenger who used the scissors, and the glue was used to paste the clippings onto galleys which were sent to the printer who in turn published a big, thick book.

While our rules do not date back exactly to the Magna Carta, they originated shortly afterwards when there was a quarrel between the bigger and smaller barons. It is from that time that we have two separate Houses of Parliament. Everybody knows this; I am not telling you anything that is highly technical. I am trying to bring you back to the establishment of two houses. However, there is no quarrel now between the Senate and the House of Commons.

I hope honourable senators will excuse me if I use the phrase "House of Commons" instead of "the other place". "The other place" could mean a store on Sparks Street or a hotel in town. I find it ridiculous that we

still use the sanctimonious expression "the other place" because of a quarrel between the bigger and smaller barons in England 700 years ago, at the time of the foundation of the House of Commons. I find it ridiculous to say "the other place" for the House of Commons when we are in the Senate and for the House of Commons to use the same expression for the Senate. Why not use the language of the Constitution, the British North America Act, and use the word "Senate" for this chamber and the "House of Commons" for the other chamber?

There are some friends of mine who read the *Hansard* of both houses, and they ask me what is the other place. You may laugh, honourable senators, but that is true. This reminds me of an occasion when I posted a letter in my home town and it was addressed to Mr. So-and-so, "City". I was told there was no post office of that name. Then here in Ottawa I sent a letter to Mr. So-and-so, "En ville", it too came back to me, and I was told there was no post office of that name.

Let us be serious; let us appreciate what has been said by the Leader of the Government that there should be some kind of reform so that more bills can be introduced in the Senate even when they contain money provisions. That is my first point.

The second point is that we do not need more work in the Senate because we do a lot of work already, but we are always ready to co-operate with the House of Commons, and in spite of the work we have to do we are ready to share their work and try to help them in dealing with legislation.

Now I come to my main point: What is the use of introducing some legislation with many provisions in the Senate or in the House of Commons when we do not understand the legislation that is sent to us by the big brains of the Department of Justice?

You remember the Bankruptcy Act, which was discussed seriously for several sittings here in the Senate and in committee. Finally I had the satisfaction of asking the Minister of Justice, who was there in committee, who had drafted that bill. He presumed that it was the officers of the Department of Justice, and I had the further satisfaction of telling him, before my colleagues, that it was just as clear as mud.

The main point is not whether bills are introduced in the Senate or in the House of Commons. The time has come when we should have legislation that is simple and easy to understand, and that will not be the cause of useless litigation.

I convey my appreciation to the Leader of the Government for doing his best to try to override the present system which is obsolete, not only for the Senate but also for the House of Commons.

All the rules have to be changed. They should be drafted in a different spirit. The members have been working on it in the House of Commons in order to improve the debate. But what has happened? I heard an expert on the rules say that he regretted that under the new system all the members were attending committees and nobody could sit in the house to discuss the legislation before the house. They said, "Well, we will try to do something again."

Let them simplify all those matters. Let them make a bonfire with all the copies of Beauchesne's books and then there will be great improvement. One of the superior aspects of the Senate rules is that Beauchesne's book is not mentioned in the foreword. That is to the credit of the Senate.

I do not believe in routine. Routine should not be confounded with tradition. They are very different matters. The main guideline of the British parliamentary practice is freedom of speech, freedom of discussion, and this is one of the main reasons why the barons met King John to get the Magna Carta.

That being said, I hope that the legislation will be simplified, and we will no longer have three and a half-page sentences or phrases in any bill. I hope that the bills will be drafted with more skill and by people who are competent to write them.

For me it was a scandal to hear that the revision of the statute books will be made by the bureaucrats of the Department of Justice. How could it be done? I will ask questions in due course in order to know where they have worked, what kind of work they have done, how many hours they have spent, and if they have neglected their other work in the Department of Justice to do the revision of the statutes which contain all the laws that apply to every man, woman and child in this country. It was really irresponsible to give that work to the bureaucrats, the incompetent bureaucrats of the Department of Justice.

The main thing that we have to do is see to it absolutely that more legislation is given to the Senate. I have no objection to that, as I

have said. I am ready to co-operate with the House of Commons to a limit, but there should be a better drafting of legislation, and it is time to see to it now. It will be the greatest service that can be rendered to the Canadian people.

I remember the Ministers of Justice that were in the House of Commons in my time. I remember Mr. Guthrie, Mr. Lapointe, Mr. St. Laurent, and I remember others too. What did they say? They said that this is the law. The Minister of Justice was speaking, as he had to do, and then the Department of Justice was more respected and it was a very good thing. The people of Canada felt that they had real protection from the Department of Justice.

That being said, I will wait until a further occasion to continue.

The Hon. the Speaker: With leave of the Senate, it is moved by Hon. Mr. Connolly (Ottawa West), seconded by Hon. Mr. Hayden, that this bill be placed on the Orders of the Day for second reading at the next sitting. Is it the pleasure of the Senate to adopt the motion?

Motion agreed to.

REFUND OF FEES

UNITED BAPTIST WOMAN'S MISSIONARY UNION OF THE MARITIME PROVINCES

Hon. A. J. Brooks, with leave of the Senate, moved:

That the parliamentary fees paid upon Bill S-33, intituled "An Act respecting United Baptist Woman's Missionary Union of the Maritime Provinces" be refunded to the petitioners, less printing and translation costs.

Motion agreed to.

BUSINESS OF THE SENATE

Hon. Mr. Connolly (Ottawa West): Honourable senators, in view of the emergency under which we meet, and the hour being 9.30, it might be desirable for the Senate to adjourn during pleasure to resume at the call of the bell about 10 o'clock. The purpose of this recess would be to learn what progress is being made in the other place and at what hour they intend to sit tomorrow. It could help us in making a decision as to what hour we should assemble tomorrow.

If that is agreeable, I would suggest that we rise now and re-assemble at the call of the bell at approximately 10 o'clock.

The Senate adjourned during pleasure.

At 10.10 p.m. the sitting was resumed.

Hon. Mr. Connolly (Ottawa West): Honourable senators, the progress in the other place is such that we cannot expect an early decision. The House of Commons will resume tomorrow at its usual hour. In the circumstances, I move that the Senate do now adjourn.

Motion agreed to.

The Senate adjourned until tomorrow at 3 p.m.

23031—76

THE SENATE

Tuesday, August 30, 1966

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

Prayers.

DOCUMENTS TABLED

Hon. John J. Connolly tabled:

Report of The Canada Council, including its Accounts and Financial Statements certified by the Auditor General, for the fiscal year ended March 31, 1966, pursuant to section 23 of the Canada Council Act, chapter 3, Statutes of Canada, 1957. (English and French texts).

Report of the National Gallery of Canada, including its Accounts and Financial Statements certified by the Auditor General, for the fiscal year ended March 31, 1965, pursuant to section 10 of the National Gallery Act, chapter 186, R.S.C., 1952. (English and French texts).

Answer to question asked July 11, 1966, in the Senate, by the Honourable Alfred J. Brooks, Leader of the Opposition, re Assistance to Immigrants. (English text).

Answer to question asked July 11, 1966, in the Senate, by the Honourable Alfred J. Brooks, Leader of the Opposition, re Manpower Mobility Program. (English text).

Answer to question asked July 11, 1966, in the Senate, by the Honourable Alfred J. Brooks, Leader of the Opposition, re Freight Assistance Payments. (English text).

Answer to question asked July 11, 1966, in the Senate, by the Honourable Alfred J. Brooks, Leader of the Opposition, re Administration of Veterans Hospitals. (English text).

Answer to question asked July 11, 1966, in the Senate, by the Honourable Donald Cameron, re operation of the Technical and Vocational Training Assistance Act. (English text).

WELCOME TO NEW SENATORS

Hon. John J. Connolly: Honourable senators, I wish to make amends for an unpardonable omission yesterday evening. My sole excuse is that I got more exercise than I normally get at the beginning of a sitting.

I am sure that all honourable senators would wish that, in addition to the applause with which they greeted our new members yesterday, I should say to Senator Macnaughton, Senator Desruisseaux, Senator Duggan and Senator Kickham, that we welcome all of them to the Senate. We hope that their days here will be long and fruitful, and be profitable to them as well as to us.

Hon. Lionel Choquette: Honourable senators, may I take this opportunity to welcome the new senators on this side of the house. We are always pleased to see our number increase, and we now have almost a full house even though some are absent today.

Hon. Mr. Connolly (Ottawa West): They are pretty good looking too.

Hon. Mr. Choquette: Yes. I think they are going to have a good example as far as attendance is concerned, although today is not a good example. I would not want the Leader of the Opposition to reprimand these men, for the only fault I can find with those placed on our side of the chamber is that they do not seem to know how to vote. They have the bad habit of sitting down when we stand up and vice versa. However, I am sure the leader will not be too harsh with them.

APPROPRIATION BILL NO. 6, 1966

ANSWERS TO QUESTIONS ASKED IN DEBATE ON SECOND READING JULY 11, 1966, PRINTED AS APPENDIX

Hon. John J. Connolly: I move, with leave of the Senate:

That the answers to the questions asked on July 11, 1966, by the Honourable Senator Brooks, P.C., and the Honourable Senator Cameron respectively, and tabled in the Senate today, be printed as an appendix to the *Debates* of *the Senate* of this day.

This is in conformity with the undertaking I have given.

For text of answers see Appendix pp. 1000-2.

Motion agreed to.

MANITOBA-SASKATCHEWAN BOUNDARY BILL

SECOND READING

Hon. A. Hamilton McDonald moved the second reading of Bill S-45, respecting the

Boundary between the provinces of Manitoba and Saskatchewan.

He said: Honourable senators, at this time I should like to point out that there is great similarity between this bill and the bills S-46 and S-47 in that they relate in the first instance to the northerly portion of the boundary line between the provinces of Manitoba and Saskatchewan. Bill S-45 refers to the northern portion of the boundary between the Province of Saskatchewan and the Province of Manitoba. Bill S-46 refers to the boundary line between the Province of Saskatchewan and the Northwest Territories, and Bill S-47 refers to the boundary line between the Province of Manitoba and the Northwest Territories. Of course these boundary lines all meet at one particular point at the northern extremities of the provinces of Saskatchewan and Manitoba.

I think it would be wise to introduce the bills simultaneously. I would be most pleased if honourable senators would take my remarks at this time as applying to all three bills, and when Bill S-46 is called I will simply move second reading without further explanation. The same procedure will be followed with Bill S-47. Of course I will be prepared to answer any questions, if questions arise at that time. With your permission, honourable senators, I will proceed with the introduction of Bill S-45, with the understanding that this explanation applies to all three bills.

