Canada

Debates of the Senate

OFFICIAL REPORT
(HANSARD)

THE HONOURABLE MAURICE BOURGET,
SPEAKER

1965

THIRD SESSION, TWENTY-SIXTH PARLIAMENT
14 ELIZABETH II

Parliament was opened on April 5, 1965
and was dissolved on September 8, 1965

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

22624—A

The Speaker

THE HONOURABLE MAURICE BOURGET

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

At Dissolution, September 8, 1965

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 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.	Minister of Finance and Receiver General
The Honourable Mitchell Sharp, M.P.	Minister of Trade and Commerce
The Honourable George James McIlraith, M.P.	Minister of Public Works
The Honourable Arthur Laing, M.P.	Minister of Northern Affairs and National Resources
The Honourable Maurice Lamontagne, M.P.	Secretary of State of Canada
The Honourable Lucien Cardin, M.P.	Minister of Justice and Attorney General
The Honourable Allan Joseph MacEachen, M.P.	Minister of Labour
The Honourable Hédard Robichaud, M.P.	Minister of Fisheries
The Honourable J. Watson MacNaught, M.P.	Minister of Mines and Technical Surveys
The Honourable Roger Teillet, M.P.	Minister of Veterans Affairs
The Honourable Judy LaMarsh, M.P.	Minister of National Health and Welfare
The Honourable Charles Mills Drury, M.P.	Minister of Industry and Minister of Defence Production
The Honourable Guy Favreau, M.P.	President of the Queen's Privy Council for Canada
The Honourable John Robert Nicholson, M.P.	Minister of Citizenship and Immigration
The Honourable Harry Hays, M.P.	Minister of Agriculture
The Honourable René Tremblay, M.P.	Postmaster General
The Honourable John Joseph Connolly	Member of the Administration
The Honourable Maurice Sauvé, M.P.	Minister of Forestry
The Honourable Edgar John Benson, M.P.	Minister of National Revenue
The Honourable Leo Alphonse Joseph Cadieux, M.P.	Associate Minister of National Defence
The Honourable Lawrence T. Pennell, M.P.	Solicitor General
The Honourable Jean-Luc Pépin, M.P.	Member of the Administration

22624—A½

PARLIAMENTARY SECRETARIES

To the Prime Minister	Jean Chretien, M.P.
To the Minister of Citizenship and Immigration	Hubert Badanai, M.P.
To the Minister of Agriculture To the Minister of Forestry	Bruce S. Beer, M.P.
To the Minister of Finance	Donald S. Macdonald, M.P.
To the Minister of Labour	James A. Byrne, M.P.
To the Minister of Transport	Jean-Charles Cantin, M.P.
To the Postmaster General	Alexis Caron, M.P.
To the Minister of Veterans Affairs	Chesley W. Carter, M.P.
To the Secretary of State for External Affairs	Stanley Haidasz, M.P.
To the Minister of Justice	Jean-Charles Cantin, M.P.
To the Minister of Public Works	G. Roy McWilliam, M.P.
To the Minister of National Health and Welfare	Bryce S. Mackasey, M.P.
To the Minister of Trade and Commerce	John C. Munro, M.P.
To the Secretary of State of Canada	John B. Stewart, M.P.
To the Minister of Northern Affairs and National Resources	John N. Turner, M.P.
To the Minister of Industry	David G. Hahn, 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

At Dissolution, September 8, 1965

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.
ADRIAN K. HUGESSEN	Inkerman	Montreal, Que.
NORMAN P. LAMBERT	Ottawa	Ottawa, Ont.
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.
WILLIAM RUPERT DAVIES	Kingston	Toronto, Ont.
WISHART MCLEA ROBERTSON, P.C.	Shelburne	Truro, N.S.
CYRILLE VAILLANCOURT	Kennebec	Lévis, Que.
THOMAS ALEXANDER CRERAR, P.C.	Churchill	Winnipeg, Man.
WILLIAM HORACE TAYLOR	Norfolk	R.R. 3, Brantford, Ont.
FRED WILLIAM GERSHAW	Medicine Hat	Medicine Hat, Alta.
VINCENT DUPUIS	Rigaud	Montreal, Que.
CHARLES L. BISHOP	Ottawa	Ottawa, Ont.
JOHN JAMES KINLEY	Queens-Lunenburg	Lunenburg, N.S.
CLARENCE JOSEPH VENIOT	Gloucester	Bathurst, N.B.

SENATORS	DESIGNATION	POST OFFICE ADDRESS
THE HONOURABLE		
ARTHUR WENTWORTH ROEBUCK	Toronto-Trinity	Toronto, Ont.
ALEXANDER NEIL MCLEAN	Southern New Brunswick	Saint John, N.B.
GEORGE PERCIVAL BURCHILL	Northumberland-Miramichi	South Nelson, N.B.
JEAN-MARIE DESSUREAULT	Stadacona	Quebec, Que.
PAUL HENRI BOUFFARD	Grandville	Quebec, Que.
STANLEY STEWART MCKEEN	Vancouver	Vancouver, B.C.
JAMES WILLIE COMEAU	Clare	Comeauville, N.S.
THOMAS H. WOOD	Regina	Regina, Sask.
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.
MARIANA BEAUCHAMP JODOIN	Sorel	Montreal, Que.
MURIEL MCQUEEN FERGUSSON	Fredericton	Fredericton, N.B.
ALLAN L. WOODROW	Toronto Centre	Toronto, Ont.
FREDERICK GORDON BRADLEY, P.C.	Bonavista-Twillingate	Bonavista, Nfld.
WILLIAM ROSS MACDONALD, P.C.	Brantford	Brantford, Ont.
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.
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.

SENATORS	DESIGNATION	POST OFFICE ADDRESS
THE HONOURABLE		
JEAN-FRANÇOIS POULIOT	De la Durantaye	Rivière du Loup, Que.
SYDNEY JOHN SMITH	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.
JOHN ALEXANDER BUCHANAN	Edmonton	Edmonton, Alta.
JOHN HNATYSHYN	Saskatoon	Saskatoon, Sask.
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.

SENATORS	DESIGNATION	POST OFFICE ADDRESS
THE HONOURABLE		
RHEAL BELISLE	Sudbury	Sudbury, Ont.
PAUL YUZYK	Fort Garry	Winnipeg, Man.
ORVILLE HOWARD PHILLIPS	Prince	Alberton, P.E.I.
MAURICE BOURGET (Speaker)	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.

SENATORS OF CANADA

ALPHABETICAL LIST

At Dissolution, September 8, 1965

SENATORS	DESIGNATION	POST OFFICE ADDRESS
THE HONOURABLE		
AIRD, JOHN B.	Toronto	Toronto, Ont.
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.
BISHOP, CHARLES L.	Ottawa	Ottawa, Ont.
BLOIS, FRED M.	Colchester-Hants	Truro, N.S.
BOUCHER, WILLIAM A.	Prince Albert	Prince Albert, Sask.
BOUFFARD, PAUL H.	Grandville	Quebec, Que.
BOURGET, MAURICE (Speaker)	The Laurentides	Lévis, Que.
BOURQUE, ROMUALD	De la Vallière	Outremont, Que.
BRADLEY, F. GORDON, P.C.	Bonavista-Twillingate	Bonavista, Nfld.
BROOKS, A. J., P.C.	Royal	Sussex, N.B.
BUCHANAN, JOHN A.	Edmonton	Edmonton, Alta.
BURCHILL, G. PERCIVAL	Northumberland-Miramichi	South Nelson, N.B.
CAMERON, DONALD	Banff	Edmonton, Alta.
CHOQUETTE, LIONEL	Ottawa East	Ottawa, Ont.
COMEAU, J. W.	Clare	Comeauville, N.S.
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.
CRERAR, T. A., P.C.	Churchill	Winnipeg, Man.
CROLL, DAVID A.	Toronto-Spadina	Toronto, Ont.
DAVIES, W. RUPERT	Kingston	Toronto, Ont.
DENIS, AZELLUS, P.C.	La Salle	Montreal, Que.
DESSUREAULT, J.-M.	Stadacona	Quebec, Que.

SENATORS	DESIGNATION	POST OFFICE ADDRESS
THE HONOURABLE		
DUPUIS, VINCENT	Rigaud	Montreal, Que.
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.
HAYDEN, SALTER A.	Toronto	Toronto, Ont.
HNATYSHYN, JOHN	Saskatoon	Saskatoon, Sask.
HOLLETT, MALCOLM	Burin	St. John's, Nfld.
HUGESSEN, A. K.	Inkerman	Montreal, Que.
INMAN, F. ELSIE	Murray Harbour	Montague, P.E.I.
IRVINE, OLIVE L.	Lisgar	Winnipeg, Man.
ISNOR, GORDON B.	Halifax-Dartmouth	Halifax, N.S.
JODOIN, MARIANA B.	Sorel	Montreal, Que.
KINLEY, JOHN J.	Queens-Lunenburg	Lunenburg, N.S.
LAMBERT, NORMAN P.	Ottawa	Ottawa, Ont.
LANG, DANIEL A.	South York	Toronto, Ont.
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.
McCUTCHEON, M. WALLACE, P.C.	Gormley	Toronto, Ont.
McDONALD A. H.	Moosomin	Regina, Sask.
McGRAND, FRED A.	Sunbury	Fredericton Junction, N.B.
McKEEN, STANLEY S.	Vancouver	Vancouver, B.C.

SENATORS	DESIGNATION	POST OFFICE ADDRESS
THE HONOURABLE		
McLEAN, A. NEIL	Southern New Brunswick	Saint John, N.B.
MÉTHOT, LÉON	Shawinigan	Trois Rivières, Que.
MOLSON, HARTLAND DE M.	Alma	Montreal, Que.
MONETTE, GUSTAVE	Mille Isles	Montreal, Que.
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.
QUART, JOSIE D.	Victoria	Quebec, Que.
RATTENBURY, NELSON	Saint John	Saint John, N.B.
REID, THOMAS	New Westminster	New Westminster, B.C.
ROBERTSON, WISHART McL., P.C.	Shelburne	Truro, N.S.
ROEBUCK, ARTHUR W.	Toronto-Trinity	Toronto, Ont.
SAVOIE, CALIXTE F.	L'Acadie	Moncton, N.B.
SMITH, DONALD	Queens-Shelburne	Liverpool, N.S.
SMITH, SYDNEY J.	Kamloops	Kamloops, B.C.
SULLIVAN, JOSEPH A.	North York	Toronto, Ont.
TAYLOR, WILLIAM H.	Norfolk	R.R. 3, Brantford, Ont.
THORVALDSON, GUNNAR S.	Winnipeg South	Winnipeg, Man.
VAILLANCOURT, CYRILLE	Kennebec	Lévis, Que.
VENIOT, CLARENCE J.	Gloucester	Bathurst, N.B.
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.
WOOD, THOMAS H.	Regina	Regina, Sask.
WOODROW, ALLAN L.	Toronto Centre	Toronto, Ont.
YUZYK, PAUL	Fort Garry	Winnipeg, Man.

SENATORS OF CANADA

BY PROVINCES

At Dissolution, September 8, 1965

ONTARIO—24

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

QUEBEC—24

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

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

NEW BRUNSWICK—10

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

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			

BRITISH COLUMBIA—6

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

MANITOBA—6

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

SASKATCHEWAN—6

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

ALBERTA—6

SENATORS	DESIGNATION	POST OFFICE ADDRESS
THE HONOURABLE		
1 FRED WILLIAM GERSHAW	Medicine Hat	Medicine Hat.
2 DONALD CAMERON	Banff	Edmonton.
3 JAMES GLADSTONE	Lethbridge	Cardston.
4 JOHN ALEXANDER BUCHANAN	Edmonton	Edmonton.
5		
6		

NEWFOUNDLAND—6

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

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
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CANADA

Debates of the Senate

OFFICIAL REPORT

Monday, April 5, 1965

OPENING OF THIRD SESSION TWENTY-SIXTH PARLIAMENT

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

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

Prayers.

COMMUNICATION FROM GOVERNOR GENERAL'S SECRETARY

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

GOVERNMENT HOUSE

5th April, 1965

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 Monday, the 5th April, 1965, and when it has been signified that all is in readiness, will proceed to the Chamber of the Senate to open formally the Third Session of the Twenty-sixth 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.

The Senate adjourned during pleasure.

SPEECH FROM THE THRONE

At 3.30 p.m. His Excellency the Governor General proceeded to the Senate chamber and took his seat upon the Throne. His Excellency was pleased to command the attendance of the House of Commons, and, that House being come, with their Speaker, His Excellency was pleased to open the Third Session of the Twenty-Sixth Parliament of Canada with the following speech:

Honourable Members of the Senate:

Members of the House of Commons:

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

We recall with pleasure the presence last October of Her Majesty Queen Elizabeth. The visit of Her Majesty to Charlottetown, Quebec and Ottawa helped us to celebrate the hundredth anniversary of the interprovincial conferences that led to Confederation. It also reaffirmed in the hearts of Canadians the cherished place of the monarchy in our national development. The gracious presence and the wise words of the Queen of Canada helped to strengthen the unity of our country and to rededicate Canadians to the sense of purpose that joins us in the pursuit of our common goals as Canadians while leaving us free to develop to the full the facets of our life which reflect the duality of our foundation and the variety of our development.

The international situation gives ground for concern. The stability of Southeast Asia is threatened by a deepening crisis in Vietnam and continued pressures on Malaysia. The United Nations is beset by conflicting political pressures which have seriously impaired its capacity for executive action. The continuance of these situations, and of the policies that have given rise to them, would create serious risks of widening conflict.

My Government is resolved that Canada shall make the fullest contribution it can to the lessening of international tensions, including the provision of practical assistance to developing countries. In the forthcoming negotiations on the United Nations crisis, the objective of my ministers will be to contribute to the work of repairing and strengthening the United Nations in order that it may play its proper role in the preservation of world peace and security. My Government will press forward its efforts to assure effective international action for peace-keeping and to move towards general disarmament under effective international control. Canada will continue meantime to play its full part in the strengthening of col-

lective defence and in the close collaboration of NATO members on both sides of the Atlantic.

My Government will continue to contribute to the development of the Commonwealth ties which are of major importance to the free world and to the improvement of relations between the continents. My Prime Minister will attend the forthcoming Conference of Commonwealth Prime Ministers which will discuss, among other things, the expansion of trade and the establishment of a Commonwealth secretariat.

My ministers attach great importance to Canada's neighbourly relationship with the United States and to the development of practical, mutually beneficial arrangements within that relationship. You will be asked to approve a resolution concerning the important agreement on the automobile industry recently concluded with the United States.

Members of the House of Commons:

My ministers believe that it is imperative to reform the procedures of the House of Commons in order that it may accomplish the large volume of work required to meet the needs of the Canadian people in modern times. My ministers therefore will submit to you proposals for reform, based both on the valuable work of your committee on procedure and organization and on my Government's study of the procedures which, in the Parliaments at Westminster and elsewhere, have enabled effective debate and criticism to be combined with effective dispatch of public business.

Honourable Members of the Senate:

Members of the House of Commons:

My ministers will continue their policy of promoting the strength and unity of the Canadian Confederation. This policy has made possible the achievement and reinforcement on a nation-wide basis of programs, in pensions and in other fields, which would not have been attainable but for better procedures of consultation and concerted action with due regard for the federal character of our country. My ministers will continue to improve the procedures and practices involved in the federal relationship so that all Canadians may feel equally served by Confederation.

After the appropriate provincial concurrence has been signified, you will be asked to approve an Address to the Queen to provide that the Constitution of Canada may be amended in Canada by the procedures which have been agreed between my Government and the Governments of all the Provinces.

You will be asked to authorize my Government to provide that "O Canada" shall be the National Anthem of Canada and that "God Save the Queen" shall be recognized as the Royal Anthem in Canada.

Our country is achieving a high rate of economic growth. Trade is expanding. With growing industrialization, Canadians are enjoying rapidly increasing employment opportunities; incomes and living standards are rising; the number of people out of work has been reduced to lower levels than for many years.

All the great potentialities of our economy are not, however, being realized. The talents of some of our people are wasted because of poverty, illness, inadequate education and training, inequality in opportunities for work. To combat these problems, to improve the opportunities of people who are now at a disadvantage, is to put new power into economic expansion and to enhance the unity of our country.

My Government therefore is developing a program for the full utilization of our human resources and the elimination of poverty among our people. It will include improved measures for regional development, the re-employment and training of workers, the re-development of rural areas, the assistance of needy people, the renewal of areas now blighted and congested in our cities, and the establishment of new opportunities for young Canadians. Besides strengthening and broadening measures within the federal sphere of responsibility, the plan will be designed to concert them more effectively with provincial programs. Because of the importance of this plan, my Prime Minister will take direct responsibility for its co-ordination, assisted by a special secretariat. My Government will propose the calling of a special federal-provincial conference to seek full co-operation and co-ordination with policies of the provinces.

As one of the major elements in this plan, my Government's area development program, which has already been of substantial assistance to industrial expansion in areas of high unemployment, will be expanded, in consultation with the provinces, to other areas where incomes are low. You will be asked to approve measures to aid industrial expansion in these areas and to help people to take full advantage of such improved employment opportunities.

My government will also propose improved measures to assist the re-employment of workers displaced by automation or affected

by other economic changes. These measures to develop our country's human resources will include grants and loans for workers moving to new jobs, improved training programs in industry, extended vocational services particularly for the longer-term unemployed, and an expanded program for agricultural manpower. These measures will be taken in co-operation with management and labour and, where appropriate, in conjunction with the provinces.

You will be asked to approve the creation of a fund for rural economic development and, in order to provide for fuller integration of action for rural development, amendments to the legislation regarding ARDA will be placed before you.

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.

After further discussions between my Government and the provinces, you will also be asked to enact a measure to establish a Canada Assistance Plan, providing for federal sharing in the cost of comprehensive programs under which people can be assisted on the basis of their need.

My Government believes that public policy should be directed to improving the quality of health services and to ensuring that all Canadians can obtain needed health care, irrespective of their ability to pay. Accordingly my Government will at an early date meet with the governments of the provinces in order to discuss with them the way in which federal and provincial action can most effectively contribute to programs that will provide health services to Canadians on a comprehensive basis.

My Government will propose the re-establishment of a special committee of the House of Commons on food and drugs, and will facilitate its work with the aim of reducing the prices paid by the public for drugs.

My Government is developing new policies to enable farmers generally to achieve larger and more reliable incomes so that their living and working standards will be comparable to those enjoyed in other sectors of our economy. You will be asked to consider measures of special assistance to the family farm in both eastern and western Canada.

My Government's recent action to raise the incomes of dairy farmers will be followed by a comprehensive measure to make possible the development, in co-operation with the provinces, of new national policies for major farm products, including the establishment of a Canadian Dairy Commission. Action will be taken to improve the movement and marketing of feed grain in eastern Canada and British Columbia.

In order to raise the level of income of Canadian fishermen, a measure will be placed before you to provide for an expanded national fisheries development program.

In order to improve the position of veterans, you will be asked to approve measures to amend the Veterans' Land Act, the Children of War Dead (Education Assistance) Act, the War Veterans' Allowance Act and the Army Benevolent Fund Act.

A measure will be placed before you to amend the Canadian Citizenship Act, particularly in order to ensure full equality of rights for all Canadian citizens wherever they were born.

You will be asked to approve a revision of the Immigration Act in the light of a White Paper which will be placed before you, reviewing immigration policy and procedures.

You will be asked to enact legislation to establish an Indian Claims Commission.

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

My Government will seek to provide more encouragement to the cultural development of our country. You will be asked to consider a measure to strengthen the position of Canadian publications, amendments to the legislation dealing with broadcasting, and a measure to help the development of a feature film industry in Canada.

In order to encourage the progress of scientific research in Canada you will be asked to enact legislation to establish a Science Council of Canada. You will also be asked to authorize a program for the advancement of industrial technology, designed to make our industry more competitive and efficient.

Arrangements will be made for you to decide the issue of capital punishment. My Government will appoint a special committee to study and make recommendations on a comprehensive policy for the correction and rehabilitation of prisoners.

My Government will appoint a royal commission to study the status, form and procedures of adjudicative and regulatory bodies and to investigate the desirability of instituting a parliamentary commissioner or Ombudsman for Canada.

My Government intends to make proposals regarding the limitation and payment of election expenses when it has received and considered the findings of the committee of inquiry.

You will be asked to consider revisions of the Bank Act, the Quebec Savings Banks Act and the Bank of Canada Act; legislation will be proposed to establish a Canada Development Corporation to assist in financing major new industrial developments and in increasing Canadian ownership of business corporations.

My Government will propose a revision of legislation on unemployment insurance; legislation to provide for safety in employment under federal jurisdiction; amendment of the Fair Wages and Hours of Labour Act to achieve consistency with the labour standards code; legislation to make collective bargaining and arbitration available to the Public Service; and legislation revising federal superannuation and pension plans to integrate them with the Canada Pension Plan.

You will be asked to consider comprehensive legislation to reform public regulation of the railways and to facilitate the adaptation of the railway system to present and future needs; a measure to provide for the re-capitalization of the Canadian National Railways; and amendments to the Aeronautics Act.

Other legislative proposals which you will be asked to consider will include: amendments to the Financial Administration Act to establish the Treasury Board under the presidency of a minister to be named the President of the Treasury Board; legislation regarding Term 29 of the Union with Newfoundland; a measure regarding conservation of oil and gas under federal jurisdiction; amendments to the Post Office Act, the National Housing Act, the Atlantic Development Board Act, the Northwest Territories Act, the Bankruptcy Act and other legislation.

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

Bill read first time.

SPEECH FROM THE THRONE

CONSIDERATION NEXT SITTING

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. Mr. Vaillancourt: Dispense.

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

[*Translation*]

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

> That the speech of His Excellency the Governor General be taken into consideration on Tuesday, April 6, 1965.

Motion agreed to.

COMMITTEE ON ORDERS AND CUSTOMS

APPOINTMENT

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

> 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. Vaillancourt moved, seconded by Hon. Mr. Lambert:

> That pursuant to Rule 77, the following senators, to wit: Honourable Senators Beaubien (Provencher), Brooks, Choquette, Connolly (Ottawa West), Denis, Fergusson, Grosart, Macdonald (Cape

Breton), Quart, Taylor and Smith (Kamloops) 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

Tuesday, April 6, 1965

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

Prayers.

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 Third Session of the Twenty-Sixth Parliament, 1965.

Ordered: That the report do lie on the Table.

INTERNAL ECONOMY COMMITTEE

FIRST REPORT OF COMMITTEE OF SELECTION ADOPTED

Hon. A. 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 (Speaker), *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), 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. John J. Connolly: With leave of the Senate, I move that the report be adopted now.

Report adopted.