Firstly, to explain the reason for the presentation of this bill and the other two bills, it is necessary to refer to the Saskatchewan Act, the Manitoba Boundaries Extension Act, 1912, and the Northwest Territories Act. These acts declared the northern boundary of the provinces of Manitoba and Saskatchewan and the southern boundary of the Northwest Territories to be the parallel of the sixtieth degree of the north latitude, and the northerly portion of the boundary between Manitoba and Saskatchewan to be the second meridian in the system of Dominion Land Surveys.

It is obvious that, although the common boundaries between the provinces and the Territories are clearly described in these acts, the boundaries cannot be seen or recognized by a person walking on the ground or by anyone flying in an aircraft over this area, because there are no marks on the ground to be distinguished either from the air or from the ground itself. It is also obvious that, at some stage during the development of the particular region about which I am talking, there would be a need for prospectors, miners, hunters and other persons wishing to acquire or develop land or other resources to know precisely where they were, whether in Manitoba, Saskatchewan or the Northwest Territories. It would be equally or more important for the governments charged with the responsibility of administering affairs at both the provincial and federal levels to know the precise point on the ground at which their responsibilities began and where they ended.

Due to the marked trend northward in the exploration and development of mineral resources, including oil and gas, in the northern portions of the western provinces and extending across the sixtieth parallel of latitude into the Northwest Territories, and also the extension of railroads in this area—the one good example being the railroad to Lynn Lake in northern Manitoba, and commercial fishing on Reindeer Lake, which is on the boundary of Manitoba and Saskatchewan—the responsible ministers, both federal and provincial, agreed for their respective governments that a survey should be made of this area and that a definite line should be marked on the ground, as boundary lines are marked in other areas of Canada.

Accordingly, the Privy Council, with the concurrence of the provinces of Manitoba and Saskatchewan, established the following commissions, charged with the responsibility to survey the boundaries and to report those surveys to the Parliament of Canada and to the governments of the provinces of Saskatchewan and Manitoba.

The first commission that was set up was the Saskatchewan-Northwest Territories Boundary Commission, consisting of the Surveyor General of Canada and Controller of Surveys for the Province of Saskatchewan. The second commission was the Manitoba-Northwest Territories Boundary Commission, consisting of the Surveyor General of Canada and the Director of Surveys for the Province of Manitoba. The third commission was the Manitoba-Saskatchewan Boundary Commission, consisting of the Surveyor General of Canada, the Director of Surveys for Manitoba, and the Controller of Surveys of the Province of Saskatchewan. The commissions thus established have now completed their tasks.

The Saskatchewan-Northwest Territories Boundary Survey was begun in 1953 and completed in 1962. Following completion of

the survey, the commission prepared its report, dated May 9, 1963, which includes an atlas showing the position of the surveyed boundary and the monuments which have been placed on the ground to mark it.

The Maintoba-Northwest Territories Boundary Survey was begun in 1957 and completed in 1962. Following completion of the survey, the commission prepared its report, dated August 2, 1965. It also includes an atlas showing the position of the surveyed boundary and the monuments which have been placed on the ground to mark it. This document was tabled in the Senate on February 3, 1966.

The Manitoba-Saskatchewan Boundary Survey surveyed a portion of the boundary north of Township 84. It was begun in 1961 and completed in 1962. Following completion of the survey, the commission prepared a report, dated August 2, 1965. This document also included an atlas which shows the monuments on this boundary. This document was tabled in the Senate on February 22 last.

The problem now facing us is that of declaring finally and definitely that the survey monuments placed by the three commissions on the ground to mark the boundaries shall henceforth in fact mark those boundaries. To clarify this, it is necessary to point out that a survey can never be perfect, regardless of the technical skills that are available to surveyors in this day and age. While the imperfections are small, they might in future lead to uncertainty or dispute as to the true position of the boundary, unless some definite step were taken to forestall such a possibility.

The British North America Act, 1871 enabled this to be done neatly. It provides that the Parliament of Canada may, from time to time, with the consent of the legislatures of any province, increase or diminish or otherwise alter the limits of such provinces, upon such terms and conditions as may be agreed to by the said legislatures.

By exercising this provision, as we propose now, we can in effect substitute the line of monuments which have been established on the ground for the words "parallel of the sixtieth degree of north latitude" and "the Second Meridian in the system of Dominion lands surveys" contained in the Saskatchewan act and the Manitoba Boundaries Extension Act, 1912.

Towards this end and following the procedure established in the cases of the boundary between Ontario and Manitoba, between Alberta and British Columbia, and between Alberta and the Northwest Territories, it is now considered necessary and proper that this legislation should be introduced into Parliament to confirm the boundaries between Saskatchewan and the Northwest Territories, between Manitoba and the Northwest Territories, and between Manitoba and Saskatchewan, as surveyed and marked on the ground by the means that I have already referred to.

The following bills have been passed by the respective legislatures, namely, the Province of Saskatchewan and the Province of Manitoba, and duly assented to.

Bill 15 passed by the Province of Saskatchewan and given Royal Assent on February 25, 1966 is an act of consent with respect to the adoption of the Manitoba-Saskatchewan boundary as surveyed by the Manitoba-Saskatchewan Boundary Commission during the years 1961 and 1962.

Bill 16 passed by the Saskatchewan Legislature and given Royal Assent on February 25, 1966 is an act of consent with respect to the adoption of the Saskatchewan-Northwest Territories boundary as surveyed by the Saskatchewan-Northwest Territories Boundary Commission during the years 1953 to 1962.

Bill 49, which received Royal Assent in the Legislature of Manitoba on March 29, 1966 is an act respecting the boundary between the Province of Manitoba and the Northwest Territories.

Bill 48, which was given Royal Assent in the Legislature of Manitoba on March 29, 1966, is an act respecting the boundary between the Provinces of Manitoba and Saskatchewan.

The conditions imposed by the British North America Act have, therefore, been amply met and I have great pleasure in moving second reading of Bill S-45, an act respecting the boundaries between the Provinces of Manitoba and Saskatchewan.

Hon. W. M. Benidickson: Honourable senators, I may be the only member of this chamber who has actually flown over the boundaries referred to in these three bills. I support my colleague in the introduction of these three bills for second reading.

I had a most interesting trip with the ministers from Saskatchewan and Manitoba and, as federal minister, I did see a very definite cut-through that could be seen from the air, defining those boundaries.

While the sponsor of this legislation suggests that there might be some slight adjust-

ments technically necessary, I want to say that I have great faith in the surveyors who did this magnificent job, and I personally had an opportunity, I think in 1963, to see the culmination of this excellent work at the location where Manitoba joins Saskatchewan and the Northwest Territories. There we placed a scroll from the Prime Minister which we thought might be looked at from its cairn a hundred years hence. There was also some wheat from Saskatchewan. There was placed there, even behind our backs, a copy of *Playboy* magazine!

Honourable senators, I have confidence that the surveyors of this boundary did a magnificent job over those years and that we can all take pride in it and appreciate the beneficial results.

Hon. A. J. Brooks: Honourable senators, coming as I do from the Maritimes, I have not as much knowledge of this location as have the two honourable gentlemen who have spoken. However, I wish to say that I am pleased indeed with these three bills.

Before making any further remarks I would like to join with the Leader of the Government and with my deskmate in welcoming the honourable senators who were introduced to the Senate yesterday. I had the pleasure of sitting in the House of Commons with three of the new members; and, as regards the member from Newfoundland, I have heard of him and know him by reputation. I am sure that their appointment to the Senate will be of great benefit to us and that they will enjoy their work here.

With reference to the Honourable Paul Desruisseaux, I understand from my bilingual friends that "ruisseaux" means brooks. It certainly is a welcome addition to the Senate to have another "Brooks" here, even though his name is spelled differently.

With reference to the bills now before us, yesterday we were all pleased to hear the Leader of the Government make the statement that he was getting more work for the Senate. Bills of this type do not involve much work in themselves, but they are along the right lines and are something which we can approve. I hope we shall get many more.

Honourable senators, Canada has changed a lot since I was a boy at school. I remember the map of those days. Alberta and Saskatchewan had not been heard of as provinces. Manitoba was, as it were, a little box down in the centre of the dominion. Ontario and Quebec have had their boundaries greatly extended since that time. Ontario, was at that time not much more than the Niagara Peninsula. Quebec has extended its boundaries away to the north. That indicates the extensive growth of our country during the last 50 to 75 years.

As to the explanation given by the sponsor of the bill as to why these boundaries were chosen, as I understand it, British Columbia was first given the parallel of 60 degrees for its northern boundary. My understanding also was that Alberta and Saskatchewan, when they were made provinces, were given the same parallel of 60 degrees. I think it was in 1912, after the proclamation of the boundaries of those provinces to the 60-degree parallel, that Ontario and Quebec asked for more territory and received it.

Honourable senators, the boundaries in the maritimes could not be extended, as we were surrounded by water. New Brunswick and Nova Scotia became provinces of Canada at Confederation, and later, Prince Edward Island, but we had no extension of boundaries subsequently. As to all this land in the northern part of Canada which is full of minerals and oils and provides untold riches for Alberta, Saskatchewan, British Columbia, Ontario and Quebec, we in the Maritime provinces did not share in that. I am not going to repeat any of the requests from these provinces for increases in subsidies and benefits on account of the fact that they did not receive public domain, but I point out that to show that the Atlantic provinces have not had the opportunity to increase their acreage or their land as have the other provinces.

There is a question I would like to ask in this connection, and it is with respect to the marking of the boundaries of the different provinces. Is the boundary between Ontario and Quebec marked in the same way? In particular I would like to know if the boundary between the Province of Quebec and the Province of Newfoundland in Labrador has been properly designated in the same manner as that between Manitoba and Saskatchewan. If not, I hope it will be done and done without too much trouble. I have read in the paper certain threats and certain unkind remarks made by people in Quebec and by people in Newfoundland, and I hope this matter will be settled amicably. I would like to know from the Government what steps if any they intend to take to settle this very important matter.

Hon. A. K. Hugessen: Honourable senators, we are all greatly indebted to Senator McDonald for his clear explanation of this bill. I wonder, however, if he could assist me in a difficulty which I have discovered in the language of section 2 of the bill. This section says:

> The boundary line . . . is hereby declared to be the boundary between the Provinces of Manitoba and Saskatchewan, and in so far as the boundary so described increases, diminishes or otherwise alters the limits of the Province of Manitoba or the Province of Saskatchewan, their limits are increased, diminished or otherwise altered accordingly.