DIVORCE

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 Aseltine, Baird, Blois, Bradley, *Brooks, Burchill, Cameron, *Connolly (Ottawa West), Croll, Farris, Fergusson, Gershaw, Gladstone, Haig, Hnatyshyn, Hollett, Inman, Irvine, Isnor, Kinley, Lambert, Macdonald (Brantford), Roebuck, Smith (Kamloops) and Smith (Queens-Shelburne). (23)
>
> **Ex officio* members.

Hon. John J. Connolly: Honourable senators, before the motion is put, I should mention that the members who are to serve on the Standing Committee on Divorce are the same as those who served during the last session, with one exception. The name of Senator Fergusson has been added by reason of the vacancy created by the death of the late Senator Austin C. Taylor.

Hon. Arthur W. Roebuck: Honourable senators will remember that for many years Senator Fergusson served with both ability and devotion on the Standing Committee on Divorce. Her service on the committee was interrupted for a while because of ill health. I am glad to see that she is now fully recovered. In fact, it was because she was so conscientious about her service on the committee that I omitted her in order that she might have an opportunity to recover fully. I know I can say for myself and all members of the committee that we are delighted to have her back again.

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

Hon. Mr. Connolly (Ottawa West): With leave, I move that the report be adopted now.

Hon. Lionel Choquette: Honourable senators, there is one point that has been bothering me for some time. A few weeks ago Senator Roebuck told us that a senator could not

plead before the Standing Committee on Divorce, that he could not deal with a divorce action. I was wondering whether attempts have been made by senators to plead before the committee.

Hon. Mr. Roebuck: I spoke only generally at that time. I do not wish to answer the question.

Report adopted.

STANDING COMMITTEES

THIRD REPORT OF COMMITTEE OF SELECTION ADOPTED

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. Mr. Croll: Dispense.

For text of report see appendix pp. 15-16.

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

Hon. Mr. Connolly (Ottawa West): With leave, I move that the report be adopted now.

As honourable senators are aware, it is proposed that the Senate adjourn today for some period of time. It is my thought, in view of the fact that this session followed closely after the prorogation of the last session, that we might adopt this report now. For all practical purposes, the memberships of these committees are the same as they were during the last session.

Hon. Mr. Aseltine: Of course, changes can be made from time to time.

Hon. Mr. Connolly (Ottawa West): Yes. Changes can be made from time to time. As honourable senators know, the Committee of Selection is composed of very experienced senators from both sides of the house, and I think the recommendations made are satisfactory to all honourable senators.

Report adopted.

INTERNAL ECONOMY COMMITTEE

APPOINTMENT

Hon. John J. Connolly, 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.

On behalf of the Leader of the Opposition and myself, I would bespeak the presence of all members of this committee at a meeting in the Banking and Commerce Committee room immediately after the Senate rises this afternoon. There are one or two matters which the committee should deal with forthwith.

Motion agreed to.

DIVORCE

APPOINTMENT

Hon. John J. Connolly, 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.

STANDING COMMITTEES

APPOINTMENT

Hon. John J. Connolly 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.

SPECIAL COMMITTEE ON AGING

APPOINTMENT OF COMMITTEE TO CONDUCT STUDY

Hon. John J. Connolly 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 (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.

He said: Honourable senators are aware that the Special Committee on Aging, which it is now proposed be reconstituted, has been sitting for several sessions. It has done considerable work, and a report is now being prepared. I understand that it still may have to hear evidence. On that latter point, I am not clear. In any event, it is desirable that the committee be set up now, so that when work is to be done during a recess of the Senate it can be undertaken without delay.

On behalf of the former chairman of the committee, may I say that if the motion is approved the committee will meet in room 356 immediately after the Senate rises this afternoon.

Hon. Mr. Brooks: Honourable senators, I listened to what I supposed to be the terms of reference of the committee to be set up this session. Are the terms of reference the same as last session?

Hon. Mr. Connolly (Ottawa West): Yes.

Hon. Mr. Croll: With the exception that the evidence already heard is to be passed on to the committee.

Hon. Mr. Brooks: It sounded to me rather as if we were going to legislate in committee.

Hon. Mr. Connolly (Ottawa West): No. The terms of reference are identical to those used on the last occasion, and the membership of the committee is the same. The only addition to the motion is the reference of the evidence that has already been taken, which will form part of the proceedings of the committee for this session.

Hon. Mr. Brooks: I have no objections.

Motion agreed to.

EMERGENCY SITTINGS

AUTHORITY TO CONVENE SENATE DURING ADJOURNMENT

Hon. John J. Connolly moved, with leave of the Senate, seconded by the Honourable Senator Vaillancourt:

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 nonreceipt 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 at the opening of a session, with a view to accommodating the work of

the Senate and the convenience of senators. At any time that the authority conferred by this motion is used, it is done with the consent of, in consultation with and under the direction of the Speaker of the Senate.

May I congratulate His Honour the Speaker that he has seen fit to call the Senate only at such times—I think with one exception—when all of us had work to do.

Motion agreed to.

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 Tuesday, May 4 next, at 8 o'clock in the evening.

Hon. Mr. Brooks: May I ask the honourable Leader of the Government if he will tell us why he chooses that particular day, and what prompted his decision?

Hon. Mr. Connolly (Ottawa West): One of the determining factors of the decision was a discussion which I had, and which I always welcome, with the Leader of the Opposition (Hon. Mr. Brooks).

Hon. Mr. Brooks: You told the Leader of the Opposition.

Hon. Mr. Connolly (Ottawa West): Speaking seriously, it is proposed that today the mover of the Address in reply to the Speech from the Throne and the seconder will address honourable senators. Normally, thereafter the debate is continued by speeches being delivered by the Leader of the Opposition and the Leader of the Government, and then other honourable senators who wish to speak do so.

The other place will be debating the Speech from the Throne under their rules for a period of eight days, unless they shorten the debate by unanimous consent. When they have concluded it I understand their intention is to adjourn for Easter, probably until April 26, although I am making no announcement in that respect. This is what I understand is generally thought will happen.

The other house cannot possibly deal with any legislation until the Throne Speech is disposed of, and if it resumes on April 26 it is unlikely that it will provide us with any legislation with which to deal within that week. However, it is proposed that when we return we will immediately embark upon the debate in reply to the Speech from the Throne in this chamber; and at that time there will be a number of pieces of legislation which will be introduced in the Senate with which we shall be able to deal at our own convenience.

I should say that during the month of May, and certainly for the first weeks of June, honourable senators can expect to have a busy program. The committees—particularly the committees of study like the Aging Committee which has just been set up, and the Finance Committee to which the estimates will be referred—will be having a rather active time upon the return of the Senate to normal sittings.

Perhaps that is all I need say at this time.

Motion agreed to.

DIVORCE

NOTICE OF MEETING

Hon. Arthur W. Roebuck: Honourable senators, before the Orders of the Day are called may I draw attention to the fact that the Divorce Committee will meet immediately following the meeting of the Aging Committee. I merely wish to say to the members who are here—and there are few enough of them—that the matters to be considered are important but the time that will be taken will be short indeed.

I hope all members of the Divorce Committee will attend on this occasion.

[*Translation*]

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. Romuald Bourque moved, seconded by Hon. John B. Aird:

> That the following Address be presented to His Excellency the Governor General of Canada 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, General the Right Honourable Georges P. 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 loyal and dutiful 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, before proceeding with my speech, I should like to commend the Honourable the Speaker of the Senate for the ability and skill with which he has presided over the proceedings of this assembly. I also want to congratulate the Leader of the Government in the Senate for the care he has shown in the preparation of the legislation we will be considering and for the deference with which he presides over these debates. Both are discharging their functions brilliantly. I am sure I am expressing the feelings of all the senators sitting here.

Honourable senators, I am deeply conscious of the honour and privilege bestowed upon any Canadian who is asked to represent his fellow citizens in the Senate. I also fully realize the responsibility that lies with anyone who gets up to speak in this house. I do not assume such a responsibility lightly.

Canada is today on the threshold of its greatest national development. All those sitting in this house are fully aware of the great developments that took place in the last two decades. We are conscious of the tremendous industrial progress that was carried out and of the major improvement in our living standard. We want a new spirit of Canadian unity to preside over the creation of a country with unequalled possibilities. We believe that the administration under the able leadership of the present Prime Minister reflects such new spirit.

However, we must be on the lookout at all times. It is necessary, on many occasions, to keep consciously away from parochial spirit and from pressures which tend to divide and which, in other countries, have caused confusion and despair. Canada is not a totalitarian country. It wants to give free expression to any opinion that does not exceed the bounds of decency and is not akin to treason or sedition. It holds dear the preservation of all rights and privileges of those in opposition, in order that they may render service, as it is their duty to do so as constant and vigilant critics of government legislation.

The over-all purpose is to protect the public. It is the very foundation of our political system. However, criticism must not degenerate into a mania, it must not be indulged in for the sake of criticizing and it must not consist of a series of attacks and insinuations against the worthwhile activities of those who are entrusted with the administration of the country. I must say here that I disapprove of the disparaging campaign of insinuations and attacks launched by a handful of malcontents in Canada.

Our country is very prosperous at present. More people are at work now than in the past several years. Unemployment is going down. During the week end, I read in the March 28, 1965 edition of a Montreal newspaper, *Le Petit Journal,* an editorial dealing with the situation in Canada and I should like to quote a single paragraph from it:

> At first glance, one feels satisfied when reading about statistics concerning employment in Canada last February. During that month, which is usually the worst month of the year so far as unemployment is concerned, the number of unemployed persons not only decreased, compared to February of last year, but it even decreased compared with January. This is all the more significant since the number of workers is increasing daily in this country.

As I said a while ago, there are more people at work today than for several years previously. Unemployment is on the wane. Our industries are busier than ever; the average salaries of Canadian workers are also higher than they have ever been. Our Canadian citizens never had it so good; they enjoy many things which they never had before, for instance, a home, an automobile, a refrigerator, an electric stove, a radio and a television. All classes and groups benefit from this new prosperity.

It is true that some people are already complaining, but is it not human that intelligent people should complain? We have not reached Utopia, and no one will ever reach it, because, whatever our standard of living may be, some people will always wish that it be higher. Nowhere in the world, with the exception of the United States, is the standard of living higher than in Canada. Besides, our fellow Canadians benefit from family allowances, youth allowances, old age pensions, pensions for the blind and the disabled and, thanks to the legislation recently passed, every Canadian will benefit from a universal contributory old age pension plan. Those are but a few of the advantages to be found in a fiscal policy which guarantees to every Canadian a better and happier life.

We in the Senate are under an obligation to the country as a whole. It is not one to be fulfilled merely by passing legislation or resolutions, but above all by showing the way to

the rest of the people. The press, radio and television are giving particular attention to the proceedings of the Senate and the House of Commons. During the session, the Canadian people turn to Parliament in the hope of finding there inspiration and leadership reflecting their own confidence in their country. They hope to find in our words and actions the expression of a true Canadianism which will bolster their courage and their enthusiasm for the performance of their individual tasks. Therefore, it rests with Parliament to provide them with the inspiration and example they are seeking.

Any citizen may criticize the methods and legislation already introduced or passed. Such crticism, made on good faith and not out of personal spite, is accepted as a contribution to the welfare of the Canadian people. It has nothing in common with criticism directed against every government undertaking, casting reflection on all our administrators and which may go so far as to pit one section of the people against another.

For seventeen years as its mayor, I had the privilege to preside over the destiny of the city of Outremont, located in the province of Quebec. After all, a municipality is a miniature country. Its population is made up of various ethnic groups, various religions. In Outremont all kinds of national backgrounds, all sorts of interests can be found, but we all join in a common belief in our own city, first, and in our country, afterwards. We would not welcome in Outremont those forces which would divide us. We are not at all happy about seeing them at work in our country. We believe that in Canada there is room and opportunites for everyone, and we believe that it is desirable to make sure that those who live and work among us have equal opportunities.

As a newcomer to the Senate, after sitting in the other place for twelve years, I have much to learn. I appreciate the kindness and the attention bestowed upon me by all honourable senators. I was happy to be welcomed here as a loyal Canadian, anxious to contribute something to the welfare of this country. I have confidence in the numerous measures which have already contributed so much to the welfare and the happiness of our people as a whole. I believe in the spirit of the legislation passed and implemented so efficiently by the Government during those years.

Canadians never had a better opportunity to enhance Canada's reputation and prestige. Let us take advantage of it and, whatever our own political views may be, let us all show our love for our country and work together to attain the same goals.

Honourable senators, I think that the many measures outlined in the Speech from the Throne which His Excellency the Governor General so graciously read to us, and to which I have the honour to move the address in reply, can be taken as steps leading our country's development in a spirit of Canadian unity.

I dare hope that when those measures are considered individually by Parliament, our debates will reflect that basic unity which we are all trying to preserve.

[*Text*]

Hon. John B. Aird: Honourable senators, my first words in this chamber are dictated by my great feeling of gratitude to all honourable members of the Senate who have extended to me such a warm welcome, and I am indeed grateful to each of you for your many kindnesses.

I will do my best to justify my appointment and dedicate myself to the full and proper discharge of my duties in this chamber. I am very well aware of the signal honour that has been paid to me by the Leader of the Government in the Senate (Hon. Mr. Connolly, Ottawa West) in asking me to second the motion for an address in reply to the Speech from the Throne. In this regard might I say that I have been most impressed by his leadership in this chamber and by the distinguished manner in which he performs his duties with skill and consideration. In addition, might I say that the dignity and stature of the Senate are greatly enhanced by the warmth and charm displayed on every occasion by His Honour the Speaker. I am particularly grateful to him for his advice and counsel to me.

I am advised that I am replacing the late Senator G. Peter Campbell of Toronto in this place. I do not know if many senators have had the privilege of succeeding a lifetime friend, but I do wish to record my feeling of deep humility in assuming the place of the late Senator Campbell who, for many years, was a close personal friend of my family, as well as being a mentor and adviser to me. He was a fine man and a great Canadian.

A cursory appreciation of the Speech from the Throne indicates that it contains many proposals which merit the close attention of Parliament. I do not propose to discuss these measures in detail at this time, as I know that ample opportunity will be given for

debate when these measures, each in its turn, come to this chamber for consideration.

The Government has now placed before Parliament its outline of priorities of an action program. These are the key words, "priorities of an action program," and in this context I would like to comment in a general way on a matter which I shall generally describe as the "effectiveness of government." In my discussion I would like to emphasize that I am raising this question in the hope that it is being thoroughly examined so that we may have some understanding of the nature of government participation in the economic and social life of Canada. In view of the comprehensive program contemplated in the Speech from the Throne, I believe that this understanding of the priorities of government action is especially timely.

In this regard I would refer honourable senators to the lectures by Peter F. Drucker, which were delivered at Convocation Hall, University of Toronto, early in March, under the auspices of the School of Business of that university. These lectures were extremely well attended and have caused considerable comment in the Canadian press. They deal with entrepreneurship in business enterprise, or the "effectiveness of business." It seems to me that the principles outlined by Professor Drucker have a real bearing, at least in my opinion, on the business of government.

His fundamental premise is that entrepreneurial skill is the thing which makes business an effective instrument. He points out that historically certain business enterprises have been more consistently successful than others, and he seeks the reason therefor. He states that in a modern business enterprise there are three fundamental characteristics—the first being entrepreneurial skill, the second efficiency, and the third the impact of business on the social scene. It is pointed out that the latter two fundamentals cannot exist without the first and that, therefore, it is the basic necessity. It is the creative element and is, therefore, the most important.

I believe that this reasoning is applicable to the business of government, and that it is a particular area that should be studied and appreciated at this time because I believe that more entrepreneurial skill can make government more effective. If government becomes more effective, it follows that our country will prosper accordingly.

Thus the question becomes: Which priorities of action will be of most benefit to Canada? To illustrate my premise with an example that clearly involves every Canadian in every walk of life, the Economic Council of Canada has provided a most excellent framework of forecast to the year 1970. It points out that an average annual increase in output per man-hour of 3 per cent is required in the productivity factor. If the other targets as set out in that report are to be met, surely this required increase is the item which should be most concerning to management, labour and government. Here is an area where strategy must be employed on a partnership basis so that the effect may be realized. Here is a priority that should be attacked, because if Canada is to succeed in reaching its goals it must attack its problems.

Although people are inclined to say that there is no common denominator in the Canadian character, I am not sure that I agree. I believe that one salient common characteristic of all Canadians is that they enjoy competition. If my opinion is a correct one, then now as never before this common characteristic must be brought into focus, developed and achieved if this country is to maintain and improve its position as a factor in world affairs. If Canada is to become more effective, and if Canadians are to compete in world affairs, then the goals as set out by the Economic Council provide the target, and the critical decision becomes one of priorities. I suggest that increased productivity is one touchstone of development, and government should be supporting or creating an action program to achieve it.

Surely the achieving of the productivity goals postulated by the Economic Council is fundamental to the realization of all our plans for Canada. An effective economic growth rate is the only base which can sustain programs to realize such objectives as full employment, a favourable balance of payments position, resource development, maintenance of consumer income, and an expanding gross national product.

Let us acknowledge that the role of government in Canadian developments has been an essential one. When this country was created as a political entity, the Fathers of Confederation established the framework within which our subsequent development would take place, and implicitly the Government of Canada accepted a role and a responsibility for providing a climate in which industry could take root and flourish. Indeed, the greatest Canadian undertaking of the nineteenth century, the building of the transcontinental railway, reflected the essential contribution government would have to make, and continue to make, in the devel-

opment of our nation, so, too, in its own way, did the national policy.

To date in the twentieth century we have witnessed a steady expansion of the role of government in Canadian society arising primarily from the fact that government has been striving, and is still striving today, to insure the realization of objectives which are not only economic but social as well. My purpose in making this point is to indicate the extent of the involvement. I believe there is a very wide consensus in this country about the goals which government should ultimately pursue. There is much less unity on the question of the methods by which government realizes its objectives and the instruments of participation which it utilizes.

There is a growing feeling—and I have sensed it many times in the brief period during which I have been a member of the Senate—that the present devices of government participation are not always adequate for the tasks at hand. This feeling, I believe, stems from the fact that the Canadian nation has reached a complex and sophisticated level of development. The economy, for example, has rapidly become highly diversified and in each sector and in each region—and indeed within each sector and region—are circumstances and situations which are unique, and perhaps non-recurring. Our social composition is equally mixed, being a cross section of peoples and occupational groups, each with their particular characteristics. It is not surprising therefore that there is a need for new approaches in government policy and procedure, and these new approaches are very much indicated in the Speech from the Throne. No longer can one legislate a general principle into law and assume that its application will be beneficial merely because the principle is. The divergencies in our society are too intense for this easy solution. The result is more likely to be some inequitable application and subsequent dislocation. The Government has the tools for realizing its ultimate objectives. These tools are familiar to all of us and include such concepts as monetary policy, tariff policy, and fiscal policy, in addition to its power to make law.

My major point is that, in addition, the Government must develop, and quickly, if the historic balance between the public and private sectors of our nation is to be preserved, a strategy whereby these tools will be used in a manner which will be effective in our modern circumstances. An example of such a strategy is the proposed setting up of a special secretariat under the direct control of the Prime Minister to co-ordinate a new program of economic and welfare legislation in a broad campaign to abolish poverty and equalize opportunities for all Canadians.

Therefore, in essence, I say that we can, through constant effort, create a relatively efficient government, and that it can be adjusted to the Canadian and world social scheme, but if Canada is to forge ahead its government must be concerned with strategy and effectiveness. No amount of planning can foresee world events, and at this particular time when the United States and Britain are both endeavouring to put their international finances in order, certain external strains over which we have no control may be imposed on the Canadian economy. It is possible that these or other strains, which can neither be foreseen nor forecast, may restrain the present substantial growth in our economy. It is for this reason that at this particular time great courage, flexibility, imagination and creation are needed by the Canadian Government. This is not to say that long-term planning is an undesirable feature, but I do say that it should be tempered by considered judgment and strategy on both a short and long-term basis.

I am, therefore, suggesting that there must be a quality of entrepreneurship in government, and I actually prefer the substitution of the word "strategy" because it has a specific concern, and that concern is effectiveness. Effectiveness is concerned with doing the right things—it is concerned with what things to do and with their priorities of action. It is essentially the acceptance of change as an opportunity.

In closing, I note with interest and gratification the inclusion of many proposed measures in the Speech from the Throne that do indicate the present Government is concerned with and is proposing to enact measures which are calculated to have effective results. Such a measure is the automotive agreement, which reflects and embodies the principles which I have been discussing. This agreement is a modern and comprehensive approach to a matter of great national concern, as it affects a most substantial portion of Canadian industry. Such measures as this reflect great credit to the present administration.

Honourable senators, I have great honour in seconding the motion for an address in reply to the Speech from the Throne.

Hon. A. J. Brooks: Honourable senators, I take this opportunity to congratulate both the mover and seconder of this motion on their

excellent speeches. I shall have an opportunity later to discuss the substance of their remarks. I should like now to move the adjournment of the debate.

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

LIBRARY OF PARLIAMENT

MESSAGE TO COMMONS—SENATE MEMBERS OF JOINT COMMITTEE

Leave having been given to revert to notices of motions:

Hon. John J. Connolly, 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, Lambert, 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.

RESTAURANT OF PARLIAMENT

MESSAGE TO COMMONS—SENATE MEMBERS OF JOINT COMMITTEE

Hon. Mr. Connolly (Ottawa West), 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.

PRINTING OF PARLIAMENT

MESSAGE TO COMMONS—SENATE MEMBERS OF JOINT COMMITTEE

Hon. Mr. Connolly (Ottawa West), 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, Comeau, Davies, Dupuis, Flynn, Isnor, McGrand, O'Leary (Antigonish-Guysborough), Pearson, Phillips, Reid, Savoie, Smith (Kamloops), Stambaugh, Sullivan, Welch, Willis and Wood have been appointed a committee to superintend the printing of the Senate during the present session and to act on behalf of the Senate as members of a Joint Committee of both Houses on the subject of the Printing of Parliament.

Motion agreed to.

The Senate adjourned until Tuesday, May 4, at 8 p.m.

APPENDIX

(*See p. 7.*)

REPORT OF THE COMMITTEE OF SELECTION

Tuesday, April 6th, 1965.

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 Lanaudière), Gladstone, Gouin, Haig, Irvine, Lambert, MacDonald (Queens), O'Leary (Antigonish-Guysborough), Pouliot, Reid, Vien, White and Yuzyk. (17)

JOINT COMMITTEE ON PRINTING

The Honourable Senators Bouffard, Bradley, Comeau, Davies, Dupuis, Flynn, Isnor, McGrand, O'Leary (Antigonish-Guysborough), Pearson, Phillips, Reid, Savoie, Smith (Kamloops), Stambaugh, Sullivan, Welch, Willis and Wood. (19)

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

**Ex officio* member.

BANKING AND COMMERCE

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

**Ex officio* member.

TRANSPORT AND COMMUNICATIONS

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

**Ex officio* member.

MISCELLANEOUS PRIVATE BILLS

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

**Ex officio* member.

EXTERNAL RELATIONS

The Honourable Senators Aseltine, Beaubien (Provencher), Blois, Boucher, Bradley, *Brooks, *Connolly (Ottawa West), Crerar, Croll, Farris, Fergusson, Flynn, Fournier (De Lanaudière), Gouin, Grosart, Haig, Hayden, Hnatyshyn, Hugessen, Inman, Jodoin, Lambert, Macdonald (Brantford), McLean, O'Leary (Carleton), Pouliot, Power, Quart, Rattenbury, Savoie, Smith (Queens-Shelburne), Taylor, Thorvaldson, Vaillancourt, Veniot, Vien and Yuzyk. (35)

**Ex officio* member.

FINANCE

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

**Ex officio* member.

TOURIST TRAFFIC

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

**Ex officio* member.

DEBATES AND REPORTING

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

**Ex officio* member.

NATURAL RESOURCES

The Honourable Senators Aird, Aseltine, Basha, Beaubien (Provencher), Belisle, Boucher, Bouffard, Bourque, *Brooks, Buchanan, Burchill, Cameron, Comeau, *Connolly (Ottawa West), Cook, Crerar, Dessureault, Dupuis, Fournier (Madawaska-Restigouche), Gladstone, Hayden, Kinley, Macdonald (Brantford), McKeen, McLean, Méthot, Monette, O'Leary (Carleton), Paterson, Pearson, Phillips, Power, Quart, Stambaugh, Taylor, Vaillancourt, Vien, Walker, Welch, White, Wood and Yuzyk. (40)

**Ex officio* member.

IMMIGRATION AND LABOUR

The Honourable Senators Beaubien (Provencher), Belisle, Boucher, *Brooks, Buchanan, Burchill, Cameron, *Connolly (Ottawa West), Cook, Crerar, Croll, Dupuis, Fergusson, Flynn, Fournier (De Lanaudière), Fournier (Madawaska-Restigouch), Gershaw, Gladstone, Grosart, Hnatyshyn, Hodges, Hugessen, Lefrançois, Macdonald (Cape Breton), Monette, Paterson, Pearson, Rattenbury, Reid, Roebuck, Stambaugh, Taylor, Vaillancourt, Veniot, White, Willis and Yuzyk. (35)

**Ex officio* member.

CANADIAN TRADE RELATIONS

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

**Ex officio* member.

PUBLIC HEALTH AND WELFARE

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

**Ex officio* member.

CIVIL SERVICE ADMINISTRATION

The Honourable Senators Aseltine, Belisle, Bishop, Blois, Bourque, *Brooks, Cameron, Choquette, *Connolly (Ottawa West), Davies, Dessureault, Dupuis, Fergusson, Grosart, Gouin, Inman, Irvine, Kinley, Lambert, Macdonald (Brantford), O'Leary (Antigonish-Guysborough) O'Leary (Carleton), Quart, Roebuck, Taylor and White. (24)

**Ex officio* member.

PUBLIC BUILDINGS AND GROUNDS

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

**Ex officio* member.

All which is respectfully submitted.

A. L. Beaubien,
Chairman.

THE SENATE

Tuesday, May 4, 1965

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

Prayers.

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-96, to amend an act to amend the Excise Tax 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.

PUBLIC SERVICE SUPERANNUATION

BILL TO AMEND CERTAIN ACTS—FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-97, to amend certain acts respecting the superannuation of persons employed in the Public Service, members of the Canadian Forces and members of the Royal Canadian Mounted Police.

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.

FINANCE CHARGES (DISCLOSURE) BILL

FIRST READING

Hon. David A. Croll presented Bill S-2, to make provision for the disclosure of information in respect of finance charges.

Hon. Mr. Choquette: Is that new?

Bill read first time.

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

Motion agreed to.

DOCUMENTS TABLED

Hon. John J. Connolly tabled:

Budget Papers, 1965-66, for the information of Parliament, as follows:

Part I—Economic Review of 1964.

Part II—A preliminary review of the Government Accounts for the fiscal year ending March 31, 1965. (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 January 11, 1965, pursuant to section 88(2) of the Exchequer Court Act, chapter 98, R.S.C., 1952. (English and French texts).

Copy of amendment made July 17, 1964, by the President and Puisne Judges of the Exchequer Court of Canada to the General Rules and Orders regulating the Practice and Procedure in Admiralty cases in the Exchequer Court of Canada, pursuant to section 31(4) of the Admiralty Act, chapter 1, R.S.C., 1952. (English text).

Report of the Eastern Canada Farm Survey 1963. (French text).

Report of the Cornwall International Bridge Company, Limited, for the year ended September 30, 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 and French texts).

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, 1963, 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—Co-operative Credit Societies, for the year ended December 31, 1963. (English and French texts).

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, 1963. (English and French texts).

Report of The Seaway International Bridge Corporation, Ltd., 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).

Report of the Superintendent of Insurance for Canada—Loan and Trust Companies, for the year ended December 31, 1963, pursuant to section 9 of the Department of Insurance Act, chapter 70, R.S.C., 1952. (English and French texts).

Report of the Industrial Relations and Disputes Investigation Act for the fiscal year ended March 31, 1965, pursuant to section 68 of the said Act, chapter 152, R.S.C., 1952. (English text).

Report of the St. Lawrence Seaway Authority, including its Accounts and Financial Statements certified by the Auditor General, for the year ended December 31, 1964, 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 Eldorado Mining and Refining Limited and its subsidiary companies, Eldorado Aviation Limited and Northern Transportation Company Limited, including their Accounts and Financial Statements certified by the Auditor General, for the year ended December 31, 1964, pursuant to 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 Canadian Corporation for the 1967 World Exhibition for the financial year ending December 31, 1965, together with Order in Council P.C. 1965-518, dated March 25, 1965, approving same. (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, 1964, 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 of the Department of Defence Production for the year ended December 31, 1964, pursuant to section 34 of the Defence Production Act, chapter 62, R.S.C., 1952. (English and French texts).

Report and Financial Statements of the Export Credits Insurance Corporation certified by the Auditor General for the year ended December 31, 1964, 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 by the Tariff Board, dated January 29, 1965, relative to the Investigation ordered by the Minister of Finance respecting Live Turkeys—Reference No. 136, (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, dated March 30, 1965, of the Restrictive Trade Practices Commission, under the Combines Investigation Act, relating to the acquisition by the Thomson Newspaper Group in 1962 of the *Times-Journal* Newspaper, published in Fort William, Ontario. (English and French texts).

Report of The Canadian Wheat Board for the Crop Year ended July 31, 1964, 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).

Report on the Operations under Part II of the Export Credits Insurance Act, for the fiscal year ended March 31, 1965, pursuant to section 27 of the said act, chapter 105, R.S.C., 1952. (English and French texts).

Order in Council P.C. 1965-695, dated April 15, 1965, authorizing 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 steel 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).

Report of Permits issued under the authority of section 8 of the Immigration Act for the calendar year 1964, pursuant to section 8(5) of the said Act, chapter 325, R.S.C., 1952. (English and French texts).

Report on the Activities of the National Energy Board for the year ended December 31, 1964, pursuant to section 91 of the National Energy Board Act, chapter 46, Statutes of Canada, 1959. (English and French texts).

Order in Council P.C. 1965-750, dated April 26, 1965, containing a reference to the Supreme Court of Canada of the question of jurisdiction over off-shore mineral rights. (English and French texts).

Report of the Canadian National Railway Securities Trust for the year ending December 31, 1964, pursuant to section 17 of the Canadian National Railways Capital Revision Act, chapter 311, R.S.C., 1952. (English and French texts).

Report of the Canadian National Railways for the year ended December 31, 1964, pursuant to section 40 of the Canadian National Railways Act, chapter 29, Statutes of Canada, 1955. (English and French texts).

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, 1965, pursuant to section 69(6) of the said Act, chapter 149, 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 fiscal year ended March 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).

Statutory Orders and Regulations published in the *Canada Gazette*, Part II, of Wednesday, April 14 and 28, 1965, pursuant to section 7 of the Regulations Act, chapter 235, R.S.C., 1952. (English and French texts).

Order in Council P.C. 1965-353, dated February 25, 1965, withdrawing from entrustment to the Canadian National Railway Company and authorizing the grant of Letters Patent covering approximately 8.83 acres of the abandoned reservoir and pipeline right-of-way near St. Leonard, in the Parish of St. Leonard, County of Madawaska, Province of New Brunswick, pursuant to section 19 of the Canadian National Railways Act, chapter 29, Statutes of Canada, 1955. (English text).

Order in Council P.C. 1965-354, dated February 25, 1965, withdrawing from entrustment to the Canadian National Railway Company and authorizing the grant of Letters Patent covering approximately 2,282 sq. ft. of land in the City of Moncton, County of Westmorland, Province of New Brunswick, pursuant to section 19 of the Canadian National Railways Act, chapter 29, Statutes of Canada, 1955. (English text).

Order in Council P.C. 1965-458, dated March 12, 1965, withdrawing from entrustment to the Canadian National Railway Company and authorizing the conveyance of the therein described parcels of the abandoned Armagh Subdivision right-of-way of the Office Cadastre for the Parish of St. Jean Chrysostome, Registration Division of Levis, Province of Quebec, pursuant to section 19 of the Canadian National Railways Act, chapter 29, Statutes of Canada, 1955. (English text).

Order in Council P.C. 1965-459, dated March 12, 1965, withdrawing from entrustment to the Canadian National Railway Company and authorizing the conveyance of approximately 5.545 acres of land in the Town of Cochrane, Ontario, pursuant to section 19 of the Canadian National Railways Act, chapter 29, Statutes of Canada, 1955. (English text).

Order in Council P.C. 1965-556, dated March 25, 1965, withdrawing from entrustment to the Canadian National Railway Company and authorizing the grant of Letters Patent covering the therein described parcels of surplus Canadian Government Railways land at Hadlow, Quebec, in St. Laurent Ward, City of Levis, Registration Division of Levis, Province of Quebec, pursuant to section 19 of the Canadian National Railways Act, chapter 29, Statutes of Canada, 1955. (English text).

Order in Council P.C. 1965-557, dated March 25, 1965, withdrawing from entrustment to the Canadian National Railway Company and authorizing the grant of Letters Patent covering a parcel of Canadian Government Railways land being part of Lot 446 in St. Laurent Ward, City of Levis, Province of Quebec, pursuant to section 19 of the Canadian National Railways Act, chapter 29, Statutes of Canada, 1955. (English text).

Order in Council P.C. 1965-558, dated March 25, 1965, withdrawing from entrustment to the Canadian National Rail-

way Company and authorizing the grant of Letters Patent covering the therein described twenty-nine parcels of surplus Railway land in St. Laurent Ward, Registration Division of Levis, City of Levis, Province of Quebec, pursuant to section 19 of the Canadian National Railways Act, chapter 29, Statutes of Canada, 1955. (English text).

Exchange of Messages between the Right Honourable Michael Stewart, M.P., the British Co-Chairman to the 1954 Geneva Conference on Indo-China and the Secretary of State for External Affairs, dated April 2, 1965, together with a copy of the Canadian Government's reply, dated April 14, 1965, to the 17-nation appeal for a peaceful solution to the conflict in Vietnam. (English and French texts).

Copy of a Special Report by the International Commission for Supervision and Control in Vietnam, dated February 27, 1965, together with Press Release, dated April 5, 1965. (English and French texts).

OTTAWA TERMINAL RAILWAY BILL

FIRST READING

Hon. John J. Connolly presented Bill S-3, to incorporate the Ottawa Terminal Railway Company.

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.

PRIVATE BILLS

THE ALGOMA CENTRAL AND HUDSON BAY RAILWAY COMPANY—FIRST READING

Hon. William H. Taylor, for Hon. Mr. Leonard, presented Bill S-4, respecting The Algoma Central and Hudson Bay Railway Company.

Bill read first time.

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

Motion agreed to.

GREAT NORTHERN RAILWAY COMPANY AND GREAT NORTHERN PACIFIC & BURLINGTON LINES, INC.—FIRST READING

Hon. Thomas Reid presented Bill S-5, respecting Great Northern Railway Company and Great Northern Pacific & Burlington Lines, Inc.

Bill read first time.

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

Motion agreed to.

MUTTART MORTGAGE CORPORATION—FIRST READING

Hon. Daniel A. Lang presented Bill S-6, respecting Muttart Mortgage Corporation.

Bill read first time.

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

Motion agreed to.

SPECIAL COMMITTEE ON AGING

FIRST REPORT OF COMMITTEE ADOPTED

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

> The Special Committee of the Senate on Aging makes its first report, as follows:
>
> Your committee recommends that its quorum be reduced to seven (7) members.

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

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

Report adopted.

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY—DEBATE CONTINUED

The Senate resumed from Tuesday, April 6, consideration of His Excellency the Governor General's speech at the opening of the session, and the motion of Hon. Mr. Bourque, seconded by Hon. Mr. Aird, for an address in reply thereto.

Hon. Lionel Choquette: Honourable senators, in rising to participate in this debate on the motion for an address in reply to the Speech from the Throne in the absence of the honourable Leader of the Opposition (Hon. Mr. Brooks), may I at the outset congratulate both the mover and seconder of the motion, Senator Bourque and Senator Aird. Their contributions to the debate were in the best traditions of this chamber. They will share not only in the good fellowship but the onerous responsibilities of this body, and their addition to our membership is most welcome.

We are happy to see His Honour the Speaker and the honourable Leader of the Government (Hon. Mr. Connolly, Ottawa West) in their recently assumed places. They have acquitted themselves nobly and have done credit to the Senate. It is therefore somewhat sad to reflect that their tenure of their high offices is bound to be short.

Hon. Mr. Connolly (Ottawa West): You can dream, anyway.

Hon. Mr. Choquette: Although my good friend the honourable Leader of the Government says I am dreaming, I point out that I have a pleasant dream, and I am going to report it to this chamber.

I do not know how many honourable senators have read the open letter written by the honourable Leader of the Senate to the *Globe and Mail* and published this morning, but in that letter our esteemed colleague said things that should have been said some time ago because this place has been too much maligned for too long. The points made in that open letter could not have been made more forcefully or more convincingly.

Perhaps, in his absence, I may steal the opportunity to express on behalf of this side, and I am sure on behalf of the Government benches also, a word of tribute to Senator Brooks, our leader, a distinguished parliamentarian and a great Senator.

Hon. Mr. Connolly (Ottawa West): Hear, hear.

Hon. Mr. Choquette: I have rather more difficulty in paying unreserved tribute to the Speech from the Throne. It is a vague and general document which appears to be against poverty and in favour of progress. We all share these great objectives—they are part of government—but what does it all mean behind the vague generalizations and pious hopes therein expressed? I have never been much good at chasing will-o'-the-wisps or at swatting flies with a hammer.

Hon. Mr. Connolly (Ottawa West): Or chasing rainbows!

Hon. Mr. Choquette: We will obviously have to await specific legislative measures as they reach us before passing final judgment on any of them. As of now it is difficult, if not impossible, to anticipate these matters.

In this connection, perhaps I might quote a passage or so from "Capital Report" by Walter Stewart, delivered over the C.B.C. on April 11, 1965:

> This week the Liberal Government doffed its old coat and put on a new one, just in time for spring showings. Last year's Throne Speech was about worn out, anyway; it didn't fit too well, it was ripped and torn, and across the back were several stains that looked suspiciously like dried blood. The new Throne Speech, delivered to a new session last Monday, is a much more satisfactory garment, a bright and swirling cloak of many colours.
>
> It has a number of advantages, not least of which is its large size; it is so big and billowy that the government may take several steps to the right or left within its concealing folds without the rest of us knowing which way it is headed. It has another advantage, too: it is completely reversible. If the government should fall, or go to the country of its own accord, Presto-Chango! the Throne Speech becomes an election manifesto, waterproof enough to withstand campaign storms and lined inside with many pockets, each holding a little something for all of us.

Honourable senators, others will deal with the specifics of the Speech from the Throne, but perhaps I may be allowed some general remarks at this time. We have before us, indeed, a helter-skelter assortment of sugared goodies, many of them resurrected and rewrapped Easter gifts of several years ago. There is little in it to "excite the daring or to test the strong." In the first place one wonders whether it was not, like the Budget Speech, written by the Eastern Bunny himself. It appears indeed to be redolent of an election: nobody who might be expected to cast a ballot appears to have been entirely neglected.

I cannot really fault the Government for this. It is an old political gimmick, that of buying the people with their own money. All I can do is to expose it for what it is and hope that the people of Canada will not be lulled into any sense of false security.

I say this because, as is often the case, the Speech from the Throne is really more notable for what it does not contain—for its cardinal sins of omission. It skirts the fringes and plays upon the symptoms of the Canadian economy, but it does not meet the problem head on. Where are the measures to stimulate and increase productivity in this country? How will the millions of new jobs which the Economic Council has said will be needed be provided for Canadians? In this area, there is a vast and disturbing silence. I am sure

that Senator McCutcheon will have much more to say on this at a later stage.

But there are still other conspicuous omissions, even in respect of Liberal campaign promises. Where are the 10,000 university scholarships, and where is the guaranteed $2-wheat? One wonders now how serious these undertakings were. The latter appears to have been pigeonholed indefinitely, whereas, apparently in lieu of the former, we are to have a Peace Corps along American lines. Similarly, we are apparently about to wage war against poverty, also along American lines. Honourable senators, nobody is against this sort of thing: everyone should of course be an Eagle Scout. What we are concerned about is the best way of achieving the maximum prosperity of all Canadians. The dialogue must go on this issue, and we on this side are not convinced that the present Government has the best answers, if indeed it has any real answers, to Canada's future.

Honourable senators, there are still other conspicuous omissions which I must mention. Here again I do not really fault the Government, because in politics unpalatable truths are to be buried, and if they cannot be buried they are to be ignored, and if they cannot be ignored they are to be dismissed lightly.

I say again that I cannot, in a political sense, fault the Government because it "accentuates the positive and eliminates the negative." This is traditional politics, though one wonders whether this is the "new politics" to which the Prime Minister once dedicated himself. All I can do is expose the omissions, which I suggest speak for themselves.

The matters which are not referred to in the Speech are honesty in government, executive assistants, furniture, the Sefkind bankruptcy, race tracks, dope-peddling, dope-smuggling, jail-breaks and international gangsterism. As I have said, as a politician, I cannot blame the Government for these particular oversights.

Now, honourable senators, I propose to run through briefly, and comment on, the main features of the Speech from the Throne.

I suppose we must leave to the House of Commons the reformation of its own procedures. All I can say is that I hope something will be done so that we will not have to await inordinate lengths of time for Commons legislation to reach us. We are all agreed that it is neither dignified nor efficient for us to stutter from adjournment or adjournment awaiting such legislation.

As to the Canadianization of the Constitution, we all favour that in principle. The previous administration brought it almost to fruition, and I have myself advocated it as a measure necessary to the completion of Confederation. But we must be sure that the so-called Fulton-Favreau formula will not bring with it either the frustration of future constitutional growth or what has been termed by some the "balkanization" of Canada. We must study the proposal with cautious care, and not be dismayed by the allegation that it is based upon a *fait accompli,* an arrangement that, like a treaty, cannot be adjusted in any particular. After all, what has been done by one federal-provincial conference can be modified by another, if the adjustments are in fact in the interests of Canada as a whole.

I would like to see a joint Commons-Senate committee study the matter, and, in any event, it must go to a standing committee of the Senate.

The Company of Young Canadians is offered to us, apparently in lieu of 10,000 university scholarships, which do not now seem to have a very high priority. We will examine this proposal with interest, and I should think with sympathetic interest.

It is difficult to generate much enthusiasm for royal commissions or special committees of inquiry, some of which are foreshadowed in the Speech. All we can do is await their final reports, and see what the Government will propose as a result.

Amendments will be proposed to the Bank Act and related statutes. Though we have had a clear indication as to part of what is in store for the banking legislation, and perhaps could guess shrewdly as to the balance, we will have to await the specific measures.

Honourable senators, may I now refer to the unemployment insurance legislation, to which fleeting reference is made in the Speech from the Throne. The virtual bankruptcy of the Unemployment Commission Fund is attributed by the Gill Commission to two basic causes. One is the "gradual dissipation of the sound actuarial basis on which the original plan was founded" and the other was "the change in the economic climate which started in about 1957."

The Gill Commission pointed out that a plan which was originally sound, in the sense that it conformed to recognized insurance principles, has over the years become unsound.

The fund, which reached a peak of $927 million on December 31, 1956, must now be

maintained by tiding-over loans from the Government.

The Gill Commission reported that the depletion of the fund is not attributable to undue increases in benefit rates. The destructive changes have been those relating to eligibility. At the outset the claimant had to be able to show that he had made 180 contributions in the preceding two years. This was the equivalent of 30 full weeks of employment. A weekly calculation was introduced in the revision of 1955. This was based on 30 such units. There was, however, an extremely important change. As little as one day of employment in each of the 30 weeks might suffice to establish a claim.

Much has been made of the amendment of 1956 extending coverage to self-employed fishermen. There is no estimate in the report of the magnitude of the resulting drain on the fund. The investigators are sure, however, that the change was a mistake. Coverage of the self-employed is, they say, not consistent with the insurance approach because it becomes impossible to determine satisfactorily when they are employed or unemployed.

For fishermen the scheme was not even equitable as a form of social assistance; in fact, it meant that the largest benefits were paid to those with the best record of fish sales.

The Gill Commission, in summation, stated that unemployment insurance is "neither a valid insurance plan in its present form nor is a socially desirable type of income supplement."

Honourable senators, I do not wish to burden you with a lot of figures. I have prepared here a series of figures on loans and borrowings which had to be made by the Commission at the end of each fiscal year from 1958-59 up to the present. With the unanimous consent of the Senate, I should like to make this part of the record.

Hon. Mr. Connolly (Ottawa West): Agreed.

The tables follow:

April 29, 1965.