I can understand how one can increase the limits of a province and how one can decrease the limits of a province, but my question refers to the phrase "otherwise alters". How else can one alter the limits of a province? That phrase "otherwise alters" may have some esoteric meaning which is not clear to me, but otherwise it would appear to be superfluous.

Hon. Arthur W. Roebuck: Honourable senators, I wish to join in complimenting the sponsor of the bill on his clear explanation. I also wish to join in the welcome that has been extended to the new members. This is the first opportunity we have had of saying how welcome they are and how glad we are to receive them here, and how ready we are to accept them in the family. Somebody said recently that this was a very lovely organization, but to me it is more than that; I think the Senate of Canada is something of a family organization, where party lines do not mean anything other than politics. They really do not mean very much to us as we meet and discuss public questions.

Hon. Mr. Choquette: Except when there is a vote.

Hon. Mr. Roebuck: I said except as we think out the public problems, and we do think them out in this chamber. When we divide, we divide on principle. And we do not do so fatuously. There is no animus in our debates; we can disagree without being unfriendly; we can take a view without misunderstanding or misinterpreting the views of others who disagree with us, and generally we devote ourselves in a kindly and nonpartisan way to revising acts and to studying public questions and generally contributing to the welfare of our country. I am sure the new members of the Senate will enjoy the service they can render as much as I have enjoyed the last twenty years or more that I have had the honour to be a member of this house. I wish them joy in their work and satisfaction in what they may accomplish.

At this stage I would like some further explanation from the sponsor of the bill. He says that the bill conforms—these are not perhaps his exact words but they are correct in substance—to the British North America Act. Now if that act in any way settled the boundary between these two provinces, what power have we to declare what is the boundary? The bill before us says "a newly fixed line is hereby declared to be the boundary between the Provinces of Manitoba and Saskatchewan." Would the honourable senator give me the sections? I have been looking through the act but it is very difficult and very complicated to spot the relevant section quickly. What sections of the British North America Act now refer to the boundary between these two provinces, and if they do make a reference to the boundary, what power have we to declare what the boundary shall be?

Hon. Mr. McDonald: Honourable senators, the British North America Act states that the sixtieth degree north latitude shall be the boundary between the provinces of Saskatchewan and Manitoba and the Northwest Territories. However, if one were walking across this terrain or if one were flying across it how would one know where the boundary lies? Furthermore, if you are walking in an easterly or westerly direction how would one know where the second meridian was? The whole purpose of the cutting of the trees and the erecting of the mounds at this point is so that persons flying in an aircraft over the territory or persons walking over the terrain will know which province they are in. The purpose is to place the mounds on the sixtieth parallel and on the second meridian so that people going on foot through that area will know where the boundary lies. No attempt is being made to alter the boundary lines which shall remain the sixtieth degree and the second meridian respectively. The act simply says that where the mounds are placed shall be the boundary line. We hope that the surveyors are right in their calculations, and I have every confidence that they have placed the mounds on the second meridian and on the sixtieth degree.

Senator Hugessen asked a question about the words "or otherwise alters". I am no lawyer, and all I can say is that the lawyers placed these words in here. In my experience the wording of legislation is frequently picked from other acts or is inserted at the insistence of some lawyer, and generally there are other lawyers who question the wording. I have no idea why these words have been placed here, but in my view it does not create any difficulty and does not change anything. It may be that some words are used that are not strictly necessary.

Hon. Salter A. Hayden: Honourable senators, possibly these words "otherwise alters" may be intended to cover a situation where the boundaries now being established create at some point a bulge that did not formerly exist in one place, and maybe an indentation in another, and while it would not be increasing or diminishing in area, it might be altering a boundary as it existed at the time these surveys were made.

Hon. Mr. Roebuck: May I ask a supplementary question? The bill itself intimates that there may be a difference between the mounds set up by the surveyors and the parallel as laid down in the British North America Act. In that case, let us suppose a mine is discovered at or near these boundaries, and there is a dispute as to where the boundary lies, what would the position be?

Hon. Mr. Benidickson: Take Flin Flon, for example.

Hon. Mr. Roebuck: Supposing there is an argument as to which boundary is right, the one declared by us which is marked on the ground by mounds, or the parallel laid down by the British North America Act which may be superior to any declaration we can make. Where will the boundary be? Will it be the parallel in question or will it be the mounds named in our declaration? I think this is a serious matter. Is the sponsor ready to assure us that the boundary we declare will be the boundary and will be so held by the courts as against the boundary set up by the British North America Act? If not, we should give the matter more serious consideration.

Hon. Mr. McDonald: It is my understanding that the boundary line between Manitoba and Ontario is marked in the exact same fashion as that referred to in this legislation. In other words, as I said earlier, by exercising this provision as is now proposed we can, in effect, substitute the line of monuments which have been established on the ground for the words "parallel of the sixtieth degree of north latitude" and "the Second Meridian in the system of Dominion Lands surveys" contained in the Saskatchewan Act and the Manitoba Extension Act, 1912. In other words, the mounds, in my interpretation, are the official boundaries between the provinces and between the provinces and the territories, and as they are designated to be they are the boundaries between Ontario and Manitoba, between Alberta and British Columbia and between British Columbia and the Northwest Territories. That is the information I have been given.

Hon. Mr. Roebuck: Am I correct in my understanding of what you are saying, namely, that the boundary is not set by the British North America Act but by the Saskatchewan Act and the Manitoba Boundaries Extension Act, 1912? Are they acts of this Parliament or are they acts of the Imperial Parliament? Pardon my not being sure of this, but this is an important question.

Hon. Mr. McDonald: Honourable senators, I am not sure. I am prepared to move, if this bill receives second reading, that it be sent to a committee, before which all the information I am unable to supply can be given.

Hon. Mr. Connolly (Ottawa West): Honourable senators, perhaps I should intervene. First of all, I should like to commend the honourable sponsor of this bill not only for the very able way in which he has presented it but also for the very able way in which he has answered questions despite the fact that, on his own admission, he is not a lawyer. Perhaps that is an advantage. I do not think I need mention the questions and answers dealt with by Senator Hugessen and Senator Hayden. I am pleased to know that this bill is going to a committee not only for this but for other reasons.

Coming to the point raised by Senator Roebuck, which is a serious one, the situation is that heretofore these boundaries have existed on official paper. They have been defined in an official way in official language, but until these surveys were made and these monuments were established they were never so marked upon the ground. So far as human means can be precise what has been done in these surveys, and in the establishment of these monuments, is that the boundaries on

the ground conform to what has existed on paper for a long time. This is all that has been attempted. Perhaps the former minister, Senator Benidickson, will confirm what I am saying.

However, I would suggest that the point raised by Senator Roebuck as to the constitutionality of our asking Parliament to make this declaration, and, indeed, the constitutional position of the provinces in making a similar declaration, could be considered by the law officers of the Crown who I hope will appear before the committee. I hope too that the Surveyor General about whom Senator Benidickson spoke, or someone on his behalf, will be present to discuss the actual exercise that was carried out. I know we are all very pleased to have Senator Benidickson put a little of the human element into what otherwise might have been a very dry measuring bill, including the fact that a copy of *Playboy* is in the monument!

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Honourable Mr. McDonald, bill referred to the Standing Committee on Banking and Commerce.

SASKATCHEWAN-NORTHWEST TERRITORIES BOUNDARY BILL

SECOND READING

Hon. A. Hamilton McDonald moved the second reading of Bill S-46, respecting the Boundary between the Province of Saskatchewan and the Northwest Territories.

He said: Honourable senators, you will recall that in introducing Bill S-45 I said that my remarks would apply to all three of these bills. I do not think it is necessary for me to say anything further at this time.

Motion agreed to and bill read second time.

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

Hon. Mr. Roebuck: I should like to point out that my objection applies to these two other bills just as much as it does to the first one. I mention that so that the law officers of the Crown will be prepared to answer my questions completely with respect to all these bills.

Hon. Mr. Connolly (Ottawa West): Yes.

Hon. Mr. Walker: I should like to ask a question which might prove of assistance to us and the committee. Will the honourable senator see to it that the person who prepared his remarks is present also?

Hon. Mr. Smith (Queens-Shelburne): Oh, no.

Hon. Mr. Walker: Did the honourable senator write this speech himself? If not, does he know who did? I ask this because some very broad statements have been made.

Hon. Mr. McDonald: I know from where I received the information.

Hon. Mr. Walker: Did my honourable friend put his remarks together himself?

Hon. Mr. Smith (Queens-Shelburne): Wait a minute.

Hon. Mr. Roebuck: I think the question is out of order.

Hon. Mr. McDonald: The information that I have attempted to give the Senate at this time was received by me from another person, and I make no apologies for that. I have no personal knowledge of this particular legislation. Whatever information I have given I received, of course, from other persons. I am perfectly prepared to ask the persons responsible for this information to be present at the meeting of the committee.

Hon. Mr. Walker: Thank you very much.

Hon. Mr. Roebuck: Will the honourable senator supply us with the references to the various statutes? I realize that he may not be able to do that at this moment, but before the meeting of the committee would he be good enough to have his source of information provide us with the references to the British North America Act and to any provincial statutes that apply, so that we will not be put to the trouble of searching for them ourselves.

Mr. McDonald: I am afraid that the page-boy has just taken away my notes.

Hon. Mr. Hayden: They have gone out to *Hansard*.

Hon. Mr. McDonald: Honourable senators, I will retrieve my notes and supply that information later.

Hon. Mr. Roebuck: Thank you.

REFERRED TO COMMITTEE

On motion of Hon. Mr. McDonald, bill referred to the Standing Committee on Banking and Commerce.

MANITOBA-NORTHWEST TERRITORIES BOUNDARY BILL

SECOND READING

Hon. A. Hamilton McDonald moved the second reading of Bill S-47, respecting the Boundary between the Province of Manitoba and the Northwest Territories.

Hon. James Gladstone: Honourable senators, I should like to suggest to the honourable Leader of the Government in this chamber that when our Senate committee sits in connection with the boundaries between provinces and the Northwest Territories, there should be wide representation there and witnesses should be brought before the committee to deal with the aspects which affect the native people of the areas involved.

The Canadian Indians are in a very peculiar position. While the various ethnic groups in Canada have representation in the House of Commons, up to now my people have not attained the objective of having one of our people elected so that he could speak for us in the House of Commons. I hope that the time is not too far distant when we will have proper representation in the House of Commons to speak for my people.