BALANCE AND BORROWINGS
UNEMPLOYMENT INSURANCE COMMISSION

Fiscal Year	Balance	Borrowings
1958–59	Mar., 1959—$499,811,157.	
1959–60		April, 1959—$45 million May, 1959—$27 million Jan., 1960—$ 7 million
	Mar., 1960—$365,892,232.	
1960–61		April, 1960—$19 million May, 1960—$18 million Feb., 1961—$18.5 million
	Mar., 1961—$184,684,852.	Mar., 1961—$48.5 million
1961–62		April, 1961—$41 million
	Mar., 1962—$66,598,051.	May, 1961—$32.5 million
1962–63	Mar., 1963—$9,692,828.	
1963–64		April, 1963—$20 million May, 1963—$15 million
	Mar., 1964—$874,880.	
1964–65		April, 1964—$17.5 million May, 1964—$ 9 million
	Mar., 1965—$34,593,288 (Interim)	

REVENUE AND EXPENDITURE
UNEMPLOYMENT INSURANCE COMMISSION

Year	Revenue	Expenditure
1959–60	$281,315,142	$415,234,067
1960–61	332,698,344	513,905,724
1961–62	336,652,639	454,739,439
1962–63	346,285,948	403,191,171
1963–64	357,074,667	365,654,718
1964–65 (Interim)	368,792,795	335,074,386

Hon. Mr. Choquette: Whatever it is, it now survives on handouts from general revenues.

Hon. Mr. Connolly (Ottawa West): Would the honourable senator tell us whether the table he has placed on *Hansard* indicates the amounts from year to year that were in the fund?

Hon. Mr. Choquette: Yes. That is there, too—the balance left in the fund and the borrowings that had to be made.

Hon. Mr. Connolly (Ottawa West): Thank you.

Hon. Mr. Choquette: The Gill Commission recommended the expansion of the present plan which at present extracts premiums from and pays benefits to employees making no more than $5,460 a year; so almost all employees participate.

The Commission, in its recommendations, also sought to make a clear distinction between unemployment insurance and welfare. It suggested that the insurance provision should apply to those who were out of work for a maximum of 26 weeks, and that beyond this period some welfare became involved and this should be the responsibility of the whole nation.

The underlying principles which governed the Commission's recommendations were two: universality and a division of the insurance functions of the program from its welfare functions.

The Gill Commission recommended that all employees, no matter how much they make, be required to pay premiums on a stated portion covering income—with matching contributions from their employers—and be entitled to benefits. This would vastly broaden the insurance base of the plan, thus giving the plan greater stability.

This part of the new program would be entirely insurance and would provide benefits for a maximum of 26 weeks. Unemployment lasting beyond this period, the Commission reasoned, involved some welfare. It therefore proposed the creation of the new plan which would provide benefits, without a means test, for a further maximum of 39 weeks and would be paid out of federal taxes. Unemployment lasting longer than a total of 65 weeks, it also reasoned, was a social problem and should be treated wholly as welfare. At this point a chronically unemployed person would go on welfare, with a means test. Benefits would be provided on a 50-50 basis by the federal and provincial governments through existing welfare departments.

What reference do we find in the Speech from the Throne to this urgent matter? We find the following, probably as an afterthought:

> My Government will propose a revision of legislation on unemployment insurance.

This, like other portions of the Speech, could mean anything or nothing. But unless it means that the Gill recommendations are about to be implemented, the legislation will have a stormy passage, at least in this House.

Honourable senators, the Government is very fortunate in inheriting an upsurge in the economy, an upsurge which is basically due to the far-sighted policies and corrective measures initiated by the previous administration. The present Government has done little or nothing to contribute to this upsurge and a great deal to resist it or slow it down. I refer to the ill-advised tax on building materials and the various discouragements to our friends who would like to invest in the future of Canada, and whose help we need. Moreover, no tax relief is apparently to be given to our principal producers of goods and services, on whom our economy basically depends.

I have mentioned before that the Speech is, on the whole, an example of the fine art of wooing the people with their own money. No price tag has yet been placed on the plateful

of goodies, but they are not going to come cheap. One newspaperman has estimated that if all the projects outlined or hinted at in the Speech from the Throne were brought to fruition, the ultimate annual tax bill would be $9 billion, or three times the cost of government in 1952. Can we really afford all this and heaven too? On the contrary, as the Leader of the Government is fond of saying, "We must dare to be prudent."

Honourable senators, I cannot vouch for these astronomical figures, and it is apparent that all these projects will not be brought to fruition overnight. I do say, however, that their mere contemplation takes much of the warmth out of the Honourable Mr. Gordon's so-called "sunshine budget." The tax reductions made have been disappointingly low, in the opinion of most experts, and corporation taxes have been maintained at their present high levels. Nevertheless, when the Liberals are running scared, they immediately try to out-C.C.F. the N.D.P. I think it was Mr. St. Laurent who said a few years ago that a C.C.F.'er was a Liberal in a hurry. Today I think we could easily reverse this and say that a Liberal is an N.D.P. in a hurry. All I can say is that if the Government is to continue with its large-scale programs of socialized welfare, without full regard to the costs and the ability of Canadians to pay them, this may be the last "sunshine budget" for some time—even though the present sunshine is spread thinly and is filtered through the overcast of another large budget deficit.

I am not a trained economist: I find as much difficulty in comprehending unlimited credit as I do in contemplating infinity. I have always believed that, leaving aside technical gibberish, national economics are not far different from barnyard economics. If the cost of running a farm becomes too great, either the cost must be reduced or the farm must be sold. It is as simple as that. Canadians do not really wish to walk again, as they did in 1929, arm in arm over the hill to the poorhouse, even if it has been air-conditioned and redecorated. There is, in my opinion, a greater need now than ever before for what Sir Robert Borden once termed "the commonplace quality of common sense."

On top of all this, we must fear the increasing power of the state, under the guise of paternalism, and its weakening effect on individual initiative and character. As an eminent American essayist, Albert Jay Nock, has put it:

> In proportion as you give the state power to do things for you, you give it power to do things to you, and the state invariably makes as little use as it can of the one power and as much as it can of the other.

What we often forget is that the state has no money, produces nothing, is but a parasite, and maintains itself in power by levying taxes and imposts upon the people. It should not be allowed to destroy us.

This impels me to say a few words about the much touted Canada Development Corporation—the C.D.C.—which has been described by Donald Fleming, a man not unversed in budgetary matters, as "supremely dangerous and ill-advised." The vast increase in public ownership contemplated by this proposal, he describes as both a snare and a delusion. It was, in fact, rejected out of hand by the previous administration as an unwarrantable intrusion into the private enterprise sector of our economy. I propose to discuss this later, if the proposal in fact ever reaches us.

All I can say now is that the Speech from the Throne and the budget taken together and in all their implications do not amount to "creeping socialism." This is socialism rampant. While the N.D.P. have been trying for years to explain away, live down and forget the Regina Manifesto, there is now little room to the left of the Liberals. But we in the Senate have a responsibility which rests upon us all, and not just upon those of us who sit to the left of the Speaker, to preserve and conserve what is good in our society. We are indeed a bastion of conservatism in the best and least partisan sense of that term. We simply cannot watch the erosion of our way of life, and in particular the steady invasion of the private sector of our economy, without notice or protest. We must neither kill nor cripple the goose that over the years has laid golden eggs for Canada.

Honourable senators, I will not anticipate further the debates which will come as the several matters raised in the Speech from the Throne are brought before us. But I would like to say this now, as I have said before, a minority government has a mandate to govern so long as it can command a majority vote in the Commons. On the other hand, not having been returned to Parliament with a majority, it has not received a popular mandate for any specific piece of legislation it may introduce. The Senate does not therefore labour under any inhibitions in this regard. It

is our clear duty, one which rests upon all honourable senators, whether in or out of opposition, to scrutinize and criticize any government legislation that comes to us from the Commons. None of it can be said to have the will of the people behind it, except perhaps by guess or surmise. A minority government, as we know, has always a difficult task before it. Whatever bold declarations may be made by the Government that it will act as if it represented a majority of the people, it does not do so, and there is an ever-present possibility of compromise, even of principle.

Shakespeare has wisely said: "When clouds are seen, wise men put on their cloaks."

We must watch for all the things I have mentioned, and we will be duly watchful.

Hon. John J. Connolly: Honourable senators, let me at the outset thank and congratulate the mover and the seconder of the Address.

[*Translation*]

Senator Bourque had a most distinguished career as a representative for Outremont-St. John in the House of Commons. He was elected five times in a row in that same constituency. At the same time, he served his fellow citizens for 17 years as mayor of Outremont.

His career has been one of dedication seldom surpassed. It must be satisfying for him to find that those who know him best showed so many times their confidence in him.

We need in the Senate members who have had experience in the public affairs of the country. I thank him for the great contribution he made to the debates in this house.

[*Text*]

I thank Senator Aird for the sound and thoughtful speech he made, although it may be superfluous for me to do so having regard to the favourable press it has received.

Senator Aird is a relatively young man, and that fact alone is good enough reason for welcoming him to the Senate. However, there is more. He had a fine record of service with the Navy in the last war, and he also had a thorough academic training. He has had a most successful professional and business career, and has followed worthily in the footsteps of a distinguished father and grandfather, both of whom were outstanding in the business and community life of Toronto. All these things might have been sufficient to warrant his summons to the Senate. He realized, however, that if Parliament is to function as it should in these days, the infrastructure of political parties must be strengthened. Research, communications, and competent people to work in these fields responsibly and intelligently are basic requirements. He has been active in this area.

Parliament is a political place. Its work influences the lives of people deeply, as much as do the schools and universities and, in some respects, as much as do the churches. We are beyond the frontier now in Canada. Parliament and political parties can use the capacity of all men like Senator Aird. I am sure the Senate will be a better place because of his being here.

At this stage I feel it is appropriate to review the work done by the Senate in the Second Session of the Twenty-Sixth Parliament, the session which has just closed. In that session some 42 bills were received from the House of Commons, two of these being private members' public bills. These 42 bills were studied and in due time were passed and received Royal Assent.

In addition, the Senate initiated 48 bills. Thirty of these were private measures which were passed, and 13 were Government bills, which also were passed. Perhaps the 13 Government bills introduced here were a record for one session. As honourable senators know, public bills cannot be introduced in this chamber if they involve an expenditure of money. Such bills require the resolution stage of consideration in the other place before Parliament can deal with them. In addition, of course, there are measures of important Government policy which the ministers in the other place usually want to introduce in their own house, even if there are no financial implications. This is understandable.

I want to assure the Senate that I am ever alert to the desirability of introducing Government measures here and, within the limits imposed upon us, I think I can say that I have been able to get every bill available.

In addition to the measures I have mentioned which will find their place in the statute books, the Senate last session approved six major proposals by way of resolution. All these involved substantial debate here. They were:

1. The Peace-keeping Force for Cyprus under the aegis of the United Nations.

2. The treaty with the United States for the development of the Columbia River.

3. The I.L.O. Convention on Discrimination in Employment.

4. The amendment to the Constitution to provide survivor benefits under the Canada Pension Plan.

5. The resolution for the adoption of a distinctive national flag.

6. The resolution for the approval of the Royal Union flag.

As well, the Senate adopted terms of reference for studies by five standing, special or joint committees: Aging, Consumer Credit, Tourist Traffic, the Estimates, and the Canada Pension Plan. On other occasions I have referred to the fine work done by members of these committees and their chairmen—and, indeed, their chairwoman. Finally, the Senate adopted 859 divorce resolutions which came to us from the Divorce Committee.

Without derogating from the value of the other work, I would refer especially to three public bills, all of them relatively non-contentious, but upon which the Senate exercised commendable influence. I believe that in every case these were public bills which were introduced here. They were: the Canada Shipping Act, the Harbour Commissions Act, and the Companies Act. These measures were all of great importance, and the study given them by the Senate and the improvements made here are more than could be expected from the other place.

I think it fair to say that the volume and quality of the work done by the Senate during the last session made it a session of real achievement. Perhaps my friend Senator Choquette—and his remarks would lead me to this conclusion—does not quite agree with that; but if he has followed me so far, for his further reading I would suggest that he peruse the Prorogation Speech delivered so early in the morning of the final day of the last session. There he will have further confirmation of the very large volume of work which Parliament discharged last session.

In the Senate at times we have experienced, as Senator Choquette has said, delays and frustrations that were not of our making. The session was the longest in the history of our Parliament. The unusual composition of the other place and the very slow progress made on much of its legislation made the meetings of this body rather precarious. We adjourned often, sometimes not knowing when we would be able to resume our work, but the judgment and forbearance exercised by the Senate was helpful, and, in addition to that, we had some good luck. I should like to pay high tribute to the co-operation and the sense of responsibility shown by all members of the Senate from all parts of this house. The attendance here during the last session was seldom below 65 per cent. This speaks highly for the attention given by senators to their duties here.

If I may, I should like to thank the Leader of the Opposition, Senator Brooks, for the co-operation and helpful understanding he displayed. I am sorry he is not here this evening, but, as we know, he has not yet returned from Europe where he has been attending the Executive Meeting of the Interparliamentary Union. That body was preparing for the meeting of the Interparliamentary Union which will be held in Ottawa in September. Without the attitude and approach which Senator Brooks showed, we should not have had as productive a year. He understands the purpose of a second chamber, and he performs in its highest tradition.

Hon. Senators: Hear, hear.

Hon. Mr. Connolly (Ottawa West): Honourable senators, the Speech from the Throne contains the sentence:

> Our country is achieving a high rate of economic growth.

Senator Choquette will say this is an inheritance from a great Government. Since that statement was made, Parliament has had an opportunity to examine the Economic Review for 1964. That document contains a statistical report on the operation of the Canadian economy last year. The Gross National Product advanced by almost 9 per cent. This is the largest year-to-year gain since 1956. The value of our GNP in 1964 was over $47 billion, as against $44.6 billion in 1963. This rate of growth is encouraging in itself. It is also encouraging in comparison with the rate experienced in other western countries.

In addition, the budget accounts are now in virtual balance, and for the first time since 1957-58. The deficit for the fiscal year just passed was announced at $83 million. The surplus in the Old Age Pension account, which would reduce this considerably, was $64 million. These are figures that are on the record.

In 1964 the labour force increased by over 108,000, but the number of employed rose by 230,000. As a result, the average of unemployment as a percentage of the labour force in the year 1964 was 4.7 per cent. This is a gratifying improvement. It continues the year-to-year improvement we have been experiencing since the high average of unem-

ployment in 1961 of 7.2 per cent. But unemployment persists at rates higher than acceptable in the Atlantic Provinces, in Quebec and in British Columbia, despite the fact that the greatest decline in unemployment in 1964 took place in these three areas. The job is not finished, though I submit considerable progress has been made.

In the field of trade there has been a further improvement in 1964, and the figures are given at page 43 of the document to which I referred earlier. Foreign trade will always be an important index for the economy of Canada. The current accounts of our international payments showed gross receipts of $10.6 billion, an increase of $1.4 billion over 1963.

The increase in merchandise exports has been striking. It is 16 per cent, providing a surplus of over $700 million. There has been a steady growth in traditional exports—the products of our mines, our forests and our resource industries. The wheat exports, especially to Russia, continued at a high level as a result of the wheat agreement of 1963 with that country. At the same time, there was a striking difference upwards in some of our newer exports, especially those of manufactured goods.

Honourable senators, despite the buoyancy in Canada's exports, there was an imbalance on international payments, and the deficit was $453 million. That figure was over $100 million less than the deficit on the same account in 1963. That in itself is welcome, but it is still not good enough. Unfortunately, the deficit with the United States widened considerably. This presents a challenge not only to Government but to our producers and exporters. It will be a continuing challenge.

In both the public and private sectors of the economy there was an upswing in capital formation in 1964, reflecting the confidence of the private sector in the general prospects of the economy. In housing, and in both buildings and equipment for business, the increase has been some 18 per cent. Capital investment by government was increased by 15 per cent. The total of public and private investment exceeded the $10 billion of 1964. This exceeded the previous peak reached in 1957.

The confidence of the business community continues this year, because the figures for capital investment now available indicate that it will be some 12 to 14 per cent higher than it was in 1964.

All of this adds up to the simple statement that times are good, the economy is expanding, unemployment is falling, and Canada is experiencing a growth gratifying, I am sure, to every honourable senator. To sustain this growth and, if possible, to increase its tempo, must be the first objective of government. The policies required must be practical. They must be realistic. They must touch the areas that can produce the most fruitful results. Our products must be competitive both at home and abroad. This means our costs must be constantly subject to scrutiny. To achieve this we must have a highly skilled labour force. For this purpose training both in schools and on jobs is essential. We must take advantage of the opportunities which increased automation affords. Automation does not affect only the manufacturing industries. It affects the resource industries as well. Canadians must be conscious of the need of training and of developing competitive skills in what has become a very competitive world.

There is room in this country, honourable senators, for redevelopment. Redevelopment can affect our urban areas. It can affect also the rural slum, the sub-marginal farm, and Government must search out constructive policies with respect to it. There is need for action in both areas. As the legislative program develops, practical proposals designed to achieve this purpose will be placed before honourable senators. In the meantime, the Government has established, as the gracious Speech indicates, a special secretariat to coordinate the activities of every department of government which can influence this problem. This is not planning for pie in the sky. What it is intended is to plan with those engaged in the various sectors of the economy to meet the competitive requirements for Canada in the sixties.

There is much to be done abroad as well. All of us were gratified at the result of the wheat sales to Russia and the increased wheat sales to China in the past two years. We have welcomed in this house the new treaties with other eastern European countries. But bad weather in Russia and famine in China are not to be expected year after year. Windfall, in one sense, may be welcome —and I intend no pun for the benefit of the people from Toronto—but aggressive salesmanship, both public and private, are more durable qualities.

The agreement in respect of the automotive industry recently concluded with the United States is a heartening development,

and I hope, not only for our country but for their country as well, that the Congress will soon approve that proposal. It can do much for our automotive industry at home, and it should improve our position in the export field. This step more significantly might be a guide to what might be done in other sectors of our economy.

We can hope also for a liberalization of trade if the Kennedy Round at GATT succeeds. What is essential is the establishment of a set of priorities for economic development and a steady determination to maintain the pace of our economic growth.

When I spoke on the motion for an Address in reply to the Speech from the Throne at the last session, I indicated that a measure would be introduced in the other place to provide for the retirement of members of the Senate upon their attaining their 75th birthday. The proposal was on the Order Paper for most of last session but was never reached. Last week this proposal passed the resolution stage, and the bill is now public. If the bill should become law, then by its provisions all future appointees to the Senate will be required to retire at the age of 75, or earlier if incapacitated by poor health, on a pension to which they will contribute. That pension will be based upon the same arrangements that prevail in the House of Commons.

In addition, the bill provides the option for existing senators who have been appointed for life to retire if they so desire on certain conditions. They may do so on the ground of age once they have attained their 75th birthday. They may do so also on grounds of health, whether they have attained the age of 75 or not. Senators who enjoy a life tenure and who retire will be granted an annuity based upon two-thirds of the indemnity they receive at the date of their retirement. Their widows will be entitled to an annuity of one-third of that granted to a senator who exercises the option to retire. The annuity proposed for the senator with life tenure is based upon arrangements currently applicable to judges of the superior courts of the provinces. I trust the measure will reach us in due course, and will carry the approval of this honourable house.

I should add that it is proposed that a retired senator will retain his position in the Table of Precedence and that, although retired, he will be entitled to be described as "The Honourable" for life.

Hon. Mr. Choquette: That is not in the present proposed act.

Hon. Mr. Connolly (Ottawa West): No.

The Speech also proposes the mobilization of the talents of our young people to help promote desirable social and economic purposes, both at home and abroad. This is not new either here or in other countries. The population explosion in our schools and colleges dictates the need for a growing supply of instructors in all fields at home. So, too, does the increase in training required to meet our economic targets. The first report of the Economic Council, the reading of which I commend to all honourable senators, greatly emphasizes this point.

Our position as a relatively opulent middle power, however, casts an onus upon us to help the many developing countries achieve a status of social and economic stability. We give material help of many kinds now. But there is a limit to our capacity to do this. There is also a question as to whether material gifts are best for the recipient countries after the necessary minimum amount of material help has been supplied.

There is one area, however, in which foreign aid of the proper kind is of special value; that is, when we provide the means to insure that thereafter the help provided will enable that country to help itself. For this purpose the area of education and of training is unquestionably the most promising. When good technical training is provided and, in addition, when the basis for good technical training, namely basic education, is provided, we can help lay the foundation for self-sustaining progress within the developing nation.

Some 11 western countries have national voluntary programs for overseas service. At the moment they are supplying some 10,000 workers in the field of technical assistance in over 80 countries. The best known may be the American Peace Corps, and they have many thousands in the field. Australia, New Zealand, Denmark and Holland are also engaged in this pursuit. The British have about 1,000 people in this work.

I remember hearing Lord Listowel—the last Governor General of Ghana before her independence—in speaking at the Economic Committee of the NATO Parliamentarians a few years ago, suggest that British foreign officers whose services were being dispensed with in many of the newly-independent African countries might make useful contributions in other areas. He was speaking particularly of South America, and I believe his idea was a sound one.

In its modern form the foreign missionary work of the churches can be classified in this way, although no one would suggest that public funds be used to subsidize the Christian mission. However, it is appropriate to observe that many people who are sent abroad in the interests of the missions, in fact, perform work of the character I now discuss, almost to the exclusion of their activity in the field of religion.

A Canadian engineer or a business executive who is sent by his company to explore a foreign mining property or a hydroelectric possibility is, in fact, rendering a form of technical assistance abroad. So, too, is the archaeologist.

Honourable senators, since 1961 an organized effort has been made to induce young Canadians to devote a few years of their lives to this work after they have acquired some professional competence at universities or other training schools. The agency which does this is known as the Canadian University Service Overseas—CUSO. It is now an associate committee of the Canadian Universities Foundation. CUSO now has some 200 volunteers abroad. There are 39 in Asia, 122 in Africa, 33 in the West Indies and seven in South America. Among them are teachers, agriculturists, doctors, nurses, engineers, foresters, social workers. Their modest pay is roughly equivalent to the pay of their counterparts in the host country.

Recruitment and selection is administered by the Ottawa office of CUSO in co-operation with some 40 faculty-student committees at as many Canadian universities. Placement is arranged in co-operation with authorities in the host country.

Some indication of the success of the plan derives from the fact that CUSO cannot keep pace with the demands made upon it. In 1961, the first year, 17 Canadian volunteers went out. This was increased to 62 the following year. In 1963, 98 were added and in 1964, 148. Some, of course, have returned. They have gone to some 23 countries. About one-third of the total are French speaking.

The CUSO undertaking was originally financed by local appeals in various parts of Canada. In 1963 a relatively modest campaign for funds was undertaken. In 1964 the Canadian Government provided substantial help in the form of transportation.

It seems to me that there is an imaginative appeal here for many able young Canadians. They will, of course, be trained to supply the most effective help possible to the people among whom they will live. Nothing would be more futile than to send an underdeveloped volunteer to an underdeveloped country.

I have read a few of the reports made by some volunteers. Not only are they intensely interesting, but one is filled with admiration for the sacrifice and enterprise which they reflect. I am sure, too, that notwithstanding all the frustrations these young people experience, they will derive a great satisfaction from the help they give. However, they also do much for themselves. They are acquiring a graduate education on conditions and prospects in the lands they serve, lands with customs and practices vastly different in many cases from those they know at home. When they return to take up their life work among their own people, they will be in a position to inform and embellish Canadian public opinion in a way which could not otherwise have happened.

I think it fair to say that it is the CUSO experiment which will form the basis for a general approach to the same problem at home and abroad. Half a million dollars has been provided from External Aid funds. It will be undertaken by a corps of young Canadians, which the Speech appropriately calls The Company of Young Canadians. This name has an historic ring. When Canada was very much of an underdeveloped country itself, during the French regime, perhaps for a different purpose, "The Company of 100 Associates" was formed. Later, and especially in the Northwest under British and Scottish auspices, we had "The Company of Gentlemen Adventurers of England trading into Hudson's Bay."

While this name is likely to be highly acceptable abroad, it may give rather special emphasis to the work which can be done in Canada. Within the federal jurisdiction alone, in respect of Indians and Eskimos, there is need for energetic effort.

The gracious Speech from the Throne also refers to a proposal to establish a Canada Assistance Plan. Honourable senators are well aware that a welfare program, because of the divided jurisdiction in this country, involves co-ordination between the provincial and federal authorities. What appears to be required at this time is a co-ordinated approach to public assistance.

The welfare field is now a patchwork quilt. There is the Old Age Assistance Act of 1951, the Blind Persons Act of the same year, and the Disabled Persons Act of 1954. These are

known as the categorical programs. In addition, there is the Unemployment Assistance Act of 1956, the application of which was substantially widened by amendment in 1957. All of these, of course, are joint programs. The federal contribution is one-half of the $75 a month maximum provided for recipients of Old Age and Disability Assistance. It is 75 per cent of $75 monthly maximum available to blind persons. In respect of Unemployment Assistance, the federal contribution is 50 per cent of the benefits payable to recipients.

Each of these programs is administered primarily on the basis of means. It is now proposed to discuss with the provinces a comprehensive program which will be administered on the basis of need. A dominion-provincial conference is to be convened at the end of this month and will consider this question.

Honourable senators, I believe it opportune to proceed with such a program at this time, for at least three reasons. First, the provinces are anxious to see such an approach to welfare implemented. Secondly, when the economy is in a period of expansion, as indeed it is now, it seems provident to undertake such a study. Thirdly, the recently adopted Canada Pension Plan will have an important bearing on the operation of our welfare programs as they now stand.

As honourable senators know, the Canada Pension Plan goes a long way towards providing some security in the period known as old age. The Old Age Security provisions will be fully effective from age 65, in five years. The wage-related portion of the plan will become available to persons retiring over the next 10 years, year by year.

Many people, however, who have not been able to provide for themselves and who are unable to take advantage in full of the Canada Pension Plan will present a problem to themselves and to the country. Under the proposed assistance plan, people now over age 70 will stand to benefit on the basis of their need. Those between the ages of 65 and 69 who are not adequately covered by the provisions of the Canada Pension Plan will also be assisted.

Honourable senators, may I conclude with this short remark. It is important that the committee work of the Senate be developed as effectively as possible. I do not know of any other branch of our work which holds a higher place in public esteem among people who know about us, than the work which is done by our standing committees and special committees. The trouble is that enough of the public do not understand and do not appreciate the value of the parliamentary contribution made by the committees of this honourable house.

The Committee on Aging has been set up and will shortly produce its report. We will very soon refer the estimates to our Standing Committee on Finance, as we did last year. I expect that we will be asked shortly to nominate membership for the Joint Committee on Consumer Credit. We shall also be asked to appoint senators to a joint committee to consider the state of penitentiaries under the control of the Government of Canada.

Last session Senator Thorvaldson and I desired to make the Committee on External Relations more active, but with the kind of session it was, an opportunity was not provided. However, Senator Thorvaldson has been energetic in this field and he will shortly indicate his imaginative intentions.

There will, of course, be other committees whose chairmen will be anxious to undertake special studies.

I urge honourable senators to do all they can to ensure that these committees achieve the same high standard of performance which has characterized their work in the past. I hope also that there will be a very wide participation in this debate.

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

RETIREMENT OF SENATORS

INQUIRY

Hon. Jean-François Pouliot: Honourable senators, I did not want to interrupt the interesting speech of the Leader of the Senate, but I have a $64,000 question to ask him. For the senators appointed for life, will there be a limitation of time to apply for superannuation?

I do not want an immediate answer. Perhaps he would be kind enough to give an answer tomorrow, after consultation with whom it may concern. This is a matter of interest to all of us. I wonder if a senator who is on his deathbed will be allowed to make a choice for a pension.

Hon. Mr. Connolly (Ottawa West): Are there two questions?

Hon. Mr. Pouliot: No, it is one question. It goes to the deathbed. Therefore, my question is very simple.

Hon. Mr. Connolly (Ottawa West): I will deal with it now. The honourable senator wishes to know about the superannuation or retirement benefits for senators who are not appointed for life.

These remarks do not apply to anybody in the Senate at this time. When a new senator is appointed he will contribute, as is the case of the members in the other place, to a pension fund. When he retires or dies he or his estate will have an entitlement based upon the contributions he has made to that fund. That entitlement will be on the same basis as the entitlement of members of the other place.

Hon. Mr. Pouliot: My question was not at all in regard to future appointments. It was in regard to all of us. I want to know if any senator who presently sits in the Senate will have a limitation of time in which to make his choice for a pension. If there is no limitation of time, we should know about it.

Hon. Mr. Connolly (Ottawa West): I am sorry. I realize now that the honourable senator is asking about the right of senators with the life tenure to apply for the annuity. As the legislation stands now, I think there is no limitation. I think all honourable senators with a life tenure have an option to apply, if they meet the other conditions of the act.

Hon. Mr. Pouliot: At any time?

Hon. Mr. Connolly (Ottawa West): Yes.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, May 5, 1965

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

Prayers.

DOCUMENTS TABLED

Hon. John J. Connolly tabled:

Statement concerning Refunds under The Refunds (Natural Resources) Act, for the period February 19, 1964 to April 5, 1965, pursuant to section 3 of the said Act, chapter 35, Statutes of Canada, 1932. Nil return. (English and French texts).

List of Apportionments and Adjustments of Seed Grain, Fodder for Animals and Other Relief Indebtedness, for the period 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. Nil return. (English and French texts).

Report of the number and amount of Loans to Immigrants made under section 69(1) of the Immigration Act for the fiscal year ended March 31, 1965, pursuant to section 69(6) of the said Act, chapter 325, R.S.C., 1952. (English and French texts).

Report of the Department of Citizenship and Immigration for the fiscal year ended March 31, 1964, pursuant to section 7 of the Department of Citizenship and Immigration Act, chapter 67, R.S.C. 1952. (English and French texts).

PRIVATE BILL

INTERPROVINCIAL PIPE LINE COMPANY—FIRST READING

Hon. Hartland de M. Molson presented Bill S-7, respecting Interprovincial Pipe Line Company.

Bill read first time.

Hon. Mr. Molson 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 yesterday consideration of His Excellency the Governor General's speech at the opening of the session, and the motion of Hon. Mr. Bourque, seconded by Hon. Mr. Aird, for an address in reply thereto.

Hon. Malcolm Hollett: Honourable senators, it is not my intention to delay the proceedings of this honourable house to any great extent. The matter upon which I am to speak has been so thoroughly discussed outside of this house and in the other place that it is difficult to find a subject to talk about.

First, let me congratulate the honourable Senator Bourque and the honourable Senator Aird for the masterly way in which they moved and seconded the address in reply to the Speech from the Throne.

I well remember, back in January, 1962, when I followed the honourable Senator Méthot in the capacity of seconder of the motion for an address in reply, as did Senator Aird on this occasion. I can tell you I felt like a 12-year-old, I was so nervous. I do not think the honourable senators who moved and seconded this motion felt nearly as nervous as I did on that earlier occasion. After listening yesterday to the splendid addresses of Senator Choquette and the Leader of the Government (Hon. Mr. Connolly, Ottawa West), with all the facts and figures they presented, I must say there remains very little for an ordinary senator, as some of us are—and we have been described differently by some people in the other place—to say.

I have read the Speech from the Throne very carefully and, to be honest, apart from a half dozen or a dozen new items, it is practically the same as the Speech from the Throne of 1964 and 1963. There is one addition, of course, which would appear to be important to some people but which is not so important after all. It is the 10 per cent cut in income tax. As you and I know, this will not benefit to any great extent, or to the extent we would desire, the vast majority of income taxpayers of this country. Someone mentioned yesterday that two-thirds of our people will benefit to a very small extent, and that the cut will afford only a fair benefit to people who are drawing larger salaries. I am sure there is no need for me to say anything further on that, because it has been thoroughly discussed all across Canada and in the other place, and I expect it will be further aired here.

I said with regard to the Speech from the Throne of this year, and that of 1964 and 1963 that many of the same items appeared in

each. I am going to refer to just a few items to show that what I am saying is correct.

For example, the Speech from the Throne of this year carries the following statement:

> My ministers will continue their policy of promoting the strength and unity of the Canadian Confederation . . . My ministers will continue to improve the procedures and practices involved in the federal relationship so that all Canadians may feel equally served by Confederation.

That is in the Speech that we are now discussing. If we read the Speech from the Throne delivered in 1964 we find these words:

> My Government will attempt to make its full contribution . . . to the strengthening of our national unity through a co-operative federalism...

In the Speech from the Throne of 1963 we read:

> To make us a more united people, the Government will in all things strive to strengthen and to give new direction to our Canadian Confederation. It will foster the spirit of co-operative federalism, fully respecting the rights of the provinces . . .

In other words, we had it in 1963, again in 1964, and today we have it again. Unity—the present Government stands for unity.

Hon. Mr. Connolly (Halifax North): What is wrong with that?

Hon. Mr. Hollett: Well, I have not yet come to the wrong side of it.

Hon. Mr. Connolly (Halifax North): I apologize. I shall wait.

Hon. Mr. Hollett: With regard to this unity that the Government has mentioned in each of these three Throne Speeches, one wonders what if any progress has been made. That point may answer the question put by the honourable senator from Halifax North. Indeed, is it not a fact that more progress has been made in the creation of disunity? If any honourable senator wants to go back and look at what has happened since the Speech from the Throne in 1963 I am sure he will find that some disunity has been created. Perhaps this is no fault of the Government but, nevertheless, disunity has been created in some manner or other.

With respect to poverty and unemployment, in the last Speech from the Throne we find this passage:

> My Government therefore is developing a program for the full utilization of our human resources and the elimination of poverty among our people. It will include improved measures for regional development, the re-employment and training of workers, the redevelopment of rural areas, the assistance of needy people...

In the Speech from the Throne of 1964 we find this:

> My Government will attempt to make its full contribution...to fostering the full employment of our people and the efficient growth of our economy; and to broadening the opportunities for a good life...

Then, away back in 1963 the Speech from the Throne contained these words:

> Steady work is the basic need on which men and women depend for the wellbeing of themselves and their families. Unemployment, on the serious scale of recent years, is therefore the most urgent of our domestic problems. To provide the many new jobs that are needed every year, we must create new industries. The fiscal and monetary policies of the Government will give priority to the encouragement of soundly-based industrial expansion.

There you have the same thing said in 1963, 1964 and 1965. I ask honourable senators: What soundly-based industrial expansion has been encouraged or created by the Government? I know that unemployment is not at the peak that it has reached, but we still have much unemployment. In the province from which I come I think the extent of unemployment is as large as, if not larger than, it has been for many years.

In the present Speech from the Throne we find this passage with respect to the increasing of production and trade:

> As one of the major elements in this plan, my Government's area development program, which has already been of substantial assistance to industrial expansion in areas of high unemployment, will be expanded, in consultation with the provinces, to other areas where incomes are low. You will be asked to approve measures to aid industrial expansion in these areas...

If we go back to 1964 we find a similar hope expressed in these words:

> My ministers will propose a variety of measures which will further increase employment and raise the standard of living by strengthening and expanding the primary and secondary industries of Canada.

In 1963 the Speech from the Throne said that there was to be established a Department of Industry which would foster industrial expansion and to which industry could look for consultation, stimulus and assistance.

The same applies to 1965 and goes back to 1964 and 1963. There was to be established an area development agency to work with the provincial governments and other organizations to co-ordinate programs for parts of the country where, because of chronic unemployment, a special thrust for development is needed.

Here I would like to say a word or two about the province of Newfoundland from which I come, and give you some idea of how beneficial these programs outlined in the last three Speeches from the Throne were to that province. I am going to quote again from APEC, the Newsletter from the Atlantic Provinces Economic Council.

Newfoundland, you know, is part of Canada. When we speak of Canada we include that province in the same way as we include Prince Edward Island and all other provinces. The total of investments in Newfoundland dropped from $261 million in 1962 to $236 million in 1963. In 1964 it dropped to $235 million. It is forecast that for 1965 the total investment will be in the nature of $196 million. In other words, there has been a drop of $65 million in the total yearly investments over the period. It does not appear to me, therefore, that these plans of the present Government did very much to increase the industrial development of Newfoundland.

Again I quote from the same newsletter:

> Construction expenditures in Newfoundland are to fall from $166 million to $138 million...

In the same Newsletter we find the per capita figures for new investment expenditure in the various Atlantic provinces and of Canada as a whole. For the whole of Canada the per capita investment expenditures increased from $469 in 1962 to $563 in 1964. For the four Atlantic provinces it increased from $366 in 1962 to $405 in 1964; in New Brunswick, from $294 in 1962 to $416 in 1964; in Nova Scotia, from $299 in 1962 to $351 in 1964. However, in Prince Edward Island—and the honourable senator opposite (Hon. Mrs. Inman) will pardon my reference to her province—the new per capita investment was $401 in 1962, and it dropped to $388 in 1964. In Newfoundland, new investment expenditures per capita in 1962 reached $556 per capita and dropped to $478 in 1964.

It will be seen, therefore, that the capital investments in the two provinces of Prince Edward Island and Newfoundland have dropped. Is that because the present federal Government has been aiding the industrial development of these areas, or what is the cause? I suppose we can only come to the conclusion that the present Government's effort to increase the economy of those two provinces, since it came into office, has not been beneficial in bringing about increased prosperity and the provision of new jobs for the unemployed.

Speaking of the unemployed, in the City of St. John's, Newfoundland, a strike of longshoremen has been in existence for many months. The federal Governments of the past few years have spent some $22 million to make the Port of St. John's really beautiful. A wonderful job was done but, unfortunately, this strike is holding up practically all the shipping in that area.

Since the Port of St. John's now comes under the jurisdiction of the federal Government, it should step in and make serious effort to put an end to this strike, which is crippling the whole port. The federal Government has not done so yet, to my knowledge. Therefore, I would suggest to the honourable Leader of the Government that he mention this fact to the appropriate member of the Government who might take an interest in it. I am not saying the members of the Government do not take an interest, but I suggest they should do something to end the drastic situation in St. John's.

Honourable senators, on the question of rural development, you will find that in the recent Speech from the Throne Parliament will be asked:

> to approve the creation of a fund for rural economic development and, in order to provide for fuller integration of action for rural development, amendments to the legislation regarding ARDA...

are to be placed before Parliament. In the Speech from the Throne in 1964, we find:

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

> of agriculture in both eastern and western Canada. You will be asked to consider other measures to assist in the improvement of farms and of farm income.

Going back to 1963, the Speech from the Throne said:

> A new Department of Agriculture Act will be placed before you, to provide for two ministers in order that the needs of agriculture in both eastern and western Canada may receive closer attention. My ministers will institute new programs to make farming as a whole more stable and more prosperous.

To what extent the plans of the Government over the past two years have assisted those in rural areas, I am not certain, but one thing of which I am certain is that they neglected to appoint the second minister.

Honourable senators, I am pointing out these things to show that there has been laxity somewhere since the present Government took office in 1963. These are vital issues. Fisheries is one of the most vital, not only to the Atlantic provinces and the western seaboard around British Columbia, but all across Canada. Our fisheries are most important when it comes to the prosperity of our nation. In pointing out these facts and in quoting these statements, I wish to show that the Government seems to have a habit of repeating itself from year to year. This is what they say about the fisheries in the 1965 Speech from the Throne:

> In order to raise the level of income of Canadian fishermen, a measure will be placed before you to provide for an expanded national fisheries development program.

What did they say in 1964? In 1964, the Government contented itself with promising that they would

> undertake a national fisheries development program, reflecting the outcome of the Federal-Provincial Conference on Fisheries.

This was exactly the same. Back in 1963, when the present Government came into office, they said in the Speech from the Throne:

> The government is initiating consultation with the provinces to work out a program for national fishery development.

Those were three Speeches from the Throne and each time the Government promised to do something, which they have not done. Anything which has been done regarding fisheries has been done by the provinces themselves.

You will notice, therefore, that since May 16, 1963, the federal Government has been consulting with the provincial governments concerned over the fisheries but, so far as I know at the present time, no fisheries program has been initiated as a result of those consultations. At least, it may have been initiated but we have seen no results from it.

It does seem rather strange to those of us who live in maritime areas that the Government will grant subsidies to farmers and dairy producers—and we are not objecting to that—on almost everything they produce; but when it comes to subsidizing the fishermen on their production, it seems to me that the fisherman, as yet, is the "forgotten Canadian." In Newfoundland recently, however, an effort seems to be in process by the provincial government to assist the fishermen to some extent.

In the Speech from the Throne of April 5 of this year, we find the following:

> A measure will be placed before you to amend the Canadian Citizenship Act—

It should be quite a simple thing.

> —particularly in order to ensure full equality of rights for all Canadian citizens wherever they were born.

In 1964, the Speech from the Throne said:

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

Going back to the year 1963, the Speech from the Throne said:

> A change in the Citizenship Act will be proposed to ensure full equality of rights for all Canadian citizens wherever they were born.

It does not matter where they were born. We have had these three Speeches from the Throne. In each case they promised to do something about it. I am afraid some of these citizens are likely to have passed on long before the present Government comes to a final decision on this matter.

Honourable senators, may I refer now to the matter of Senate reform. It has been on the carpet a long time. In recent days, you have been subjected to all sorts of what I call insults, nasty descriptions, by some of our parliamentary colleagues in the other place.

You have been described as "party hacks." What is a party hack? As far as I can learn from Webster's dictionary, a hack is "a horse worn out in service." Besides that, it means many things. In any case, you are all "party hacks."

Hon. Mr. Connolly (Halifax North): "We" are all.

Hon. Mr. Hollett: We are all. Thanks for the correction. Particularly you.

We have been described as "bagmen." I do not know what a bagman is. I suppose he is a man who carries a bag to collect money or something like that. We are all "bagmen." Some of us have been described as "party fund raisers." What a crime for you, honourable senators, to have been guilty in years gone by, when you were younger than you are now, to have been fund raisers. Some have stated openly in the other place that this institution, the Senate, should be abolished at once and for all time.

Honourable senators, I do not know what your feelings may be on this matter, but I, at any rate, resent the description of "fund raiser," "party hack" or "bagman." I do not know what the latter is, but I do not like it, and I do not want to meet that mustachioed trout who stated these things. I do not want to meet him. By the way, there is another definition of a hack, which I intended to give you. In one case, it is "a horse worn out in service." But Webster gives "hack" also as "a writer whose writings are mostly of commercial success rather than of literary quality." If you find anybody in the other place who conforms to that description, you will know to whom I am referring.

Honourable senators, getting back to our so-called "reform," you will find in the present Speech from the Throne the following:

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

These words occur in the Speech from the Throne with which we are now dealing, but I would point out that the same words appeared in the Speech from the Throne in 1964. In dealing with this subject we can even go back as far as 1893 when the Liberals at their convention—and you will excuse me for saying this because I am not talking in any political sense—made the following commitment to the people of Canada:

> The present constitution of the Senate is inconsistent with federal principles in our system of government and is in other respects defective as it makes the Senate independent of the people and uncontrolled by the public opinion of the country and should be so amended as to bring it into harmony with the principles of popular government.

You will find, therefore, honourable senators, that your "reform" has been advocated as far back as 70-odd years ago. Some of you may not have been around then, but I was. I am one of these old "bagmen" or "party hacks." Even at that time the Liberals wanted to reform the Senate. I do not blame them; we need reform. Every institution needs a little reform from year to year. But I would say this: If reform is needed anywhere, it is needed in the other place. Great reforms are needed there, and I wish the present Government would do something about it.

There are many other instances in the present Speech from the Throne which are but repetitions of programs which were supposed to be initiated two years ago, and it is to bring these items to your attention that I have quoted so freely from the last three Speeches from the Throne.

I could comment on the Government's plan for a Canada Development Corporation, but I would prefer to leave this very serious proposal to be dealt with by men who are far more familiar with financial matters than I am. To the mind of a layman, however, I fear the proposal is fraught with all sorts of dangers and will make great changes in our way of life. I doubt if these changes will be for the betterment of our people in Canada. To me it seems to be a first step towards the nationalization of all industry, and if I were a businessman in this country today, I would fight to my financial death to prevent anything which leans towards nationalization.

I hesitate to detain you longer, honourable senators, but I want to say a word about the devaluation of the dollar, that terrible crime committed by the former federal Government. We all well remember how that Government was criticized. Did I say criticized? I should say crucified, for the very audacity of devaluing the dollar. We all heard the expression "the Diefendollar." It was a dreadful thing to do. All across Canada people were going to be ruined; small businesses were going to be finished; big businesses were going to be crippled. We all know what happened. In this connection I want to quote from page 6 of the Budget papers presented by the Honourable Walter L. Gordon, Min-

ister of Finance, in connection with the Budget for 1965-66.

> Exports, of course, played a very important part in the general advance of 1964.

We all admit there was an advance.

> Apart from the special wheat sales—

And I hope you will excuse me for injecting another remark here, but in that regard you will remember the criticism levelled at the former Government because of the sales of wheat to communist countries. Those criticisms were made by people in the present Government. They did not like it at that time, but now they have doubled those sales.

> Apart from the special wheat sales, there was steady growth in most of the major traditional exports, the products of our mines and forests. This was a reflection of continued strength in the foreign markets for our products. At the same time, there was a striking advance in some of the newer exports, especially manufactured goods. Exporters have been helped in this field not only by the lower value of the Canadian dollar in international markets since 1962, followed by relative cost and price stability, but also by increased use of export financing facilities.

I quote that to show that the devaluation of the dollar was not such a dastardly thing after all. It was something that had to be done, and it was done. But, as I have said, certain people were more or less crucified because they had the courage to do it.