We have members here in this chamber representing the minority groups, the ethnic groups. I do not know whether we could consider ourselves as ethnic but we are at least on the border of being called ethnic.

Therefore, I would not like the Government to make a mistake similar to the one which was made in turning over the natural resources to the provinces in the thirties, when the authorities did not adequately consider the plight of the native people at that time. Let us not make the same mistake at this time.

Hon. Mr. Connolly (Ottawa West): In regard to the remarks which have been made by Senator Gladstone, may I say to him it is the intention, first of all, to have the Commissioner of the Northwest Territories at the committee sittings, for the purpose of putting the position of the people of the Territories at that time. If further representations are to be made, that will be for the committee to decide. I am sure the committee will listen with great respect to any views which are put forward.

Hon. Mr. McDonald: May I have the indulgence of the house for one moment to answer a question raised earlier by Senator Roebuck. The Clerk has been good enough to find for me the applicable section in the British North Ameria Act. I quote from the British North America Act, 1871, 34-35 Victoria, Chapter 28. Section 3 of that act is as follows:

> 3. The Parliament of Canada may from time to time, with the consent of the Legislature of any Province of the said Dominion, increase, diminish, or otherwise alter the limits of such Province, upon such terms and conditions as may be agreed to by the said Legislature, and may, with the like consent, make provision respecting the effect and opration of any such increase or diminution or alteration of territory in relation to any Province affected thereby.

I think this answers Senator Roebuck's question, and I want to thank both him and the Clerk for providing me with this section of the act.

Hon. Mr. Hugessen: I might say it also answers my question as to where he got the words "increase, diminish or otherwise alter".

Hon. Mr. McDonald: It also shows, as I mentioned earlier, that they took some of the wording from another act.

Hon. Mr. Roebuck: May I say that the section in question was called to my attention by the Clerk, and I in turn called it to the attention of Senator McDonald. It seems to answer my question completely; it also justifies my asking the question. Evidently the Imperial Legislature had also anticipated the very problem I adduced in fixing the boundaries aside from the theoretical limitations contained in the original act. I think it would be very wise indeed to have the officers of the department present when this legislation is considered in committee, and I may say that in my view they were rather negligent in not giving my friend Senator McDonald the information necessary to answer the very obvious question which I raised.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. McDonald, bill referred to the Standing Committee on Banking and Commerce.

CANADA LANDS SURVEYS ACT

BILL TO AMEND—SECOND READING

Hon. John J. Connolly moved the second reading of Bill S-48, to amend the Canada Lands Surveys Act.

He said: Honourable senators, we may not be dealing with earth-moving legislation this afternoon, but certainly we are dealing with earth-measuring legislation. The bill now before us is no exception, because it is to amend the Canada Lands Surveys Act which is chapter 26 of the Revised Statutes of Canada, 1952. While the title of this act is the Canada Lands Surveys Act, it is a general act. It gives various definitions of the terms that are used in the act, including the term Dominion Land Surveyor and the term Dominion Topographical Surveyor.

I would like at this time to draw the attention of the Senate to section 61 of the basic legislation which is being amended here. This is contained in Part IV of the mother act, and it deals with the general powers to survey.

I think it might be a convenience to honourable senators if I read the section into the record. It is a short section.

Section 61(1) reads:

> Subject to this Act, the Minister may, if in his opinion a survey thereof under the management of the Surveyor General is required, cause a survey to be made of any lands belonging to Her Majesty in right of Canada or of which the Government of Canada has power to dispose, but where surveys of such lands affect or are likely to affect the rights of landowners of adjoining lands, the surveys shall be made by a surveyor who holds a valid and subsisting certificate, diploma, commission or other document entitling him to survey lands in the province in which such surveys are made.
>
> (2) The provisions of this Act relating to surveys apply, *mutatis mutandis*, to surveys made under subsection (1).

Now, the mother act also contains general provisions for the administration of the office of the Surveyor General of Canada. Part I of the basic act deals with examinations and the powers and duties of dominion land surveyors, not only those who are in actual office but those who are qualifying, or who desire to qualify, to become dominion land surveyors. It touches the matter of examinations, the articling of pupils, as they are called in the act, the issuing of commissions to people as dominion land surveyors—this is section 20—and it deals, too, in section 22, with certificates for topographical surveyors.

Part II of the mother act deals with public lands in the territories, in the Yukon, in the national parks and in surrendered lands and reserves.

Part III deals with special surveys of territorial lands in the Yukon and in the Northwest Territories.

Part IV deals with general powers to survey, and with questions of the evidentiary value of the material that is provided by surveyors as a result of their work, and, indeed, with offences that may be committed.

That is a general survey—if I may be pardoned the pun—of the act that is to be amended by this bill. This bill is primarily a housekeeping bill. Among other things, it authorizes the preparation of examination papers and the marking of these papers by people who are qualified. Heretofore this work has been done, I am informed, by a group of two or three civil servants.

It is thought that there should be wider discretion in the choice of examiners, and it is proposed to be able to use such persons as university professors and other qualified people in the universities who are able to do this work and who will relieve the civil servant of the need to depart from his normal functions to look after this work.

Section 3 of the act provides for the payment of fees to examiners who may be appointed to do the work to which I have just referred.

I need not refer to the fact that this is the financial clause about which I spoke at such inordinate length last evening. Honourable senators will see that the amount of finances involved is very slight indeed. It changes the amount of $1 to $10 in the case of an application for preliminary examination, of $2 to $10 in the case of an application for a certificate for a commission, and if it is enacted in the provision that an application for a supplementary examination will have a fee of $5.

Clause 5 deals with articled pupils, and it provides that they can only become such if they have passed certain prescribed preliminary examinations.

Section 18 of the mother bill is repealed. This had reference to the fact that a person

qualified under the Dominion Land Surveys Act, which was the antecedent to the Canada Lands Surveys Act, would be qualified under the Canada Lands Surveys Act. This is no longer necessary because everyone who was qualified under the former act, I am informed, is long since dead. So the section is spent.

Clause 7 may be a clause of some interest to honourable senators. Heretofore it has been required that the actual measurement of a survey done pursuant to the provisions of this act be done by a steel tape. It is now proposed that much more modern and efficient means be authorized to make these measurements.

I am informed that they include the measurement of distances by electronic means and by what are described as photogrammetric means. The latter type of measurement has particular reference to the measurement of distances from aerial photography. The former involves the use of electronic impulses, and a determination of the time lapse required for that impulse to return from a given object to the instrument which issued the impulse. In this way the distance between the source of the impulse and the distant object can be calculated by electronic means. I understand that this instrument is called a tellurometer.

Hon. Mr. Farris: Is there any provision that the finding as recorded by that machine is binding and final?

Hon. Mr. Connolly (Ottawa West): Yes. I think the legislation, since it validates this type of exercise and this type of measurement, would for all practical purposes be a measurement satisfying the requirements of the act.

Now, there is, I am told, another instrument which serves the same type of purpose, measuring distances in terms of the time lapse of a light wave. This instrument is called a goedimeter.

This is the application of modern electronic equipment to the field of land surveying, and, in a country where distances can be so great, I think it only appropriate that this type of equipment should be available and that the work that is done with this type of equipment should be validated by the legislation.

Perhaps that answers the question that the honourable Senator Farris asked. It has to be done, of course, to the satisfaction of the Surveyor General, and this is provided in the legislation.

Clause 8 of the act authorizes the minister to establish an area within which all measurements shall be co-ordinated with a series of monuments established pursuant to the provisions of the act. In other words, these monuments will be reference points, and the measurements which are carried out in that area shall be required to be co-ordinated with these monuments. It provides, therefore, for a grid of reference points through these monuments within an area and provides further that all future surveys within the area shall be related to these monuments so established.

There is another provision in the act. Formerly it was required to show any surveyed land by an area designation. This was not particularly appropriate for the identification of small lots within a larger area. Section 9 provides now that a metes and bounds description will suffice for the identification which was formerly required to be made by way of area. Obviously, in the case of housing developments, for example, on Indian lands or other lands owned by the federal authority, the more precise type of description is much to be desired.

There is another provision of the bill, the last section, which proposes to enact that, in addition to providing for resurveys simply for the purpose of correcting errors, which is the provision in the mother act, it will also be possible now for a resurvey of the area to be made at the request of any minister for the purpose of acquiring new information theretofore not available, with the idea of improving the layout. I think that this is the kind of authority which should be granted.

As I said at the beginning, this is purely a housekeeping bill and the amendments are, relatively speaking, minor amendments. If the bill is given second reading by the Senate, I would propose, not only for the reasons that I have given here this afternoon but more particularly for those that I outlined last evening, that the bill be referred to the Standing Committee on Banking and Commerce.

Hon. Salter A. Hayden: Honourable senators, I should like to make one point in connection with this bill. This measure relates to the financial aspect and the position of the Senate in relation to dealing with a matter which may involve money.

Section 3 of the bill provides for payment to be made to examiners for work they do in

the preparation of papers and also in the marking of papers. These amounts are to be paid by the Treasury Board and I would think that would very definitely be the payment of money—which in the first instance would be within the authority of the House of Commons, to be preceded, it may be, by a resolution; certainly, it is not within the authority of the Senate.

Section 4, I feel, has no reference to that sort of thing. It simply provides for an examination fee which any applicant, who is making an application to be entitled to sit for the examinations, must pay, by enclosing $10 or $5 with his application, as the case may be. I do not regard the payment of such a fee, an examination fee accompanying an application, as being of the order of a tax or a levy on the public or on the public treasury and therefore I feel that it might very well be within the authority of the Senate to enact section 4.

Hon. Mr. Hugessen: Is it not a question of where the fee would go? If the fee goes to the treasury, that might mean a change?

Hon. Mr. Hayden: No, I think the question is as to whether the legislation which is proposed, as we have it before us, is imposing a tax. We are simply making provision for paying for a service.

Hon. Mr. Connolly (Ottawa West): I think Senator Hugessen's question related to the fact that, if the money goes into the Consolidated Revenue Fund, there may be a change in the fund, which may make a difference. I do not want to put the words in his mouth.

Hon. Mr. Hayden: The bill does not disclose that, and the legislation might very well provide that the money so collected shall be used for purposes in connection with the examination.

Hon. Mr. Hugessen: The present section says that each candidate shall pay the following fees to the secretary. Is that the way the secretary is remunerated?

Hon. Mr. Hayden: I do not know. He may have a fund.