Honourable senators, I come now to another matter which worries me somewhat. Newfoundland has—and it is part of Canada—in Labrador the celebrated Hamilton Falls, now renamed Churchill Falls. If these falls were properly developed and utilized they could supply sufficient power to meet the requirements of practically all of Canada. Now, much has been said in the past, honourable senators, about unity in Canada; and in my view, this is one area where there should be unity rather than disunity. There we have a power potential capable of supplying all eastern Canada and some of the United States as well, according to what I am told, but its development is being blocked.

Honourable senators, I would appeal to all Canadians in every province for that unity which is necessary for Canada to develop this undertaking. Let us be Canadians all, not English-speaking, not French-speaking, not Dutch-speaking, and so on,—let us be simply Canadians. If we achieve this, then there will be no problems whatever about the development of the Churchill Falls. Let us be Canadians as distinct from being merely Newfoundlanders or Quebecers or New Brunswickers and so on. If we are to become a great nation, and it is the prayer of all of us that we shall, then we must unite and be Canadians. We must not and cannot be provincially bound, but must work together to achieve this goal of unity. What does it matter what language a man speaks? We have here in Canada people from every country in the world, Chinese, Japanese, Irish, Dutch, English, French, and Russians. Why cannot we all be Canadians? Why cannot we also rise above our merely provincial identities?

Let me return for a moment to the reform of the Senate. If they want to reform us, so much the better; I hope it will be an improvement. But as I look around me, honourable senators, I see men who were here many years before I came here and who are many years older than I am, and I see them and know them as the ablest men it has ever been my privilege to meet. I think it would be disastrous to throw these men out or to ask them to retire. They are the brains of the Senate. I would to God that when I become as old as they are—though I am old now—I hope I shall have retained my mentality and ability to even a proportion of the extent to which they have retained theirs. They are the men upon whom the structure of this Senate depends; they have brains and they know how to use them. Why in the name of Heaven should we have to get rid of them? Why should it be necessary to get rid of any of us? I hope the proposal for reform will be a sensible one and that you and I will be able to vote for it when it comes before us.

Hon. F. W. Gershaw: Honourable senators, may I first congratulate the mover and seconder of the Address for their eloquence and for the subject matter of their speeches. I would also like to pay tribute to the other honourable senators who have already spoken in this debate. The speeches have been of a very high standard up to the present, and I hope that I shall be able to contribute something of value on one particular subject.

In the speeches that have already been made I have detected some partisanship. I shall not attempt to reply to any of the charges that have been made, but I hope it is not out of order for me to say that I and I think the great majority of the men and

women of this country are convinced that for Canada the Pearson Government is the best in sight.

Some Hon. Senators: Hear, hear.

Hon. Mr. Gershaw: Canada is described as a country with an eventful past, a prosperous present and a promising future; but with that there are certain very important problems to be met. One is the welfare problem, and I wish to speak particularly on one phase of that problem this afternoon.

May I say, first of all, that the welfare schemes in operation in Canada have proved a great blessing to many Canadians. To a great extent they have removed the fear of poverty, and they have brought happiness to many Canadian homes.

Hon. Mr. Roebuck: Hear, hear.

Hon. Mr. Gershaw: I do feel that medicare is a welfare problem, and I wish to place on record some of the resolutions that the Canadian Medical Association has passed regarding this important subject.

Senior officers of the Association have studied medicare, and it was mentioned in the address just recently delivered. They have studied the problem in Canada and in many other countries, and they have come to certain conclusions. Their organization is personally involved, and before any definite steps are taken these senior officers should be consulted and their findings should receive close attention.

Long ago, about 1933, the Medical Association accepted the principle of prepaid medical care, and at its annual meeting in 1960 the General Council expressed the following view:

> The highest standard of medical services should be available to every resident in Canada regardless of age, state of health or financial status.
>
> While there are certain aspects of medical services in which tax-supported programs are necessary, a tax-supported comprehensive program compulsory for all is neither necessary nor desirable.

In 1962 the following statement was issued as the belief of the medical profession in Canada:

> Canadian doctors advocate plans of medical service insurance which provide for those who cannot pay, and leave those able to insure themselves the right to do so voluntarily.

Then, in March of this year the *Medical Journal* has the following to say:

> A common feature of the reports of our three Special Committees is the acceptance of our belief: "Certain individuals require assistance to pay medical insurance costs." In each of these reports reference is made to the needs of the indigent, the marginal economic class and the self-supporting majority. We have stated our conviction that it is possible and feasible to identify persons on the basis of their economic situation and consequent ability to pay and we have asserted that it is the responsibility of our governments to assist those in need to the extent of their need. It follows that we do not consider it necessary for governments to introduce a compulsory tax-supported system of medical services insurance and we have declared this to be "neither necessary nor desirable."

That resolution was adopted.

In any tax-supported or compulsory comprehensive scheme the funds would come from a single source and, consequently, there would be a great temptation for those responsible for raising the money to restrict the benefits or make other changes, which would be most undesirable.

In Alberta the system works differently. They have a great number of carriers who will sell medical coverage: they have the doctors' own organization, Medical Services Incorporated; they have a number of health organizations; and they have a great number of insurance organizations—all selling medical insurance coverage. So, the element of competition enters into it. The Government fixes a maximum premium. The premium for one person must not be more than $36 a year, for two persons, a man and wife, not more than $84 a year, and for a family never more than $144 a year.

There are 1,400,000 people in Alberta, of which 1,100,000 have some form of prepaid medical insurance. Also, the province helps out. For instance, it pays half the premium of a person whose income is so low it is not taxable under the Income Tax Act. The Government will pay $18 a year for a single person, $42 a year for a man and wife, and $72 a year for a family. Then, if a resident has a taxable income of not more than $500 a year the Government will pay about one-quarter of the premium; that is, $9 for a single person, $21 for a married couple, and $36 for a family. There are in Alberta 300,000

people who are not insured, and the province is trying to induce them to become insured. They are mostly young people who simply do not pay much attention to it or do not feel the need for this protection.

According to the Canadian Tax Foundation, about $466 million is paid annually by people for medical services, and the Royal Commission on Health Services proposes to transfer that amount from the private to the public sector. That is, instead of it being paid by the person who receives the services, it will be paid by the taxpayers of the country in general. Based on 1963 prices, the personal income tax revenue of that year and the cost of medical care, the taxpayer would have to pay 50 per cent more in income tax to meet that obligation.

The Hall Commission feels that the Government and the people of Canada can afford it, provided that actual incomes increase greatly, that the Government revenues increase rapidly, and that revenues increase more rapidly than expenditures. The uncertain part of that is that most governments spend all they can get by way of revenue, and this service would be a tax burden.

There are certain conditions the Medical Association would like to see included in any agreement. First, they would like to see no interference with private practice. They would like the doctors to be permitted to practice outside of any organization. They would like the patient to be able to make an arrangement with a doctor without losing his benefits.

Then there is the whole question of who pays the first dollar or so; that is, the co-insurance or the deductible features. This is a prominent part of the agreement in Australia, but it is hard to put into operation. Indigents and people who are short of money simply cannot provide the first amounts. It would be very confusing, and this is a point upon which the doctors would like some negotiation and a certain amount of understanding.

The doctors all agree that the Royal Commission on Health has made an exhaustive and valuable report. The fact that the doctors disagree with one part—that is, as to the best method of getting the best medical services available for everybody—does not in any way detract from their appreciation of the great value of the findings of the commission. They agree with the commission in almost every other recommendation it made, but they feel that some things are more important than others.

I wonder if any honourable senator has had occasion to make an appointment with a doctor or a dentist lately. If he or she has, they probably obtained an appointment for a day next week or the week after. More doctors are required at the present time, and in the country three or four more medical colleges are needed to graduate the necessary number of doctors. There are bright, well-qualified young men today who cannot obtain entrance to a medical college.

I should like to mention also the whole question of research. Today we have heart disease, cancer and strokes as the captains of the men of death, and a united onslaught against these diseases towards finding better means of treating them or curing them would be a great blessing. Much has been accomplished in the recent past with respect to blood diseases, infectious diseases, childhood diseases and so on, and these other great scourges could be brought under control by united action.

For instance, many experimenters are convinced that the eating of unsaturated animal fats tends to bring on disease of the blood vessels, but others say that that is not according to their findings. The whole problem lies in the shadowy land of doubt and conjecture, and more research is needed to ascertain whether the eating of fats and cholesterol products does cause arterial disease. No one feels sure enough about it today to make a definite statement, or to advise all people to avoid these foods.

There is a serious shortage of hospital beds. In this city it may take three or four months for a hospital bed to become available to a person whose condition is such that it is not imperative that he enters hospital immediately.

There are many elderly people in this country, and some of them are in a sad state. More shelters are needed for them. An old person should no longer be required to sit beside the kitchen stove. He should be in a shelter where he can stay in dignity and comfort, and where loneliness and boredom will not shorten his days.

There are many things that are urgent, and these problems should be looked at in the order of their priority. It is my hope that all Canadian people will be able to live in happiness and contentment as a result of this welfare measure.

On motion of Hon. Mr. Macdonald (Cape Breton), for Hon. Mr. Grosart, debate adjourned.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, May 6, 1965

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

Prayers.

DOCUMENTS TABLED

Hon. John J. Connolly tabled:

Report to Parliament of the Auditor on the Accounts of the Canadian National Railway System for the year ended December 31, 1964, pursuant to section 40 of the Canadian National Railways Act, chapter 29, Statutes of Canada, 1955. (English and French texts).

Copies of correspondence between the Prime Minister of Canada and the Premiers of the Provinces, during the period of November 30, 1964 to April 9, 1965, concerning the agenda and procedures for the Federal-Provincial Conference proposed for May 31, 1965. (English and French texts).

EDUCATION

QUESTION OF JURISDICTION TO SIGN TREATIES—NOTICE OF INQUIRY

Hon. Jean-François Pouliot: Honourable senators, I wish to give oral notice of an inquiry which I intend to make on Tuesday next. It is as follows:

Whereas, in virtue of the B.N.A. Act, the provinces have exclusive jurisdiction concerning education, does the Government of Canada have exclusive jurisdiction for signing treaties with foreign countries concerning education, and, if so, in virtue of what authority?

COMMONWEALTH RELATIONS

MOTION TO EMPOWER COMMITTEE TO MAKE INQUIRY—DEBATE ADJOURNED

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; and

That the Committee be instructed to report to the House from time to time.

He said: Honourable senators, for some time views have been expressed in this house to the effect that the Standing Committee on External Relations might serve a beneficial purpose by taking under advisement some phase of Canada's external relationships. There exist now many of these relationships in regard to the United Nations organization and its many agencies, as well as innumerable others in most parts of the world.

There are three main reasons for selecting the topic contained in the motion now before us. Firstly, by virtue of the size, wealth, geography and growing strength of Canada as a nation, it is one of the senior partners of this grouping of nations referred to as the Commonwealth. Secondly, I am assured that there are in many circles in Canada, including the universities, a growing interest in the question of just what our ever-changing Commonwealth relationships consist of, and how they can be translated into greater usefulness in a disorderly world. Thirdly, we in this age are prone to forget that the form and structure of the Commonwealth which emerged after the First World War, and resulted from the enactment of the Statute of Westminster in 1931, resulted from ideas developed in Canada and which were so ably put forward at various Imperial Conferences by three Canadian Prime Ministers, namely, Borden, Meighen and King.

In this regard may I remind the house that although the Statute of Westminster applied only to Canada, Australia, New Zealand, South Africa, the Irish Free State and Newfoundland, nevertheless after the Second World War, in 1947 and 1948, India, Pakistan and Ceylon, by distinct Acts similar in principle to the Statute of Westminster, became members of the Commonwealth as it was then constituted. The point I am making here is that the terms under which these three countries joined the Commonwealth in 1947 and 1948 were identical in principle with those of the Statute of Westminster.

One thing seems clear, however, that Canada plays a most important role in the sphere of Commonwealth relationships, and it may be of considerable value for Canadians to put on display in the manner proposed in this

motion Canada's actual position within the Commonwealth.

It will be observed that the resolution is broad and general in scope. Hence, it is perhaps easy to believe that the proposed inquiry could become merely an exercise in futility, and without tangible results. On the other hand, the Commonwealth is very much a fact of Canadian life. Canada spends large sums of money on projects that are of the Commonwealth. Furthermore, only in July of last year at a meeting of Commonwealth Prime Ministers an important new step was determined upon, namely, the formation of a Commonwealth Secretariat. This is a step that has been consistently opposed by Canadian statesmen for two or three generations, but which now appears to be accepted without too much controversy.

Many significant developments are responsible for this departure from previous policy, and assuredly it would be of interest to our committee to consider the matter of these changed conditions.

I might remark here that we are all aware of the fact that a conference of Commonwealth Prime Ministers is to be held in June of this year, in London, at which the Canadian Prime Minister will, as usual, be an important figure.

A very few years ago Canada's then Prime Minister, seemingly with an all-party Canadian approval, took a firm stand with reference to the doctrine of apartheid in South Africa, and the question of whether the racial policies of the South African Government were consistent with continued membership by that country in the Commonwealth. Repercussions of that stand were, in important places in the Commonwealth, anything but friendly, indeed hostile.

About three years ago Canadian newspapers abounded with news of the United Kingdom's bid to join the European Economic Community, generally referred to as the Common Market. Rightly or wrongly, Canada seemed to be deeply concerned—perhaps on both sides of the question—as to the outcome of this endeavour by the senior partner in the Commonwealth. For instance, did this effort by the United Kingdom mean that this senior partner had no further interest in preserving the Commonwealth?

I merely refer to these isolated instances to indicate that Commonwealth affairs are still seemingly important to Canada. Nevertheless, as we all know, the Commonwealth today is much changed from the Commonwealth of 1948, namely, just after the admission of India, Pakistan and Ceylon as partners in it. The Commonwealth has now been expanded to include many other countries—Ghana, Nigeria, Cyprus, Sierra Leone, Tanzia, Jamaica, Trinidad and Tobago, Uganda, Kenya, the Federation of Malaysia; it includes also various colonies of Great Britain and Protectorates, as well as several Territories under trusteeship.

In regard to these additions to the Commonwealth, it is of interest to recall that the Imperial Conference of 1926, on whose deliberations the Statute of Westminster was based, defined Great Britain and the Dominions, as they were then called, as:

> —autonomous communities within the British Empire, equal in status, in no way subordinate one to another in any aspect of their domestic or foreign affairs, though united by a common allegiance to the Crown and freely associated as members of the British Commonwealth of Nations.

It would greatly stretch one's imagination that this definition can include all of the newer membership of the Commonwealth.

To complete the record of membership in the Commonwealth, I just wish to recall the fact that South Africa withdrew from the Commonwealth in 1961 on the issue of racial discrimination.

These matters I have referred to are, it is true, of a general character, and some honourable senators have suggested to me that the committee must not bury itself in generalities, but rather let it get down to consideration of specific problems. That is quite right; otherwise, its work might become an exercise in futility.

So what are some of the specific problems that should come before the committee? There is indeed no shortage of them. It may, and no doubt will, be proposed that the committee study the contemporary Commonwealth of Nations as an institution, as an aspect of Canada's external relations, and as a group of nations representative of all continents, in relation to which arise such important international questions as economic and technical assistance, trade between developed and developing countries, decolonization and racial tensions.

It might also study the present state and nature of the Commonwealth with reference to its institutions for consultation and collaboration, the special problems in the various areas, intra-Commonwealth disagreements, commercial and financial relations, security

questions, relations between developed and developing, aligned and neutralist nations, and in particular Canada's interests, commitments and policies in the Commonwealth and including perhaps the French-speaking countries of Asia, Africa and the Caribbean which were former colonies of France.

Here is a thought to which little, but some, deliberation has been given—and why should we not give some thought to such a development? We in Canada are in fact a biracial and bicultural people, and as such we may in time want to fulfil our bicultural mission to the extent of showing concern and of lending assistance to those developing countries of Africa, Asia and the Caribbean where the French language is spoken. This is not a new thought; it has already been developed to the extent that our program of aid to underdeveloped countries has been extended to the French-speaking new nations that I have just referred to. They are now receiving aid from Canada in a manner similar to that extended to countries of the Commonwealth.

For those who may perhaps feel that this resolution may have less meaning to people in French Canada than in other parts, let me quote the words of the Premier of Quebec on a certain day last October. Mr. Lesage said:

> ...the Commonwealth remains, for the whole world, an inspiring example of how nations can get along together despite differences in outlook and of how they can pursue common objectives, albeit by differing ways and means. And ... the Commonwealth, in the relations that exist between its various members, affords to Canadians a striking illustration of collaboration based, not upon uniformity, but of a community of purpose born of mutual respect and understanding.

I would now like to say a few words about the Commonwealth Parliamentary Association. One of the numerous governmental organizations of the Commonwealth is the Commonwealth Parliamentary Association. This association came into being in the years 1948 and 1949, and was a successor to the former Empire Parliamentary Association which had been formed as long ago as 1911. It should be of great interest to us in this house to recall that in 1949 the General Council of the association met in Ottawa and that its President at that time was none other than our colleague, Senator Roebuck, and that later, in 1950, Senator Roebuck presided at a general conference which was held in New Zealand in that year and at which the new constitution of this body was adopted.

The last conference of the C.P.A. was held in Kingston, Jamaica, in November 1964; and among other delegates to this conference from Canada were two members of this house, Senator Roebuck and Senator Grosart. I have read the speeches made by these colleagues which are contained in the report of the proceedings of the conference, and I want to say that their remarks are of a high order and that these gentlemen deserve the commendation of this house for the capable manner in which they represented this body at the conference.

It is of interest also to observe that there were represented at this conference no less than 66 parliaments of the Commonwealth, coming from 38 states and representing approximately 750 million people.

Another point of interest to us is that the 1966 meeting of the Commonwealth Parliamentary Association will be held in Canada. This pending event may have had something to do with the selection of this topic of the Commonwealth for the consideration of the Standing Committee on External Relations.

I commend this resolution to the house. Before it goes to committee, I am sure that it would be of much value if other senators saw fit to express their views upon the merit or otherwise of this project.

Hon. Arthur W. Roebuck: Honourable senators, may I, in the first instance, thank my colleague who has just spoken for the kind remarks he has made with regard to Senator Grosart and myself. May I also compliment him on giving this incisive personal thought to this great subject of the Commonwealth.

Too long has the Standing Committee on External Relations been quiescent. I am sure other honourable senators will remember, as I do, that the one activity of this committee has been the excellent speeches heard from Senator Gouin when he was its chairman. Otherwise it has been stagnant. In my view it is the most important, or one of the most important, of the standing committees of the Senate. Therefore, I compliment the honourable senator who has just spoken for his incisive thought, for the originality of his approach and for the prospect of something worth while to come from this committee.

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

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 11, 1965, at 8 o'clock in the evening.

Motion agreed to.

EXCISE TAX ACT

BILL TO AMEND—SECOND READING

Hon. John J. Connolly: I have asked the honourable Senator Cook to move second reading of this bill.

Hon. Eric Cook moved the second reading of Bill C-96, to amend an act to amend the Excise Tax Act.

He said: Honourable senators, those of you who followed the proceedings in the other place during the passage of the supplementary estimates for the fiscal year ending March 31, 1965 will remember that there were two $1 votes which were not proceeded with by the Government at that time. These votes were the subject of some critical comment, not because of the purpose of the votes themselves, but because it was considered that what was to be accomplished should be done by way of separate legislation, and not by way of a vote in the supplementary estimates.

The Government accepted this view and in due course Bill C-96, which deals with one of these votes, namely Vote 3d, was passed in the other place without debate and without division.

Bill C-96 when enacted makes a quite simple amendment to the Excise Tax Act.

You will recall that the Excise Tax Act was amended in 1963 to provide that the sales tax exemption for production machinery and for certain building materials be withdrawn or discontinued. The 1963 amendment also provided that in the case of contracts entered into before June 13, 1963, a person who was obliged to pay the sales tax on materials called for by the contract, but who could not increase the price specified in the contract, would be entitled to relief. The period during which relief could be claimed ended on December 31, 1964.

It has now been brought to the attention of the Government that a few contracts were not completed by December 31, 1964, and it has been decided that to be fair a refund should be permitted in the case of these contracts on the same basis as for those completed before the December 31, 1964 deadline.

The legislation being amended is in two parts. One speaks of a "refund of tax" and the other part refers to a "payment of an amount equal to tax." This is necessary because contractors in a strict sense are not usually the taxpayers under the Excise Tax Act. They have to construct buildings or other structures under a contract, and to do so they have to buy building materials which became subject to sales tax on June 14, 1963. The taxpayer in the case of these building materials manufactured in Canada is the manufacturer of the materials. The contractor merely pays a higher price because the sales tax payable by the manufacturer has been added to the selling price of the goods he sells. However, the person caught between a firm price contract and additional tax-imposed costs is the contractor and he is the person to whom the law authorizes a payment of an amount equal to tax.

On the other hand, the manufacturer or importer of a machine, which under a contract he has to provide at a stipulated price, is a taxpayer under the Excise Act. The law authorizes that a refund of tax may be made to such persons caught between a requirement under a contract and the requirement to pay tax.

In all cases the firm price contract must have been entered into before June 13, 1963, and this is not being changed. The requirement that the goods must be sold and delivered before December 31, 1964 is now to be withdrawn.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

The Hon. the Speaker: When shall this bill be read the third time?

Hon. Mr. Cook: Next sitting.

Hon. Mr. Roebuck: Honourable senators, is this bill not going to a committee? I think it ought to. It is not at all simple to me. I would like to see it referred to the Standing Committee on Banking and Commerce.

Hon. Mr. Connolly (Ottawa West): If the honourable senator feels it should be referred to committee, there is no objection whatever. I am sure Senator Cook will not object. This bill, as my honourable friend has said, deals with matters which were included in the supplementary estimates and which were subsequently withdrawn. If they had remained in the supplementary estimates they would not have gone to a committee. However, as I have said, if Senator Roebuck wishes the bill to go to committee, there is certainly no objection.

Hon. Mr. Roebuck: I think that should be done.

On motion of Hon. Mr. Cook, bill referred to the Standing Committee on Banking and Commerce.

Motion agreed to.

PUBLIC SERVICE SUPERANNUATION

BILL TO AMEND CERTAIN ACTS—SECOND READING

Hon. John J. Connolly: I have asked the honourable Senator Cook to move second reading of this bill.

Hon. Eric Cook moved the second reading of Bill C-97, to amend certain acts respecting the superannuation of persons employed in the Public Service, members of the Canadian Forces and members of the Royal Canadian Mounted Police.

He said: Honourable senators, Bill C-97 deals with the second item in the supplementary estimates to which I made reference a few moments ago in speaking on Bill C-96. The second $1 vote was Vote 18d under the heading of Government administration. In this case also there was no objection to the purpose of the vote, and accordingly Bill C-97 was also passed in the other place without debate and without division.