Hon. Mr. Connolly (Ottawa West): There may be an answer to that in the main legislation. Perhaps we will have to get it in committee. If I find something before we reach the discussion, I will give it in committee.

Hon. Mr. Molson: Honourable senators, might I ask the honourable Leader one question in connection with the bill? I noticed that there was a change to make this the Canada Surveys Act, and I see the term "Dominion Land Surveyor" survives through the bill. I wonder if, in tidying it up, the term "Dominion" should not be changed.

Hon. Mr. Connolly (Ottawa West): Honourable senators, I propose to deal with these as questions, without closing the debate.

As to the point dealt with by way of question and answer between my right and my left, between Senator Hugessen and Senator Hayden, section 14 of the mother act provides that candidates and pupils shall pay the following fees to the secretary—and it lists five or six.

Subsection (2) of that section reads as follows:

> Fees payable under this section shall be transmitted by the Secretary to the Receiver General of Canada and shall form part of the Consolidated Revenue Fund of Canada.

Having said that, honourable senators, I hastily duck, because if there is to be further debate between my right bower and my left bower on that point, I do not wish to be caught in the middle. I would rather it be done in committee. I know that Senator Hayden, of old, used to be a pretty good swinger when it came to handling people who tried to come through a defence.

With reference to Senator Molson's point, I understand he wonders whether the titles "Dominion Land Surveyor" and "Dominion Topographical Survey" should not be changed to "Canada" or "Canadian".

I do not know if there is any policy on that point. I would certainly ask that the honourable senator take that up in the committee and perhaps, if it is appropriate, an amendment can be made to that effect.

Hon. Mr. Hayden: The bill has "Canada Lands Surveys".

Hon. Mr. Connolly (Ottawa West): I think this was probably another of those omissions at the time the act was passed. The title of the act was changed from "Dominion Lands Surveys" to "Canada Lands Surveys". The change should seep through in the same way. The point is a good one for committee.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Connolly (Ottawa West), bill referred to the Standing Committee on Banking and Commerce.

BUSINESS OF THE SENATE

Hon. John J. Connolly: Honourable senators, the latest word I have from the other place is that the debate is proceeding there on the legislation which we are expecting. I think it would serve no useful purpose to attempt to forecast precisely what the outcome is likely to be today. I would therefore suggest that we adjourn at this time to reassemble at the call of the bell at nine o'clock this evening. If the bell does not ring precisely at that time I am sure honourable senators will understand that we are trying to determine what the situation might be at ten o'clock.

The Senate adjourned during pleasure.

At 9.15 p.m. the sitting was resumed.

Hon. John J. Connolly: Honourable senators, I have been in the other place to see what progress is being made in respect of the legislation we are expecting. My assessment is that that house will not pass the bill this evening. If it does, it will be at an extremely late hour. In the circumstances I think it appropriate that the Senate do now adjourn until tomorrow afternoon at 3 o'clock.

Hon. Mr. Haig: Honourable senators, I regret having to disagree with the honourable leader of the Government. I suggest that he move that this house adjourns until 10.30 or 11 o'clock tomorrow morning.

Hon. Mr. Connolly (Ottawa West): That would be a practical suggestion on one condition only, namely, that the bill is passed by the other place tonight. If we adjourn until 10.30 tomorrow morning we may very well assemble only for the purpose of adjourning. The other place will not sit until tomorrow afternoon at 2.30, unless they unanimously resolve otherwise. We have to look at the practicalities of the situation. Without unanimous consent the other place cannot sit beyond 10 o'clock tonight or before 2.30 tomorrow afternoon.

Hon. Mr. McCutcheon: And there will not be unanimous consent.

Hon. Mr. Connolly (Ottawa West): That is my estimation.

Hon. Mr. McCutcheon: That is my information.

Hon. Mr. Connolly (Ottawa West): I do not want to try to forecast what may happen tomorrow afternoon at 6 o'clock, but there is very little chance that this bill will be passed by the other place within the next three-quarters of an hour, because there would have to be a vote on second reading, and also the proceedings in committee of the whole and third reading. We have to be practical, and I think that the feeling is that we should adjourn.

I understand Senator Haig's proposal. There might be some pressure put on the members of the other place for the termination of the emergency that exists, and that consequently we should sit tomorrow morning at 10 o'clock.

Hon. Mr. Haig: I suggested 11 o'clock.

Hon. Mr. Connolly (Ottawa West): I beg your pardon. However, I think it would be a futile gesture. The honourable senator may prove to be a prophet without honour. If he is, then we will honour him.

The Senate adjourned until tomorrow at 3 p.m.

APPENDIX

(*See p. 988.*)

APPROPRIATION BILL No. 6, 1966

ANSWERS TO QUESTIONS ASKED IN DEBATE ON MOTION FOR SECOND READING, JULY 11, 1966

ASSISTANCE TO IMMIGRANTS

Answer to question asked by the Honourable Alfred J. Brooks, Leader of the Opposition.

The primary purpose of the vote of the Department of Citizenship and Immigration in the amount of $18,233,800 is not assistance to immigrants, but rather the entire operation and administration of the Immigration Branch, including salaries of Immigration officers, rental and maintenance of buildings, etc. Included in the total is the sum of $915,000 to cover emergency assistance to immigrants. Emergency assistance includes inland transportation for immigrants who have found no work at their original destination and need financial help to move to available employment in another area, assistance in acquiring the tools of their trade, and emergency subsistence, welfare and medical care in the period while they are en route to their destination or awaiting placement in employment.

Inlands transportation assistance in amounts of $40 or more is repayable, as are sums of $25 or more advanced for the purpose of buying special items such as tools of trade. Medical, welfare and subsistence grants are not repayable.

Transoceanic transportation for immigrants is not included in this vote. This form of assistance is covered by a revolving fund known as the Assisted Passage Loan Fund. Assisted Passage loans made to immigrants are repayable. The transoceanic transportation mentioned above in Vote 30 is for settlers, who are defined as returning Canadian citizens. This assistance to Canadians is repayable.

MANPOWER MOBILITY PROGRAM

Answer to question asked by the Honourable Alfred J. Brooks, Leader of the Opposition.

The answer to this question is in the negative; there is no relation between this amount of $3,500,000 which is for moving workers from one area to another, and the unemployment (insurance) fund or the winter works programs which assist unemployed workers who are not being moved.

FREIGHT ASSISTANCE PAYMENTS

Answer to question asked by the Honourable Alfred J. Brooks, Leader of the Opposition,

The projected expenditures of $192 million under Item 10 of the Estimates of the Department of Forestry only cover the assistance amounts to be paid out under the actual freight and storage assistance programs. Administrative expenditures owing to these two programs are provided under Item 1 of Forestry while the payment of any extra administrative expenditures that may arise out of the proposed bill has not been covered in the 1966-67 Estimates.

ADMINISTRATION OF VETERANS' HOSPITALS

Answer to question asked by the Honourable Alfred J. Brooks, Leader of the Opposition.

Government policy with respect to the future administration of veterans' hospitals was fully outlined by the Honourable Roger Teillet, Minister of Veterans Affairs, in the House of Commons on March 16, 1964. Subsequently, that same year, the policy was again publicly stated by the Minister during the course of the Royal Canadian Legion's biennial convention held at Winnipeg. The elaboration of this policy was brought about by the inescapable fact that, as our veteran population grows older, the need for chronic and domiciliary care gradually increases while the need for active treatment correspondingly decreases. The Department of Veterans Affairs accordingly finds it more and more difficult to maintain the excellence of its standards in the various institutions it operates across the country. Understandably, greater difficulty is being experienced in retaining the first-rate medical, surgical and nursing staffs since the workload in DVA hospitals is gradually becoming less professionally interesting.

In the circumstances, the Government has announced that it is prepared to consider the transfer of the administration of its hospitals

to jurisdictions other than federal, provided three essential conditions are met. These conditions are, first, that treatment of service-connected disabilities amongst veterans must be immediately available at all times; second, that treatment facilities of acceptable standards must be available for other classes of veterans; and third, that satisfactory arrangements must be made for the continued employment of professional and other staffs now serving in DVA institutions.

I am happy to be able to say that, in the specific instance of Sunnybrook Hospital, all these conditions have been more than satisfactorily met in the transfer agreement recently signed by the Minister of Veterans Affairs on behalf of Canada, by the Chairman of the Board of Governors of the University of Toronto, and by the Chairman of the Board of Trustees of the newly established Sunnybrook Hospital Corporation.

OPERATION OF TECHNICAL AND VOCATIONAL TRAINING ASSISTANCE ACT

Answer to question asked by the Honourable Donald Cameron.

From April 1961 to May 1966 inclusive, new schools were established as follows:

	Tech. & Voc. High Schools	Institutes of Tech. (Post High School)
Newfoundland	–	–
Prince Edward Island	1	–
Nova Scotia	5	–
New Brunswick	–	–
Quebec	86	2
Ontario	286	2
Manitoba	1	–
Saskatchewan	9	–
Alberta	47	1
British Columbia	35	1
Yukon and NWT	–	–
CANADA	470	6

From April 1961 to May 1966 inclusive, major additions and alterations were made to existing schools as follows:

	Tech. & Voc. High Schools	Institutes of Tech. (Post High School)
Newfoundland	–	–
Prince Edward Island	–	–
Nova Scotia	1	–
New Brunswick	1	–
Quebec	–	4
Ontario	55	5
Manitoba	10	–
Saskatchewan	5	–
Alberta	10	–
British Columbia	33	–
Yukon and NWT	1	–
CANADA	116	9

Research projects receiving support under the Technical and Vocational Training Assistance Act are as follows:

Project No. 1 entitled "Vocational Plans of Alberta Youth" is a study of vocational plans of children presently enrolled in the upper grades of the high schools of Alberta, and is currently being carried out by Professor Fair of the University of Alberta, Edmonton.

Project No. 2 a study on Manpower Training Requirements for Nova Scotia 1970-75 is being completed at the present time. It was undertaken by Professor Judek of the University of Ottawa on behalf of the Nova Scotia Provincial Department of Labour.

Project No. 3 covers Manpower Resources and Skill Requirements in the Construction Industry in Nova Scotia and was undertaken by Professor Comeau of Nova Scotia.

Project No. 4 on the Current Status of British Columbia Manpower and the needs of the future was undertaken by Professor Montague of the University of British Columbia on behalf of the British Columbia Department of Labour.

Project No. 5 is a Survey of Training in Industry. It is being conducted on behalf of the Quebec Department of Education by the Adult Education Association of Quebec.

Project No. 6 covers Student Plans for the Future. This survey is being undertaken by the Quebec Department of Education and is very closely related to the Federal Government research project entitled "Career Decisions of Canadian Youth."

Project No. 7 deals with "The Effectiveness of Vocational and Technical Training Programs as Preparation for Employment in Ontario." It is being undertaken on behalf of

the Ontario Department of Education by the Ontario Institute for Studies in Education under the direction of Professor R. W. B. Jackson.

Project No. 8 is a survey on Success in Employment as Related to School Programs, Guidance Services and Job Experience in Ontario. It was undertaken by Professor R. W. B. Jackson on behalf of the Ontario Department of Education.

Project No. 9 deals with Vocational Guidance in Ontario Schools; its Status, Effectiveness and Future. This was also undertaken by Professor Jackson on behalf of the Ontario Department of Education.

THE SENATE

Wednesday, August 31, 1966

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

Prayers.

DOCUMENTS TABLED

Hon. John J. Connolly tabled:

Order in Council P.C. 1965-2262, dated December 22, 1965, approving the Capital Budget of the Export Credits Insurance Corporation for the year ending December 31, 1966, pursuant to section 80(2) of the Financial Administration Act, chapter 116, R.S.C., 1952. (English text).

Order in Council P.C. 1966-1410, dated July 26, 1966, authorizing under section 21 of the Export Credits Insurance Act, contracts of insurance by the Export Credits Insurance Corporation for the sale of 300,000 metric tons of wheat to the Polish People's Republic, pursuant to section 21B of the said Act, chapter 105, R.S.C., 1952, as amended 1960-61. (English text).

Order in Council P.C. 1966-1564, dated August 17, 1966, authorizing under section 21 of the Export Credits Insurance Act, contracts of insurance by the Export Credits Insurance Corporation for the sale of 100,000 metric tons of wheat to the People's Republic of Bulgaria, pursuant to section 21B of the said Act, chapter 105, R.S.C., 1952, as amended 1960-61. (English text).

Order in Council P.C. 1966-1570, dated August 17, 1966, amending Order in Council P.C. 1963-1763, dated November 28, 1963, which authorized, under section 21 of the Export Credits Insurance Act, long-term financing by the Export Credits Insurance Corporation for the sale by Canadian suppliers of capital equipment for a Nuclear Power Station to the President of India, pursuant to Section 21B of the said Act, chapter 105, R.S.C., 1952, as amended 1960-61. (English text).

DIVORCE

PETITION PRESENTED

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the following petition:

Of Joyce Regina Nagine Biega, of the Village of Vaudreuil, in the Province of Quebec; praying for the passing of an Act to annul Senate Resolution No. 738, dissolving her marriage to Alexander Biega.

He said: Honourable senators will be interested in knowing that this is the first appeal, if I may call it that, from the judgment of the Senate Commissioner in the matter of divorce. This is the first action of this kind—it is in the nature of an appeal, although perhaps technically it is not an appeal—that has been taken since the passing of the Dissolution and Annulment of Marriages Act, which was assented to on August 2, 1963.

There are some points that I think I should try to make clear, although probably they were thoroughly understood by honourable senators at the time the act was passed approximately three years ago. I should like to refer, first of all, to section 2 of chapter 10 of 12 Elizabeth II, subsection (1) of which reads:

> The Senate of Canada may, on the petition of either party to a marriage, by resolution declare that the marriage is dissolved or annulled, as the case may be, and subject to the provisions of subsections (2) and (3), immediately on the expiration of thirty days from the date of the adoption of the resolution the marriage is dissolved or annulled, as the case may be, and shall be null and void, and thereafter either party thereto may marry any person whom he or she might lawfully marry if the said marriage had not been solemnized.

That is the authority which the Senate possesses to pass a resolution annulling a marriage.

Then, subsection (2) of section 2 provides:

> If, before the expiration of the thirty days referred to in subsection (1), a petition to the Parliament of Canada by either party to a marriage in respect of which a resolution for its dissolution or annulment has been adopted by the Senate, together with a draft bill based thereon and the required fee, is filed with the Clerk of the Parliaments praying for the passage of an Act annulling or modifying such resolution, the operation of the resolution shall be suspended until an Act based upon the petition has received Royal Assent, whereupon the resolution shall have no force or effect or shall have such other force and effect as may be prescribed in that Act.

Honourable senators will realize that the former procedure still remains, of a qualified private act, on request by either party to a marriage, for a private bill dissolving the marriage. The old rules upon which we have acted over so many years are still in force, and the resolution procedure is auxiliary to it and certainly not part of it.

Now, for the first time, someone dissatisfied with a judgment of a Senate Commissioner has acted in accordance with the Dissolution and Annulment of Mariages Act and has filed a petition for the annulment of the judgment, or rather of the Senate resolution consequent upon that judgment.

May I also refer to the rules now in effect that are relevant. Rule 133 says:

> All petitions for divorce and all matters arising out of petitions for, or bills of, divorce, shall be referred to the Standing Committee on Divorce, and no reference to any Committee other than that Committee shall be necessary with respect to such petitions, bills and matters.

This request of today arises out of a resolution for divorce and is certainly a matter connected therewith. Therefore, according to the rules, it will be referred automatically, without any action on our part, to the Standing Committee on Divorce.

I remember rather vividly that when we were discussing the new bill for the dissolution or annulment of marriages, someone—I forget who it was—questioned whether the members of the committee were the proper persons to hear such an appeal, if that is the right word to call it. Without going into the general question, I would like it clearly understood that there is no possibility of prejudice on the part of the committee in this case, and this case is all that we have before us at the moment.

Hon. Mr. Choquette: May I ask my honourable friend a question?

Hon. Mr. Roebuck: I would like to finish this first, if I may.

Hon. Mr. Choquette: Yes.

Hon. Mr. Roebuck: In this instance—and after all, it is only with this instance that we are concerned—the only person who knows anything about this matter in its detail is myself. The report came to me, in connection with a great many other reports from the commissioner who heard the evidence, recommending that a divorce resolution be adopted by the Senate. I read it. No one else on that committee read it but me, and I recommended the adoption of the commissioner's report.

It was adopted on my recommendation, and shortly after its adoption in committee the woman respondent appealed to me, claiming that there was certain evidence that should have been heard and which was not heard by the commissioner because inadvertently it was not presented at the hearing. I dealt with her complaint on my own responsibility by asking the judge in question to hear a motion by her lawyers for re-opening the case.

The judge complied with my request; the lawyers involved moved for such a motion. It was heard by the judge and was dismissed on the ground that there was no real basis for such a re-opening.

It is not for us now to go into the rights and wrongs of the parties or the officials in the hearing of the matter. All we are asked to do now is to decide whether or not this applicant for a divorce is entitled to it. Never mind what took place in the past.

On the refusal of the judge to hear further evidence, I presented the resolution to this house. It was passed and became law, and within the 30 days after the adoption of that resolution this petition was filed in the Senate in accordance with the act. So we are now back to the old procedure where, *ipso facto*, a petition of this kind is referred to the Senate committee.

Lest anyone imagine that there is any prejudice on the part of the committee who will hear the case, may I point out once again that I am the only one on the committee familiar with all this detail, that all actions that were taken were at my instance and nobody else's, beyond the fact that the committee accepted my recommendation and passed the Commissioner's recommendation in a routine way, following which I moved the resolution in the house.

I think I could be perfectly impartial in hearing the evidence, but, honourable senators, one must preserve the appearance of impartiality as well as impartiality itself, and so I may assure the house that I will not be a member of the subcommittee which will hear this case. If my recommendations are accepted by the committee—and in the past the committee has allowed me to nominate the members of the subcommittees—that subcommittee will be the strongest that we have, and not one of its members will know anything about this matter more than what I

have described now, which does not go into the merits in any way.

So honourable senators may be assured of a complete impartiality in the hearing of this petition by the subcommittee. They will report to the general committee which in turn will report to the house in accordance with the ancient, established rules and customs of the Senate of Canada.

Hon. Mr. Choquette: May I ask a question? This is the question I was going to ask a short while ago.

Hon. Mr. Roebuck: Yes.

Hon. Mr. Choquette: I think the procedure as explained by Senator Roebuck in the past two or three years was to the effect that the committee, as a rule, reads the evidence, that some of the members of the committee read different types of cases, and that this might be divided into two or three groups who either accept the recommendation of the commissioner or reject it. In this case it was anticipated that there probably would be an appeal.

Hon. Mr. Roebuck: No.

Hon. Mr. Choquette: My question is: In view of the fact that Senator Roebuck says he was the only one to pass on this, will that be a precedent in future in cases where an appeal might be anticipated? I would think that if the members of the committee read the evidence they would more probably do so in the case where an appeal is anticipated, and I am wondering why this procedure was followed in this case.

Hon. Mr. Roebuck: There was nothing unusual in the fact of one person reading the report. My friend is unfortunately in error when he suggests that a group of senators read the evidence. That would be utterly impossible. Just think for a moment: During the last recess 400 cases were tried. I read them all, and the committee, I am rather honoured to say, have had confidence in my judgment in the matter and accepted my recommendations and passed them. Now for us to read the evidence in 400 cases during the recess is just impracticable; while it could, I suppose, be done, it would not be reasonable to expect it to be done. When we are in session I divide up the cases to be read and give a dozen to one senator and a dozen to another, and they make a recommendation to the committee which may or may not be adopted by the committee. I can assure you it usually is accepted. Then I move it in the house. In the past we used to transcribe the evidence. When the new rules were adopted, and against my recommendation, we struck out the provision for the transcribing of the evidence. It is transcribed only when the chairman or the committee itself feels that they require the evidence. In this instance I am fairly sure it was not transcribed.

Hon. Mr. Choquette: Should it not have been? It was the first time in three years you had an inkling that there was going to be a dispute, and I would think in that case the whole committee could have been called to read the transcript of evidence.

Hon. Mr. Roebuck: There was no intimation that an action such as is now being taken would be taken. I received knowledge of this petition the day before yesterday. We have contested cases one after the other. They have been heard during this recess, a half-dozen of them, and one might anticipate in every instance an appeal such as this might be lodged. There was no intimation that such action would be taken in connection with this particular case any more than in any other of the hundreds of disputed cases of this kind which have been heard during the past three years.

Hon. Mr. Macdonald (Brantford): May I ask Senator Choquette to whom or to what body would the applicant appeal if all members of the committee had read the evidence and had made up their minds?

Hon. Mr. Choquette: That is the very question I put to Senator Roebuck. Will it be a precedent in future where we anticipate there is going to be an appeal that we will make sure the evidence shall not be read by other members of the committee?