Bill C-97 amends three acts, all of which deal with the superannuation accounts of (i) the Public Service, (ii) the Canadian Forces, and (iii) the Royal Canadian Mounted Police.

As I understand the provisions of the bill, no new pension rights are conferred, but the bill is required to give effect to the Government's policy to amortize new deficiencies in the various superannuation accounts by crediting the amount of the deficiency as a deferred charge and amortizing it over a five-year period commencing with the year in which the amount of the deficiency becomes known.

Section 4 is, I understand, for the purpose of correcting some injustices which may have arisen in a few cases where civil servants received erroneous advice regarding the contributions which they were obliged to make, and the Governor in Council is now empowered to make regulations to adjust any such injustice.

Section 5 is to give effect to a decision by the Treasury Board that the staff of the Canadian Council of Resource Ministers should be brought under the Public Service Superannuation Act, provided that the Council pays the employer's share of the current contributions required under that Act.

The Council has subsequently requested that parallel action be taken to make the Government Employees Compensation Act and the Flying Accidents Compensation Order apply to members of its staff. Paragraphs (b) and (c) of section 5 are for that purpose.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

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

Hon. Mr. Cook: Honourable senators, unless any honourable senator wishes to refer the bill to committee, I would move that it be placed on the Orders of the Day for third reading at the next sitting.

Hon. Mr. Roebuck: This bill is somewhat similar to the one we have just considered; it too arises from the supplementary estimates. We have no cause to hurry at the present moment—we are not about to adjourn or anything of that kind—and I can see no reason why the bill should not be referred to a committee. I would like to hear a further explanation of it by the officials in charge. Offhand, it seems to me it is a most necessary bill and that what seem to be injustices in connection with the Superannuation Act should be corrected, but I see no reason for not referring it to committee.

On motion of Hon. Mr. Cook, bill referred to the Standing Committee on Banking and Commerce.

PRIVATE BILLS

THE ALGOMA CENTRAL AND HUDSON BAY RAILWAY COMPANY—SECOND READING

Hon. T. D'Arcy Leonard moved the second reading of Bill S-4, respecting The Algoma Central and Hudson Bay Railway Company.

He said: Honourable senators, The Algoma Central Railway has had two bills before us in recent years. In 1958 Parliament ratified a scheme of arrangement reorganizing the capital structure of the company, consequent upon many years of rather troubled and difficult financial conditions. That reorganization proved successful, and in 1960 Parliament passed a further act completing the changeover from control by the bondholders of the company, which control had been in effect for something like 40 years, making effective the control by the shareholders of

the company, so that from that time on the company operated in the usual way, under shareholders and directors selected by the shareholders. The company has continued to progress and expand, and this bill now before us is, in part, evidence of that expansion.

The Algoma Central Railway is a railway running north from Sault Ste. Marie, crossing the main line of the Canadian Pacific Railway at Franz, and continuing on and joining the main line of the Canadian National Railways at Hearst. It also has a branch line running from the Helen Mine to Michipicoten Harbour on Lake Superior, and it has some seven cargo vessels on the Great Lakes.

Dealing with the bill itself, clause 1 changes the name of the company. The words "Hudson Bay" are dropped. These now have no significance for the company and indeed constitute a misnomer, as the railway does not go to Hudson Bay.

The word "Company" has also been dropped from the title, because the railway is popularly and commonly known as The Algoma Central Railway, and its trade name design in initial form is A.C.R. The wording of subsection 2 of clause 1 makes it perfectly clear that the change in name does not affect the rights or liabilities of the company.

Clause 2 is a result of the reorganization that took place in 1958. The company was authorized to issue, among other securities, 250,000 preferred shares. Actually, only 80,000 were issued, and since that time these shares have either been paid off or have been converted into common shares. As there is no provision in its legislation similar to the provisions in the Companies Act dealing with companies incorporated under the Companies Act, it is necessary to have this clause 2 reducing the preferred shares and the capital stock of the company by the 80,000 preferred shares that have been paid off or converted.

Clause 3 deals with that part of the preferred stock which was redeemed in cash. The amount in dollars so redeemed was $508,800. That redemption took place out of the ascertained profits of the company, but without any special provision the result was to create a capital surplus, and clause 3 now returns that capital surplus of $508,800 to earned surplus, where it was, as the result of the ascertained profits.

Clause 4, as explained in the explanatory note, is to provide that in the case of future redemptions this same reduction of capital would take place without it being necessary for the company to come back to Parliament for a special act to cover a similar situation.

Clause 5 removes a limitation on the total obligations of the company. This was a limitation of some $11 million which the company voluntarily put upon itself at the time of the reorganization in 1958. In view of the progress that has been made since then, it is felt that this limitation upon its borrowing powers is no longer appropriate.

Clause 6 is ancillary to clause 5, and gives to the directors similar powers as to future borrowings as the company had with respect to its limited borrowing power under the act of 1958. This additional authority may now be implemented by the directors. I may say that all provisions of this bill have been ratified by a special meeting of the shareholders. Consequently, clause 7 provides that no further approval by the holders of shares of the company shall be required with respect to the issuance of bonds authorized by the act.

There are two corrections I should make to the explanatory note to clause 7. There is a reference there to a special meeting of the shareholders on December 4, 1964. That is a clerical error, and the date should be December 5, 1964.

The explanatory note goes on to say that the application to Parliament was approved unanimously. The word "unanimously" should be struck out. There was one shareholder owning ten shares voting by proxy who was recorded as voting against the motion when there seemed to be some doubt as to just what was the effect of his proxy.

These changes in that explanatory note do not affect the bill, and do not require further reprinting of it. However, in any additional printing the corrections will be made.

Clause 8 adds to the company's powers the ancillary and incidental powers provided for in subsection (1) of section 14 of the Companies Act. These are powers of a general character that are granted to companies incorporated by Letters Patent under that act. They are numerous. There are probably 30 different provisions, and I have not studied them in detail myself to see how far all of them are or should be made applicable to this company. I suggest that while there is no objection in principle to this section, it is something upon which we ought to have some further information when the bill reaches the committee stage.

Hon. Mr. Connolly (Ottawa West): Every company incorporated by Letters Patent has such powers.

Hon. Mr. Leonard: Yes, but they may be restricted, and one reason for having a statutory company is that it does differ in certain aspects from a Letters Patent company. It is just a matter of checking to make sure.

I should mention that the bill has been before our Parliamentary Counsel and, according to my information, as far as he is concerned it is in order.

Clause 9 provides that the Railway Act shall still apply to this railway, except in so far as any of its provisions are inconsistent with the provisions of this bill.

That completes my explanation. If the bill receive second reading I propose to move that it be referred to the Standing Committee on Transport and Communications.

Hon. A. K. Hugessen: Perhaps the House would allow me to indulge in a short reminiscence. Mention of the name of The Algoma Central and Hudson Bay Railway Company brings back to my mind something that happened 34 years ago.

This railway company is extremely prosperous at the present time, but during the first 30 or 40 years of this century it went through many financial difficulties, and it was consistently reorganized every few years. In 1931 I was one of the counsel engaged in such a reorganization, and we came to Parliament at that time, as my honourable friend is coming to Parliament today, with a bill changing the company's capital structure. I was a young counsel at the time, and, so far as I can recall, the only member of the Senate still with us who was present at the meetings of the committee which considered the bill of that year is my honourable friend sitting opposite, Senator Aseltine.

Hon. Arthur W. Roebuck: Honourable senators, you have been very kind to my friend in allowing him to reminisce, and perhaps the same indulgence may be extended to me.

I am pleased at the progress made by the railroad as indicated in the clear and lucid explanation given by my friend Senator Leonard, the sponsor of the bill. My memory goes back quite a number of years to a time when I was the nominee of the men on a conciliation board which brought about an agreement between them and the management. What was to my mind remarkable about it, and which has always stuck in my memory, was the fact that after I got back to Toronto both the men and the company wrote thanking me for the part I had played. That is the only time I can remember when both the employer and the employees felt grateful for my efforts.

That agreement ran out in due season. I cannot remember the date, but it ran for a number of years. A second meeting was held of a conciliation board of which I had the honour to be a member, once more as the nominee of the men. The result has been, of course, that I have had a most kindly remembrance of and feeling towards both the company and its employees. I rise now only to express my pleasure at the progress that appears to have been made over the years in the management and conduct of this railway company, and to say to my fellow senators—and with this I am sure they will all agree—that if there is anything we can do to bring about greater progress and more success to this railway company then we are most happy to do it.

Hon. Mr. Grosart: Honourable senators, I have no such competence as Senators Hugessen and Roebuck to reminisce. I rise merely to ask Senator Leonard if there is anything he wishes to say as to the necessity or wisdom for the retroactive provision in clause 8? The clause provides:

> It is hereby declared and enacted that the company has and always has had... certain powers.

Hon. Mr. Leonard: Honourable senators, that is a good question. In the time I had in which to deal with this matter I asked the company's counsel what it had in mind in connection with clause 8. The answer I was given was that it was thought wise for the company to have these general powers. I do not think I can give any better answer than that. I suggest that this section might be given further scrutiny when it is dealt with in committee. That question could and, in fact, should be asked at that time.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Leonard, bill referred to the Standing Committee on Transport and Communications.

MUTTART MORTGAGE CORPORATION—SECOND READING

Hon. Daniel A. Lang moved the second reading of Bill S-6, respecting Muttart Mortgage Corporation.

He said: Honourable senators, this is a very simple bill and is in the usual form providing for a change of corporate name, and a French equivalent of the new name.

Muttart Mortgage Corporation is a company incorporated under the Loan Companies Act. Honourable senators will recall that during the last session that act was amended to give the Secretary of State power to approve of French equivalents of corporate names, thus removing that procedure from the legislative process. However, this bill not only provides for a French equivalent of the company's name but also changes the name of the company, which does require legislation.

This company was originally incorporated under the Letters Patent Act of Canada in 1958. Its purpose was to purchase mortgage loans on dwellings built by construction firms under the control of Mr. Merrill D. Muttart, a successful builder in Western Canada.

For some time now the company has been operating in a wider field than it originally anticipated. Although there are still only four shareholders in the company, apart from the directors' qualifying shares outstanding, the widening scope of the company's activities makes the personal connotation of the founder's name less appropriate in the company's operations.

I am advised by the Superintendent of Insurance that the new name provided for in this bill, namely, Cambrian Mortgage Corporation, is not objectionable and is acceptable for use by the company.

Honourable senators, clause 1 of the bill is the actual operative clause, providing for changing the name of the company to Cambrian Mortgage Corporation, and for adding a French version to the name. Clause 2 is the usual clause which safeguards the existing rights and liabilities of the company and ensures that these are not affected by the change of name.

If this bill receives second reading, I shall move that it be referred to the Standing Committee on Banking and Commerce.

Hon. Mr. Roebuck: May I ask the honourable senator what is the significance of the word "Cambrian"? Does it refer to Wales or to the Cambrian Shield, that great rock shield across the northern part of Ontario into Manitoba? Has the name any significance?

Hon. Mr. Lang: I think all honourable senators are aware of the difficulty experienced these days by companies in choosing a name which does not become confused with any other name in use. I am advised that originally this company submitted a list of about 11 names for search by the Secretary of State, none of which were acceptable because of possible confusion with names of other companies. Further names were submitted, and from them this appeared to be the only one which was not objected to by the office of the Secretary of State. For that reason I think it is most likely that the name has no particular significance.

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.

GREAT NORTHERN RAILWAY COMPANY AND GREAT NORTHERN PACIFIC & BURLINGTON LINES, INC.—SECOND READING

Hon. Thomas Reid moved the second reading of Bill S-5, respecting Great Northern Railway Company and Great Northern Pacific & Burlington Lines, Inc.

He said: Honourable senators, the legislation now before us is a private bill being sought by Great Northern Railway Company and Great Northern Pacific & Burlington Railway Lines. The merger began in the United States some years ago and has made slow progress before the Interstate Commerce Commission. Commissioner Rupert L. Murphy released his proposed report at the end of August last year and interested parties have since then been filing objections, replies, etc. I understand that the matter will be formally argued before the I.C.C. late this spring.

I am sure that many senators are aware of the conditions surrounding the steps being taken by major railway companies in the United States to merge and thereby obtain operating economies.

As you may know, Great Northern is the only one of the parties presently operating in Canada. It proposes to merge with Northern Pacific Railway Company, which is a company of comparable size. Both railways operate throughout the Middle Western and North Western states. Both Great Northern and Northern Pacific have about six million shares outstanding, which are widely owned in the United States. I do not expect that any substantial number of these shares are held by Canadians. Pacific Coast R.R. Company is a small operation and is a wholly-owned subsidiary of Great Northern.

Following the merger of Great Northern, Northern Pacific and Pacific Coast into Great Northern Pacific & Burlington Lines, Inc., the latter company will, in another transaction, merge with Chicago, Burlington and Quincy Railroad Company and lease the lines of the Spokane Portland & Seattle Railway Company. The entire operation will then cover in excess of 24,000 miles of railway lines in the United States. The second merger will not affect any properties in Canada and will be accomplished by, in effect, the taking over by Great Northern Pacific & Burlington Lines, Inc. of the assets of Chicago, Burlington & Quincy Railroad Company. The reason for this complicated form of transaction stems, I am told, from the provisions of the bond mortgages of the various companies presently outstanding and the desire to maintain certain priorities of the charges thereunder.

The operations of Great Northern in Canada are very limited, covering some 130 miles only. Its railway lines run from Blaine, Washington, to Vancouver, B.C., from the United States border up to Keremeos and from the United States border up to Nelson. In addition, a part of the line owned by Great Northern running between Kettle Falls and Republic, Washington, crosses into Canada near Grand Forks and runs a very short distance in Canada.

Great Northern and Northern Pacific each own one-half of the outstanding shares of Midland Railway Company, which is incorporated under the laws of the Province of Manitoba. The latter company owns railway lines within the limits of the City of Winnipeg and has acquired from the Canadian National Railways running rights from Winnipeg to the United States border near Emerson, Manitoba. Pool trains of both Great Northern and Northern Pacific are operated by Midland Railway Company from the United States border up to Winnipeg.

The proposed transactions do not entail any real change of control of railway lines in Canada or removal of control of any lines from Canada to the United States. Great Northern presently owns the lines in British Columbia, and the ownership will be transferred to the new company. Similarly, the shares of Midland are owned by Great Northern and Northern Pacific and will, following the merger, be owned by the new company. The shareholders of the existing companies will receive shares in the new company.

The Province of British Columbia was represented at hearings before the Interstate Commerce Commission and was concerned that there be no limiting, by reason of the merger, of the rail service from southern British Columbia down into the United States. The only conflict appears to be that Great Northern operated from the United States border at Blaine directly into Vancouver, whereas Northern Pacific operated to the United States border at Sumas and interchanged traffic at that point with Canadian National Railways. The proposed conditions contained in the draft report of the I.C.C. for the benefit of competitive rail carriers appear to adequately protect the interests of the province. Specifically there is provision to the effect that competing United States rail carriers shall be entitled to obtain, if they so wish, trackage rights to operate freight trains over the lines of the merged company so as to have access to southern British Columbia.

The proposed legislation is, as you will realize, enabling legislation only, and upon the passing of the act it will be necessary for the parties to proceed before the Board of Transport Commissioners and obtain its recommendation to the Governor in Council for the sanction of the merger agreement.

Full information will be given when the bill is considered in committee.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Reid, bill referred to the Standing Committee on Transport and Communications.

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

THE SENATE

Tuesday, May 11, 1965

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

Prayers.

DOCUMENT TABLED

Hon. John J. Connolly tabled:

Report of the Department of Transport for the fiscal year ended March 31, 1964, pursuant to section 34 of the Department of Transport Act, chapter 79, R.S.C., 1952. (English and French texts).

CENTRAL MORTGAGE AND HOUSING CORPORATION ACT

BILL TO AMEND—FIRST READING

Hon. John J. Connolly presented Bill S-8, to amend the Central Mortgage and Housing Corporation Act.

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.

EDUCATION

QUESTION OF JURISDICTION TO SIGN TREATIES

On the Orders of the Day:

Hon. Jean-François Pouliot: Honourable senators, before the Senate proceeds with the Orders of the Day I should like to say that I gave notice on Thursday last of the following inquiry:

> Whereas, in virtue of the B.N.A. Act, the provinces have exclusive jurisdiction concerning education, does the Government of Canada have exclusive jurisdiction for signing treaties with foreign countries concerning education, and, if so, in virtue of what authority?

My answer would be that in spite of the fact that big books have been published on international relations, the Government of Canada has no authority to sign treaties with foreign countries with respect to education, for the simple reason that, in virtue of the B.N.A. Act, education is an exclusive jurisdiction of the provinces. Until better informed, I shall not press my question, although I am very anxious to know in virtue of what authority the Government of Canada could invade the exclusive provincial jurisdiction of education, and have the exclusive right of signing treaties with other nations concerning education. This is beyond me.

Hon. Mr. Connolly (Ottawa West): I assure the honourable senator that at the earliest opportunity I will get the answer to the question he has asked. It may require a few days to do so. I must observe, however, that he has answered it himself, perhaps to his own satisfaction, but I will provide some material just as soon as I can do so.

Hon. Mr. Cameron: Honourable senators, is it not a fact that none of the provinces, because they are not sovereign states, have the right to sign treaties of any kind? I am not a legal expert, but that would be my understanding. Certainly I would be very sorry to see the day come when any province for any reason was acting as a sovereign state. True, it does not interfere in any way with a province's right in the field of education.

The Hon. the Speaker: May I interrupt the honourable senator? If he wants to ask a question, I will allow it, but I cannot allow debate on a question.

Hon. Mr. Pouliot: I shall not insist, but I could have found some very nice things to say in reply to the honourable gentleman.

COMMONWEALTH RELATIONS

MOTION TO EMPOWER COMMITTEE TO MAKE INQUIRY—DEBATE CONTINUED

The Senate resumed from Thursday, May 6, the adjourned debate on the motion of Hon. Mr. Thorvaldson:

> 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; and
>
> That the Committee be instructed to report to the House from time to time.

Hon. Arthur W. Roebuck: Honourable senators, I have already paid a well-deserved

compliment to Senator Thorvaldson who introduced the motion, and I compliment him now on his initiative and enterprise in moving that the External Relations Committee be awakened from its long slumber. That is putting it in a different phraseology, but so far as we are concerned it means about the same thing. For much too long this important committee has been quiescent, with the exception, so far as I know, of the speeches made by my friend Senator Gouin. It may be that, not being a member of that committee, I am not familiar with all its activities, So far as I can recollect, however, very little has come from the committee for a long time on this most important subject.

I am inclined to think that Senator Thorvaldson has undertaken a rather heavy assignment, as chairman, if he attempts to carry through the program of inquiry and report—and, I presume, advice—which his speech foreshadows. However, I am not the only one who welcomes what he is doing. On Saturday last, May 8, the Toronto *Globe and Mail* published a short but comprehensive editorial, headed "Useful Study." It reads:

> The Senate study of Canada's position in the Commonwealth, to be undertaken by the External Relations Standing Committee, should be able to make a useful contribution to Canadian understanding of this important world institution.
>
> Though it is more often defined in terms of what it is not, than of what precisely it stands for, the Commonwealth is undeniably an influential and constructive association of new and old countries. Canada is a member by tradition and, even more importantly, as a matter of self-interest.
>
> The Senate study will no doubt begin with this assumption and go on to consider what further contributions Canada can make toward strengthening the Commonwealth relationship.

I am sure that if this committee's study and report and advice tend to do what the *Globe and Mail* expects it to do to strengthen Commonwealth relationships, it will meet with the approval of everyone in this chamber.

I was struck by a remark made by Senator Thorvaldson—I regret that he is not in the chamber tonight. He said it had been suggested, or words to that effect, that this committee must not bury itself in generalities but must get down to consideration of specific problems. That, he said, is quite right; otherwise, its work might become an exercise in futility. Honourable senators, I think everyone will agree with me in this, too, that if its work consists of platitudes it will be an exercise in futility.

What are these problems of the Commonwealth to which the senator has referred? He has not listed them—and neither can I. What are the problems which confront us that we should inquire into? Perhaps I should not say "we," because I am not a member of that committee.

First, I would like to know what is the Commonwealth, and of what countries it is composed. We were told in Jamaica, when the Commonwealth Parliamentary Association met there in November last, that there were delegates present from 66 parliaments. That was not by any means all the parliaments of the Commonwealth. Delegates from those 66 parliaments came from 38 individual states and represented 750 million people. That is a lot of people—about one-quarter of the population of the world. Therefore, the problem is great and the senator has certainly taken in enough territory.

The influence which an organization of this kind, whatever its principles, would have in world thought and in world politics must necessarily be very profound. I would like to know what is the basis of this association, what brings us together, what holds us together, and what we could do to increase the good will among ourselves and so extend the membership in the association and thus its influence in foreign affairs.

Senator Thorvaldson mentioned South Africa, which, he said, had withdrawn from the Commonwealth because of racial discrimination. Well, there is not very much to be gained by threshing that old straw. It is too bad that South Africa left the Commonwealth, but why inquire into the responsibilities in that connection? I suppose that no one here agrees with the policy of South Africa with regard to the black people who inhabit that country, but I do suggest that we could have had a considerably greater influence in bringing about better conditions in South Africa had that country remained a member of the Commonwealth than we have now that it is on its own.

As I have said, there is not much advantage in threshing old straw, but something might be gained could we settle the general principles involved, and decide what is required for membership in the British Com-

monwealth of Nations. If racial discrimination is sufficient to bar South Africa from membership, what about some of the other states? To mention just one, what about Ghana with its one-party system and the suppression of the opposition? This does not accord with our ideas of democracy or parliamentary governments. Is it not obvious, honourable senators, that it is difficult, if not impossible, to draw lines of that kind? As soon as we interfere in the internal problems of the members of the Commonwealth we are on the way to breaking up the association. I refer to internal or national problems as distinct from the international problems.

The *Globe and Mail* suggests that we study what Canada in the future can do to improve the Commonwealth relationship. In my judgment the best tool we have for this task, and the one most ready to hand, and indeed the most potent tool, is that of trade. Nothing draws people together more effectively than international trade. The association of people depending one upon the other, the fact that no deal takes place unless there is a profit to both parties, and the confidence that one must place in the other in doing business —all these things draw people together, inform them of each other and show them their mutual advantages.

Now, what do we buy from our Commonwealth neighbours? In money values, how much and what is it? On a previous occasion in this chamber I stated that were I intending to develop trade, for instance, with the new Negro states of Africa, I would not be so concerned with what we sell to them as I would be with what they have to sell to us that might contribute to our industrial efficiency and to our standard of living. If by buying from them we furnish them with Canadian exchange, we may be quite sure that they will, in turn, buy from us, because we have many things which they need and which they desire.