Hon. Mr. Macdonald (Brantford): I understood Senator Roebuck to say it is not the custom for all members of the committee to read the evidence, and I think that is right.

Hon. David Walker: Honourable senators, there is no question about Senator Roebuck's ability as chairman of this committee or, indeed, about his impartiality. We all take cognizance of that, and agree with it. But he made a very sound and sage observation when he said that not only must we be impartial but we must preserve the appearance of impartiality, and I respectfully suggest that this whole system should be revised. I appeal to the Leader of the Senate (Hon. Mr. Connolly, Ottawa West) to bring this

matter before the Department of Justice or the Cabinet to bring about such a revision.

From what Senator Roebuck has told us, it is clear that the Commissioner makes a report to the Standing Committee on Divorce, where it is considered and either adopted or refused. If it is adopted and one of the parties appeals, then the appeal lies to the same body which originally made the decision on the matter, the Standing Committee on Divorce. Now, it does not matter whether there is one person, two persons or three persons involved; they are all of the same committee.

Did you ever hear in British jurisprudence or Canadian jurisprudence, or even in American jurisprudence for that matter, of an appeal, not a trial *de novo*, to the same body which made a decision in the matter in the first instance? It is something that is completely foreign to all our jurisprudence. I must apologize for not having taken cognizance sooner of the fact that this was our law, and that in an appeal, the poor appellant, whoever he might be, had to bring his appeal to the same body who, in the first instance, made a decision on the matter. It is contrary to all principles of justice.

Hon. Mr. Roebuck: Will the honourable senator allow me—

Hon. Mr. Walker: I would like to finish what I have to say first, and then if the honourable senator wishes to ask any questions I would be delighted to answer them.

Regardless of the protests of my friend that in this instance complete impartiality is assured because he will see to it that different people of the standing committee hear the appeal, I would point out that that is not the principle at stake at all. The situation is that the same body sits on the appeal as decided the issue originally. This is foreign to our system of justice, and should be changed. I respectfully suggest that this appeal should be held up until it is changed.

Hon. Mr. Roebuck: We cannot do that. This case was commenced on September 25, 1964. Further delay would certainly be not only an appearance of injustice but an injustice in itself. I was only going to interpose a remark when my friend asked did anyone ever hear of an appeal to the same tribunal that had passed on the question originally—did he ever hear the quib, if I might call it that, of an appeal from the chancellor drunk to the chancellor sober.

Hon. Mr. Walker: I do not see any analogy here, knowing my friend's habits.

Hon. Mr. Roebuck: Anyway, there is no suspicion of partiality in this case.

Hon. Mr. Walker: I accept my friend's view on that, but there is a principle at stake and regardless of what my friend says, we cannot do it. That is why it is brought before the Senate. We must give approval to or refuse it. I think it should stand over until the law officers and my friend the Leader of the Government in the Senate have an opportunity to look into this. We are not unreasonable, but why establish a precedent contrary to all the principles we know and have accepted for many generations?

Hon. John J. Connolly: First of all, I should like to say that in this case *de facto* we are in a rather fortunate position. Senator Roebuck has explained that he alone has gone into this case and knows the facts. It does seem to me that he has said to us that he has not, in fact, read the evidence. In any event, he has given us an undertaking that he himself will not sit. The result is that while formally the committee is fixed with the responsibility of already having decided this, the committee has, in fact, only done so in a formal way, and it may very well be that the right of appeal to the foot of the Throne, which is the right of any citizen, should be preserved in this case.

Having said that, I think that what Senator Walker has said deserves more attention than simply the passing reference he has made to it and the passing consideration we are giving to it this afternoon. It has been suggested to me that one way out of the difficulty would be for a section of the Divorce Committee to be established for the purpose only of considering appeals. Perhaps this is an answer. There may be other solutions that fertile minds among the law officers of the Crown, to say nothing of fertile minds within the Senate itself, could devise. It is my opinion that we should give thorough consideration to all of these facts.

This is the first occasion upon which there has been a departure from the new practice that was established a few years ago. As I said at the beginning, perhaps we are fortunate in that the set of facts which confronts us today makes it easy for us to consider with favour the reception of this petition. I point out that the petition is only being presented today. At the next sitting it will be read. That is the normal practice. Perhaps at that

time—and I do not know when the next sitting will be—there will be more light thrown upon it. An injustice might be done if we do not proceed with this petition. I certainly say, not only to Senator Walker but to all honourable senators, that I will see to it that this matter and this discussion is placed before the appropriate law officers of the Crown for consideration and advice.

Hon. Mr. Choquette: May I make a simple suggestion? The Commissioner and his assistant have been made judges of the Exchequer Court, and the judges of the Exchequer Court, according to our rules, may be called upon at any time to hear divorce cases in the Senate. If we are going to amend the rules, then why do we not make the appeal returnable before the Exchequer Court? They are all *ex officio* judges of divorce actions in the Senate. That would be a simple matter.

Hon. Mr. Flynn: Let us get rid of divorce cases altogether.

Hon. Mr. Smith (Queens-Shelburne): Send them all to the Exchequer Court.

Hon. Mr. Roebuck: May I say that I have no objection at all to any one of the suggestions that have been made. I do not object to having a group of senators appointed to the committee to constitute what could be considered a court of appeal. That would be all right, and it could easily be done. It could be done almost at once. I have no objection whatsoever to the making of the Exchequer Court the court to which an appeal is taken.

Hon. Mr. Connolly (Ottawa West): That may require legislation.

Hon. Mr. Roebuck: Yes, it would require legislation; the other suggestion would not. I would be happy to have that carried out. If the committee agrees with me—and I think it will—we will carry it out forthwith. However, I do object very strongly to any delay in the handling of this matter. There is no impartiality here—

Hon. Mr. Connolly (Ottawa West): There is no partiality.

Hon. Mr. Walker: It is my friend who is impartial.

Hon. Mr. Roebuck: Very well, there is no partiality in this matter. I call to the attention of honourable senators the ancient saying: Justice delayed is justice denied. We should proceed with this matter as the rules now stand, and in accordance with the reliance of the litigants on the rules as they now stand, and there should not be any inordinate delay.

MANITOBA-SASKATCHEWAN BOUNDARY BILL

AUTHORITY TO PRINT COMMITTEE PROCEEDINGS

Hon. Salter A. Hayden, Chairman of the Standing Committee on Banking and Commerce, presented the following report of the committee on Bill S-45, respecting the Boundary between the Provinces of Manitoba and Saskatchewan:

> Your committee recommends that authority be granted for the printing of 800 copies in English and 300 copies in French of its proceedings on the said bill.

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

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

Report adopted.

REPORT OF COMMITTEE

Hon. Mr. Hayden, Chairman of the Standing Committee on Banking and Commerce, reported that the committee had considered Bill S-45, respecting the Boundary between the Provinces of Manitoba and Saskatchewan, and had directed that the bill be reported without amendment.

THIRD READING

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

Hon. Mr. McDonald: With leave, I move that the bill be read the third time now.

Motion agreed to and bill read third time and passed.

SASKATCHEWAN-NORTHWEST TERRITORIES BOUNDARY BILL

AUTHORITY TO PRINT COMMITTEE PROCEEDINGS

Hon. Salter A. Hayden, Chairman of the Standing Committee on Banking and Commerce, presented the following report of the

committee on Bill S-46, respecting the Boundary between the Province of Saskatchewan and the Northwest Territories:

> Your committee recommends that authority be granted for the printing of 800 copies in English and 300 copies in French of its proceedings on the said bill.

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

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

Hon. Mr. Flynn: Honourable senators, am I correct in assuming that there will be other reports in respect of Bills S-47 and S-48?

Hon. Mr. Hayden: Yes.

Hon. Mr. Flynn: It occurs to me that consideration should be given to amending the rules of the Senate to empower committees, when they are dealing with public bills, to arrange for the printing of their proceedings without having to ask the permission of the Senate on every occasion. This power could be limited to some degree, but it does seem to me that it is repetitious and useless to have these reports continually presented to this house.

Hon. Mr. Hayden: My suggestion in that regard is that at the time the bill is referred by the Senate to committee there be incorporated in the order of reference a direction as to whether the proceedings be printed.

Hon. Mr. Flynn: The proceedings on all public bills should be printed.

Hon. Mr. Connolly (Ottawa West): If I may speak now not as the Leader of the Government in the Senate but as a senator, I suggest that the rule be that the proceedings of committees be printed in every case, unless the printing is dispensed with by a special motion. In well over 90 per cent of the cases there is a motion to print.

Hon. Mr. Flynn: On public bills?

Hon. Mr. Connolly (Ottawa West): Yes. I think that that suggestion should be considered.

Hon. Mr. Macdonald (Brantford): That is, with respect to all public bills originating in the Senate?

Hon. Mr. Flynn: Yes, or even if they originate in the other place. It is the same thing.

Hon. Mr. Macdonald (Brantford): It is not as necessary with respect to bills that have been debated in the other place, but I do feel that when a bill originates in the Senate the committee's proceedings on it should be taken down and transcribed, because then everything that is said on a bill can be read by the members of the House of Commons. If the purpose of introducing public bills in the Senate is to accelerate the work of Parliament, then there should be a full report of all that takes place in the Senate on such bills.

Hon. Mr. Hayden: If there is a rule that we must print the proceedings in committee on all public bills unless there is a specific resolution dispensing, then the simple reference will suffice and the only time there will be a printing resolution is when there is a resolution to dispense with the printing.

Hon. Mr. Connolly (Ottawa West): We can look into this and amend the rules at a later time.

Report adopted.

REPORT OF COMMITTEE

Hon. Mr. Hayden, Chairman of the Standing Committee on Banking and Commerce, reported that the committee had considered Bill S-46, respecting the Boundary between the Province of Saskatchewan and the Northwest Territories, and had directed that the bill be reported without amendment.

THIRD READING

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

Hon. A. Hamilton McDonald: Honourable senators, with leave of the Senate, I move that this bill be read the third time now.

Motion agreed to and bill read third time and passed.

MANITOBA-NORTHWEST TERRITORIES BOUNDARY BILL

AUTHORITY TO PRINT COMMITTEE PROCEEDINGS

Hon. Salter A. Hayden, Chairman of the Standing Committee on Banking and Commerce, presented the following report of the committee on Bill S-47, respecting the Boundary between the Province of Manitoba and the Northwest Territories:

> Your committee recommends that authority be granted for the printing of 800 copies in English and 300 copies in French of its proceedings on the said bill.

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

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

Report adopted.

REPORT OF COMMITTEE

Hon. Mr. Hayden, Chairman of the Standing Committee on Banking and Commerce, reported that the committee had considered Bill S-47, respecting the Boundary between the Province of Manitoba and the Northwest Territories, and had directed that the bill be reported without amendment.

THIRD READING

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

Hon. A. Hamilton McDonald: Honourable senators, with leave of the Senate, I move that this bill be read the third time now.

Motion agreed to and bill read third time and passed.

CANADA LANDS SURVEYS ACT

BILL TO AMEND—AUTHORITY TO PRINT COMMITTEE PROCEEDINGS

Hon. Salter A. Hayden, Chairman of the Standing Committee on Banking and Commerce, presented the following report of the committee on Bill S-48, to amend the Canada Lands Surveys Act:

> Your committee recommends that authority be granted for the printing of 800 copies in English and 300 copies in French of its proceedings on the said bill.

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

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

Report adopted.

REPORT OF COMMITTEE

Hon. Mr. Hayden, Chairman of the Standing Committee on Banking and Commerce, reported that the committee had considered Bill S-48, to amend the Canada Lands Surveys Act, and had directed that the bill be reported without amendment.

THIRD READING

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

Hon. John. J. Connolly: Honourable senators, I move, with leave of the Senate, that this bill be read the third time now.

Before this motion is adopted, I should like to thank the committee for the consideration it gave to the financial implications which were in this bill. I am somewhat disappointed that the bill was not more troublesome to the committee! I say this in all seriousness because, in view of the remarks I made the other evening about bills which might have financial implications, I was rather hopeful that a little more light on this problem might be shed as a result of the deliberations of the committee. However, the conclusions will be helpful. The committee came to the conclusion that it was completely within the power of the Senate to deal with this particular bill.

Honourable senators, in my attendances at the Legislation Committee of the Cabinet, I intend to do everything I can to find a bill that will create more difficulty, in the hope that even the question of the "privileged insertion," to which I referred the other evening, or the idea of striking out the clause or leaving a blank to be filled in in the House of Commons, might have to be adopted.

Nonetheless, the exercise in respect of the monetary aspects of this bill and the discussion which took place in committee will be most helpful for the future. I thank particularly the chairman of the committee for the way in which he handled this matter, and I thank the committee members for the way in which they supported him.

Hon. Mr. Brooks: Would the honourable leader consider that this has established a precedent to assist him in the future?

Hon. Mr. Connolly (Ottawa West): I am afraid not. The committee simply said that for a bill of this kind the Senate is completely within its authority in doing what it has done. I want to get one in which there may be some question.

Motion agreed to and bill read third time and passed.

BUSINESS OF THE SENATE

Hon. Mr. Connolly (Ottawa West): Honourable senators, I am informed that in the other place there has been unanimous consent

to sit until six o'clock this evening, adjourn for one hour and resume at seven. During that time the house will be considering the bill to end the current railway strike.

In view of the importance of the matter and the number of people involved, and in view of the fact that the bill has not yet been given second reading, I am led to the conclusion that the Senate should consider adjourning now during pleasure until nine o'clock this evening. The bell may ring a little later than that, so that we may assess what the situation is at that time. To rise until 8 o'clock would not be particularly useful. I suggest 9 o'clock.

Hon. Mr. Brooks: What steps would have to be taken? I understand that there is an amendment before the house, and, if the bill passes second reading, then it will have to be discussed clause by clause in the committee of the whole, which would certainly take considerable time. I think the leader's suggestion of meeting at 9 o'clock is a very good one.

Hon. Mr. Connolly (Ottawa West): I do not like to bring honourable senators back unnecessarily this evening, but I think we should be available in case we are needed.

The Senate adjourned during pleasure.

At 9.30 p.m. the sitting was resumed.

Hon. John J. Connolly: Honourable senators, as you are aware there is a vote to be taken shortly on second reading in the other place. It is then expected that they will go into committee to consider the bill clause by clause. At this time it is a little early for me to take out my now famous crystal ball. Therefore I suggest, with your concurrence, that we rise until 11 o'clock tonight. If then there is no prospect of our receiving the expected legislation perhaps we should adjourn until tomorrow morning, but let us decide that at 11 o'clock.

I therefore move that the Senate do now take recess until 11 o'clock this evening.

The Senate adjourned during pleasure.

At 11.00 p.m. the sitting was resumed.

Hon. Mr. Connolly (Ottawa West): Honourable senators, the best intelligence I have is that the progress in the committee stage in the other place is very slow. It may speed up, but even if it did, we would receive the bill at a very late hour. We are assembled now but it is impossible for us to proceed. On the off-chance that the bill passes the House of Commons tonight, or that chamber sits early tomorrow, I suggest that we reassemble at 11 o'clock in the morning in the hope of being able to proceed at that time.

I can give no guarantee that we will be able to consider the bill at that hour. If we cannot, we can decide then when we should return.

ADJOURNMENT

Hon. Mr. Connolly (Ottawa West): Honourable senators, I move with leave of the Senate, that when the Senate adjourns today it do stand adjourned until Thursday, September 1, at 11 o'clock in the morning.

Motion agreed to.

The Senate adjourned until tomorrow at 11 a.m.

END OF VOLUME I

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Abbreviations

1r, 2r, 3r	= First, second, third reading
amdts	= amendments
com	= committee
div	= division
m	= motion
neg	= negatived
ref	= referred
rep	= report
r.a.	= royal assent

Acts passed during the Session:

PUBLIC ACTS

Assented to February 8, 1966

Chap.		Bill No.
1.	Appropriation Act No. 1, 1966	C-116

Assented to February 23, 1966

2.	Electoral Boundaries Readjustment Act, An Act to extend time for consideration of objections	C-126

Assented to March 9, 1966

3.	Appropriation Act No. 2, 1966 (Main Supply 1965-66)	C-140

PUBLIC ACTS – *Continued*

Assented to March 31, 1966

Chap.		Bill No.
4.	Admiralty Act, An Act to amend the	C-161
5.	Appropriation Act No. 3, 1966	C-157
6.	Appropriation Act No. 4, 1966	C-159
7.	Bank Act and the Quebec Savings Banks Act, An Act to amend the	C-3
8.	Judges Act, An Act to amend the	C-160
9.	Milltown Bridge Act	S-15

Assented to May 12, 1966

10.	Aeronautics Act, An Act to amend the	C-153
11.	Agricultural Rehabilitation and Development Act, An Act to amend the	C-152
12.	Bills of Exchange Act, An Act to amend the	S-14
13.	Bretton Woods Agreements Act, An Act to amend the	C-144
14.	Canada – United Kingdom, Canada – Sweden, Income Tax Agreement Act, 1966	C-154
15.	Canadian National Railway Branch Line – Amesdale	C-165
16.	Export and Import Permits Act, An Act to amend the	S-23
17.	Farm Credit Act, An Act to amend the	C-171
18.	Fisheries Development Act	C-145
19.	Science Council of Canada Act	C-149

Assented to June 2, 1966

20.	Appropriation Act No. 5, 1966	C-189
21.	Newfoundland Additional Financial Assistance Act, 1966	C-185
22.	Northwest Territories Act, An Act to amend the	C-146

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23.	Combines Investigation Act and the Criminal Code, An Act to amend, An Act to amend the	C-169
24.	Fair Wages and Hours of Labour Act, An Act to amend the	C-2
25.	Government Organization Act, 1966	C-178
26.	Research Council Act, An Act to amend the	C-150
27.	Training Allowance Act, 1966	C-186
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Assented to July 11, 1966

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29.	Appropriation Act No. 6, 1966	C-224
30.	Appropriation Act No. 7, 1966	C-226
31.	Atlantic Development Board Act, An Act to amend the	C-213
32.	Bankruptcy Act, An Act to amend the	S-17
33.	Canada Student Loans Act, An Act to amend the	C-197
34.	Canadian Dairy Commission Act	C-205
35.	Canadian National Railway Branch Lines, Osborne Lake, Manitoba and Guernsey, Saskatchewan	C-210
36.	Company of Young Canadians Act	C-174
37.	Crop Insurance Act, An Act to amend the	C-208
38.	Customs Tariff Act, An Act to amend the	C-200
39.	Exchequer Court Act, An Act to amend the	C-201
40.	Excise Tax Act, An Act to amend the	C-198
41.	Fund for Rural Economic Development Act	C-151
42.	Health Resources Fund Act	C-199
43.	Public Utilities Income Tax Transfer Act	C-211
44.	Statute Law (Superannuation) Amendment Act, 1966	C-193

Assented to July 15, 1966

45.	Canada Assistance Plan	C-207
46.	Canadian Corporation for the 1967 World Exhibition Act, An Act to amend the	S-42
47.	Income Tax Act, An Act to amend the	C-216
48.	National Arts Centre Act	C-194
49.	St. Lawrence Ports Working Conditions Act	C-215

Assented to September 1, 1966

50.	Maintenance of Railway Operation Act, 1966	C-230

Assented to November 17, 1966

51.	Appropriation Act No. 8, 1966	C-245
52.	Livestock Feed Assistance Act	C-218

Assented to November 22, 1966

53.	National Housing Act, 1954, An Act to amend the	C-241

Assented to November 28, 1966

54.	Bank Act and the Quebec Savings Banks Act, An Act to amend the	S-53

PUBLIC ACTS – *Continued*

Assented to November 30, 1966

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55.	Appropriation Act No. 9, 1966 (Main Supply)	C-248

Assented to December 14, 1966

56.	Appropriation Act No. 10, 1966	C-254
57.	Boundary between the Provinces of Manitoba and Saskatchewan, An Act respecting the	S-45
58.	Boundary between the Province of Saskatchewan and the Northwest Territories, An Act respecting the	S-46
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65.	Old Age Security Act, An Act to amend the	C-251

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69.	National Transportation Act	C-231

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Assented to February 23, 1967

71.	Public Service Employment Act	C-181
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74.	Financial Administration Act, An Act to amend the	C-182
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77.	Postal Services Interruption Relief Act	S-55

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85.	Appropriation Act No. 2, 1967	C-282
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91.	Income Tax Act, An Act to amend the, and to repeal the Canadian Vessel Construction Assistance Act	C-259
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94.	Adult Occupational Training Act	C-278
95.	Appropriation Act No. 4, 1967	C-293
96.	Canadian Forces Reorganization Act	C-243
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LOCAL AND PRIVATE ACTS

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