What then can we do to increase trade within the Commonwealth? What are the voluntary obstructions that we ourselves have constituted to block trade and interfere with the exchange of commodities? Is there something we could do to assist in removing the quotas, the tariffs and the monetary obstructions as between ourselves and other members of the Commonwealth? That is the first matter into which this committee should inquire.

Then there is the very important problem of financial aid. How much do we give? To whom do we give it? In what form do we give it? And what is its effect on the economic conditions prevailing in the recipient country? I have heard that much of the money we spend abroad in our aid program simply goes into the pockets of the landlords and that very little of it reaches the poverty-stricken masses.

The Hon. the Speaker: Order! I am very sorry to interrupt the honourable senator, but I must once again ask honourable senators to refrain from audible discussions when another honourable senator is speaking. It is disturbing for anyone to attempt to speak while others are talking. Therefore, I would ask all honourable senators to help me keep order.

Hon. Mr. Roebuck: For instance, we are building a hydro plant somewhere in India, and I am told that it has increased the land values of the district. The answer I have heard given to that statement is that it is supplying light to quite a number of municipalities. If it does supply light both physically and intellectually and so teaches the people concerned how to build hydro electric generating plants on their own, it will have been worth while; but if it simply goes, as I have said, into the pockets of the privileged classes and does not help the masses of the population, then I am no longer interested. If we are to raise taxes in order to bonus landlords, I think we ought to bonus landlords at home rather than abroad —I am not in favour of bonusing landlords. I would like to have the situation thoroughly investigated. Those who know what is happening should tell us all about it. On the other hand, I have been tremendously impressed by the work of our medical services, the men and women who rescue children, and adults too, from such maladies as trachoma in their eyes which condemns them to darkness for the rest of their lives, a condition that can be cured with very moderate expense on our part. Then there are those, both adults and children, who suffer from elephantiasis, that is, the hardening of the skin and the swelling of the limbs, the skin becoming as hard, thick and coarse as that of an elephant. It is a terrible disease, and yet I understand it is not very difficult for us, with our medical knowledge, to take care of it. There is beriberi, a disease which develops as a result of lack of vitamins, and there is scurvy and a few other diseases. Our contribution towards combatting these diseases has been great, but has cost us comparatively little. If we inquire into this situation we might wish to increase our contribution in that direction.

We are doing great work in the field of education. As you know, our secondary schools are open to men and women from the Commonwealth countries, and as well from some countries which are not members of the Commonwealth. We teach Chinese and Japanese boys and girls. Quite a number are coming up from Jamaica. In our schools they learn our know-how and are exposed to our culture. They carry our learning back to their homelands where they will put it to good use. That is wonderful work, and work that we should continue, though my friend Senator Pouliot says that education comes under provincial rather than dominion jurisdiction.

Lastly, although many other subjects will no doubt suggest themselves to the committee, there is immigration. How many come to Canada from the Commonwealth countries, which countries, and why? What impediments are there, if any, to immigrants from the other Commonwealth countries, and what assistance do we give to those who come to this country? Australia pays the expenses of transportation of emigrants coming to Australia from the United Kingdom. We have done very little in that regard.

Honourable senators, I know of no agency for the promotion of goodwill more effective than the satisfied immigrant who writes home to his parents, his brothers and sisters, his relatives and friends, and tells them of the freedom to be enjoyed in Canada, the comfort and civilization of this nation and our cultures, and advises them to come too. There is nothing that equals the letters which our satisfied immigrants write home to their relatives in the old land.

These are just some of the specific subjects that occur to me which this committee should thoroughly investigate. I think the committee should call before it those who actually know something about the matters in question. The committee should discover the facts and lay them before us, and make valuable suggestions to be transmitted to other agencies, including our own Government.

Of course, I wish the Commonwealth well. My connection with the Commonwealth Parliamentary Association for many years is proof of my interest. I hope that the bonds which bind the Commonwealth will tighten as the years go by, that its possibilities will develop, and that it will continue increasingly its influence for good throughout the world.

I compliment again the chairman of this committee for the initiative and boldness of his address, and I look forward to a contribution by the committee and a number of reports by the chairman which will be interesting and informative.

On motion of Hon. Mr. O'Leary (Carleton), debate adjourned.

PRIVATE BILL

INTERPROVINCIAL PIPE LINE COMPANY—SECOND READING

Hon. Hartland de M. Molson moved the second reading of Bill S-7, respecting Interprovincial Pipe Line Company.

He said: Honourable senators, I rise to explain this bill almost with some embarrassment because I do not think it is complimentary to this house, or my colleagues present, to suggest it is necessary to repeat a story that has been told, considered and acted upon. Bill S-7 is, in fact, the same as Bill S-42 of the last session, which was introduced and explained on second reading by myself, was considered by the Standing Committee on Transport and Communications, and passed by the Senate. When it reached the other place, however, it was not acted upon. It was talked out and, therefore, it died. In consequence, I am forced to beg your indulgence while I reintroduce it as Bill S-7.

I do not intend to repeat all that I said on the last occasion. I would instead refer you to the *Debates of the Senate* of November 25, 1964, page 1121, where you will find my explanation. However, if you will bear with me I should like to add a few salient points to the general explanation I gave at that time.

The purpose of this bill is to permit the Interprovincial Pipe Line Company to split its shares five for one, from 40 million shares to 200 million shares, from $5 par value to $1 par value.

On the last occasion I made a considerable number of comments about the company, and I should like now to remind honourable senators of only a few important features. This is a great Canadian company. It is a transportation company, transporting crude oil from the oil wells of western Canada to refineries in eastern Canada, and on the way providing about 25 per cent of its throughput for export to the United States. It is a company that is owned 88 per cent by Canadians. It has 14,000 shareholders. It has invested in its facilities—plant, equipment and pipe lines —$320 million since its inception. It has over

3,400 miles of pipe line with which to carry out its function, and in its last year of operation it moved on the average the very large quantity of 500,000 barrels of oil a day.

In the course of its relatively short history it has consistently reduced its rates, so that with the reduction in December last it is now moving oil at a cost approaching 50 per cent of the original tariff with which it commenced operations. That is, as I am sure all honourable senators will agree, a very creditable performance.

The reasons for the splitting of the shares are given in the explanatory note. This is a very common practice of companies. There is nothing unorthodox or unusual, and there is certainly nothing unethical, on the part of a company in splitting its shares. On the contrary, I would say, as I said last November, it is a common practice for successful companies to split their shares if they have been so successful that the prices of them have risen greatly.

I know it is not necessary, but as a result of comments I have heard outside I think it wise to remind the house of one further thing in connection with the principle of splitting shares. I do this because I have heard it said, in effect, if a company has 1,000 shares authorized which it splits into 5,000 shares, then all that company has done is to give itself an additional 4,000 pieces of paper to sell to the unsuspecting public. This is, of course, quite ridiculous. Nothing could be further from the truth. All that happens when a company such as this splits its shares is that the day after the shares are split five for one the price of each share becomes approximately one-fifth of the price of the original share the day before.

This creates no benefit for the management or the directors. There are two classes of people who do benefit from such a procedure. One class comprises the small investors who find $95 a very high price to pay for a share of a company in which they wish to invest, and who find it much easier to buy a share at $15 or $20. The other class of persons who benefit—this is not necessarily always true, but it is certainly true in the case of this company—are the employees of a company which has an employee's savings plan whereby some of the money saved may be invested in the shares of the company. This particular company has such a plan, and when the price of a share is, say, $18 instead of approximately $90, it will be easier for the employees to invest in the company.

Honourable senators, there is nothing obscure about this bill. Its purpose is very clear. This is a good company, and I would recommend that the Senate give its approval to its application.

Hon. A. J. Brooks: Honourable senators, as has been explained, this is a good company, and a bill similar to this one was before us during the last session. I do not think any objection can be taken to this bill. However, I should like to ask the honourable sponsor (Hon. Mr. Molson) how many shares have been issued. Have all the 40 million authorized shares been issued and, if not, what proportion of them has been issued?

I should also like to ask, if all the authorized shares have not been issued, how many are left for sale, and how much of the stock has been taken up by the employees? It is an excellent thing to find companies such as this offering their employees the opportunity to buy the stock, and I should like to know what advantage is being taken of this opportunity by the employees. From my reading of the explanation, I take it that this plan has not been as altogether satisfactory as the company had hoped.

Another matter that has occurred to me is that of the protection of the great pipe lines we have across the country. I am referring not only to pipe lines for crude oil but also to those for gas and for the conveyance of other products. We have heard of certain subversive elements whose aim is the destruction of our pipe lines, and we all realize how the sabotage of the pipe lines in time of trouble could be very dangerous.

I should like to ask the honourable senator what effort would be made by this company, which is an extremely wealthy company whose activities extend interprovincially and right across the country, to protect its own property. Does the company depend entirely on our police and other law enforcement bodies for protection, or does it make some effort itself to protect its property? I ask this because, should subversive elements undertake to make trouble in this country we would find ourselves in a chaotic condition.

Perhaps the honourable senator is not in a position to answer questions such as these at the present time. The subject matter of this bill has already been considered in committee. I could not follow whether or not the honourable senator was asking that the bill be sent to committee again. How-

ever, I think these are questions which could very well be answered, and I ask the honourable senator if he could give us some information along that line.

Hon. Mr. Molson: The honourable Leader of the Opposition (Hon. Mr. Brooks) is quite right in his observations. With regard to his third point, I did not say anything about my intention to refer the bill to committee. I am afraid that I forgot to do so. When the bill has received second reading I shall move that it be referred to committee.

In reply to the honourable leader's first question I may say that at the end of 1964 there were 5,087,282 shares outstanding out of an authorized number of 40 million.

Hon. Mr. Brooks: That is, about 35 million had been issued?

Hon. Mr. Molson: No. There were 5,087,282 shares issued and 40 million authorized. That number, however, does not affect the ability of the small investor or the employee to purchase the shares. It is the present market price which is the deterrent. I believe the price recently has been around $91 or $91¾ a share, which is very high.

In reply to the honourable gentleman's second question, as to how many shares have been taken up by the employees savings plan, I am afraid I have not that figure, but I will be glad to have that brought out in committee, if that will satisfy the honourable senator.

Hon. Mr. Brooks: What about my other question?

Hon. Mr. Molson: With regard to the protection of the pipe line, you brought up a large subject. I do not know the answer, but I shall be glad to inquire. It seems to me that the pipe lines are vulnerable in common with all our other great public works. I know that during the last war I used to think of what would happen at some of the great power plants up in the Lake St. John area, for example, if a few pieces of dynamite were put in them. The railroads are extremely vulnerable, as are all telecommunications. Whether or not the pipe lines have any program I do not know, but I shall certainly be glad to inquire and have that brought out in committee, if that would be acceptable to the honourable senator.

Hon. Mr. Brooks: The pipe lines are extremely vulnerable.

Hon. Mr. Connolly (Ottawa West): Honourable senators, may I draw to the attention of the Leader of the Opposition (Hon. Mr. Brooks) on the question of the security of the pipe line, the fact that during the last war a committee was established called the Vulnerable Points Committee. He will remember a good deal of the kind of work that committee did. The committee was under the direction of the Minister of National Defence for Naval Services. It was generally presided over by the Commissioner of the R.C.M.P., but it worked in close collaboration with industry generally. It considered questions such as the guarding of plants of various kinds, but it also considered security in respect of communications, transportation, and industry in general. There was a great deal of co-operation and collaboration between the official and public side of the work that was directed mainly by the R.C.M.P., and industry and business generally in respect of properties that were considered to be of national importance at the time. If this company had been in existence at that time perhaps it would fall into that general category of companies that would participate in this kind of work.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

Hon. Mr. Molson: Honourable senators, I move that this bill be referred to the Standing Committee on Banking and Commerce.

Hon. Mr. Choquette: May I ask the honourable sponsor (Hon. Mr. Molson) why this particular bill is not being referred to the Transport and Communications Committee? It seems to me that a large number of committees should be kept busy with various bills. The custom here seems to be to refer every bill, whether important or not, to the Banking and Commerce Committee. I think this particular bill is strictly a matter for the Transport and Communications Committee.

Hon. Mr. Molson: I have not the least objection. I have just noticed that the bill was referred to the Transport and Communications Committee last time. I therefore move that the bill be referred to the Standing Committee on Transport and Communications.

Hon. Mr. Choquette: That is satisfactory.

On motion of Hon. Mr. Molson, bill referred to the Standing Committee on Transport and Communications.

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY—DEBATE CONTINUED

The Senate resumed from Wednesday, May 5, consideration of His Excellency the Governor General's speech at the opening of the session, and the motion of Hon. Mr. Bourque, seconded by Hon. Mr. Aird, for an address in reply thereto.

Hon. Allister Grosart: Honourable senators, I welcome the opportunity this motion gives me to add my compliments to those already expressed to the mover (Hon. Mr. Bourque) and the seconder (Hon. Mr. Aird) for the highly skilful way in which they commended the motion to the Senate.

Senator Bourque has that great advantage, which some of us envy, of being able to express his views with easy facility in both languages. Senator Aird gave us a perfect demonstration of the logic of his mind, and it seems to me that for that reason he made the most conservative speech I have heard since I came to this chamber.

I pay my respects to Your Honour and take pleasure in passing on to you some of the compliments I have heard on the manner in which you maintain our goodwill and good humour most of the time, and particularly for the guidance in the rules that from time to time you are able to give to some of us more needy members.

I pay my respects, of course, to my own leader (Hon. Mr. Brooks). I am sure we all are glad to see him back in the Senate tonight, after being away on Senate business. I understand that within a month or so he will be celebrating his fortieth anniversary of consecutive service in one or other of the Parliaments of Canada. We on this side certainly owe much to him for his continuing guidance and wisdom, which are among the ornaments of the Senate.

Honourable senators, I turn now to the motion before us. Whatever else may or may not be said about the document on which the motion is based, it is certainly a comprehensive program. Indeed, it is hard to think of anything of current interest in the Canadian political scene that it does not comprehend. One has the feeling that one of His Excellency's advisors might have been told a month or two ago to read the newspapers, make a note of everything that any group or person said the Government should do or say or think, and make sure it was included in this document. It is all here. According to my own count, the document promises us at least 53 pieces of legislation, to enact new laws or to amend existing laws.

Some people called it an election program. Indeed, one of the leading newspapers supporting the Government headed its report, on the day after we heard the speech here, with the very succinct headline: "It is an election!" Personally, I think it may have closer affinity with one of the hobbies or avocations of the Minister of Agriculture. I find it to be very obviously a dual-purpose program, designed to be milked perhaps pail by pail if the session can be prolonged, and, if not, to be fattened up for election purposes later on. If my experience with such things is worth anything, I would say it will need quite a bit of fattening if it is to serve the latter purpose. The skeleton is there all right.

Careful attention has been given to emphasizing most of the important points in the body politic. There is something for the urban voters, for the rural voters; for the employed, for the unemployed, for the re-employable and for the past-employed. There is something for the supporters—and I am not criticizing it on this ground—of U.N., NATO, and the Commonwealth. There is something for the would-be reformers of the House of Commons and even for that very small group of Canadians who feel there might be some value in proceeding with some reform of the Senate. There is something for those who have profound feelings about "God Save the Queen" as an anthem, as well as for those who have profound feelings about "O Canada". There is something for the young, something for the old, something for veterans and something for ethnic groups, new and old.

If you are a supporter of Canadian publications, you are told that their position is to be strengthened. On the other hand, if you have favourite American magazines, they are at the same time to be given what appears to be a perpetual monopoly of magazine dumping rights in Canada. I hasten to say that I have nothing against *Time* or *Reader's Digest*—I read and subscribe to both of them —but I do wonder why it is that they are to be given these magnificent privileges.

Indeed, if there are those who think that too much money is spent in this country on elections, they are told there will be limitations on such spending. On the other hand, it is also suggested that the Government will now be required to spend more money than ever on elections.

So it goes through the 53 projected pieces of legislation. If they are not all implemented, at least we can be sure that we will be told that we were promised them in the Speech from the Throne. A very wise man has said that it is futile to gild refined gold or to paint the lily. Nevertheless, I might make a few comments on items in the Speech from the Throne that are of particular interest to me. I am sure my colleagues in this debate will fill in any gaps that I leave and will indeed cover much more competently some of the points I mention.

In the first place, I was very pleased, as I am sure we all were, with the gracious reference to the presence of Her Majesty at the celebrations last autumn in Charlottetown and Quebec in connection with those conferences which preceded our Confederation. To those who are interested in history, it is a rather fascinating fact that almost every day now is an anniversary of some event of importance in the march of those years towards union. For example, 100 years ago this month a group of four delegates from the Parliament of Canada, or as it was then, the Parliament of the Province of Canada, were in England, carrying with them what is described as:

> ...a humble address to Her Majesty "praying that she may be graciously pleased to cause a measure to be submitted to the Imperial Parliament for the purpose of uniting the Colonies of Canada, Nova Scotia, New Brunswick, Newfoundland and Prince Edward Island in one government based on the Resolutions which were adopted at a Conference of Delegates from the said Colonies held at the city of Quebec on the 10th of October 1864...

Now, exactly 100 years later, we are told in the Speech from the Throne that Parliament

> will be asked to approve an Address to the Queen to provide that the Constitution of Canada may be amended in Canada by the procedures which have been agreed to...

between the federal Government and the governments of all the provinces.

There is a remarkable similarity in the language and a remarkable similarity in the occasions. There are 10 provinces now. There were five then in the contemplated union; two withdrew, Prince Edward Island and Newfoundland, leaving three.

Honourable senators, as those founders of Confederation—Macdonald, Cartier, Galt and George Brown—were in London, they were faced with the prospect that New Brunswick would very shortly vote against the union and that the popular leader in Nova Scotia, Joseph Howe, would come out against Confederation. Yet they persevered. Whether they were fully aware of the troubles ahead, I do not know; but they carried on with a resoluteness, with a high sense of purpose, far above politics, which one finds somewhat lacking in some of the approaches to the problem of the union today. Perhaps they were successful because they did not always take themselves too seriously.

Honourable senators may be interested in knowing what they were doing in England, almost 100 years to the day, in this month of May. They were watching a French horse come in first in the Derby. In Sir John A.'s words:

> We all went down to Epsom in company with Russell, of the Times, by road, in order to see the fun. Russell invited me (there was room only for one) to Mr. Wheatley's (the great wine merchant's) stand, which was just opposite the Royal party. When Gladiateur passed the winning-post, about the length of his nostrils ahead of the second horse, I could have dropped my handerkerchief on his head... Coming home we had lots of fun; even George Brown, a covenanting old chap, caught its spirit. I bought him a pea-shooter and a bag of peas, and the old fellow actually took aim at people on the tops of 'busses, and shot lots of peas on the way home. Russell, too, was great fun. In the drive, as we stopped, he would suddenly declaim to a gaping crowd, making a speech à la Jack Cade. Striding up to a stupid policeman, he exclaimed suddenly and with great earnestness, as he caught his arm, "Is the multitude appeased?" "Ah! no, no, sir, no more peas; do not give them any more peas! they have had enough already," was the reply.
>
> I made twenty guineas on that race, the only one I ever bet on. A lot of us got up a pool of a guinea a draw. Galt drew the favourite, Gladiateur; I drew The Field. "You are a lucky fellow," said I to Galt. "I do not know about that", replied he. "There are fourteen horses running, and it is a great chance if one of them does not come in ahead." "Well,"

said I, "I will swop, and give you a guinea to boot." "Done," said he. We swopped, and Gladiateur won.

I need hardly say that, apart from that one incident, Sir Alexander Galt made a great reputation as Finance Minister.

Turning now to some other matters in the Speech from the Throne, I was glad to see assurances, which I thought were needed, that Canada is maintaining its support and its ties in NATO. These are very difficult times for NATO. They have their troubles and they stem largely, I think, from the fact that France, and perhaps some other countries, are having serious doubts about the efficacy of the United States nuclear deterrent power, and even more serious doubts as to whether the retaliatory power of the United States would be brought to bear in their defence in the case of an unprovoked attack.

The Speech from the Throne assures us that Canada will continue to carry on a high degree of collaboration on both sides of the Atlantic. I for one wonder if we really mean that, if we really intend to collaborate in NATO on both sides. Hitherto we have had the concept in NATO of one land front in which all the nations were collaborating. That, of course, is the European land front stretching from western Turkey to Kirkenes in the north of Norway.

But what about that other and larger land front stretching across North America, the Canadian front? Our allies over there would, I am sure, welcome a suggestion from Canada that we share the responsibility with them for the defence of that front. If we are not prepared to do that, I for one do not see how we are going to reassure them that we have this total front concept of the defence of the NATO countries. This is something we hear more and more about in the protests of some of the NATO countries about the apparent one-sidedness of our support for NATO. It is true, of course, that on the European front, totally committed, there are United Kingdom troops, American troops and Canadian troops, but that is not giving them, as I think it was hoped to do, the reassurance and evidence of total commitment. I would suggest that it might be worth consideration as to whether we might not extend that concept to our own Canadian front, and I very much doubt if our American friends would have very strong objections to seeing us invite here some of the troops of our allies to learn with us and to work with us on the problems of the defence of this large sector of the NATO land front.

In the Speech from the Throne we read similar assurances respecting our commitments in and to the Commonwealth. As Senator Roebuck has said, and it cannot be repeated too often, when we speak of the Commonwealth we are speaking of a quarter of the population of the globe, a great union of over 750 million people.

The Commonwealth and its importance in the peace structure of the world is very much to the front today for a number of reasons. Our Prime Minister will be attending next month the Commonwealth Prime Ministers' Conference in London, and I am sure we all wish him success there as he carries on some of the work for and in the Commonwealth with which he has been so long associated. It is almost certain that at this Prime Ministers' Conference the final arrangements for the establishment of a Commonwealth secretariat will be made, and there seems to be a possibility that a Canadian may become its first secretary-general. It will be a very great day for Canada if this happens. I think there is also a possibility that the secretariat may be established in Canada.

Furthermore, as we have heard here on several occasions, the Commonwealth Parliamentary Association will meet in Canada in 1966. It seems to me that this offers an area of extreme usefulness for the Senate Committee on External Relations, to which Senator Roebuck referred, because I think this committee might well fill in one of the rather serious gaps which we have found at Commonwealth Parliamentary Association conferences in the past. I refer to the lack of adequate briefing in facts, figures and statistics which would help to make some of the discussions more meaningful than they sometimes are.

This matter was brought up at the last general meeting of the Commonwealth Parliamentary Association, and I would hope that the work of this committee would be tied in very closely with the agenda of the conference to be held in Canada in 1966. In my view it will not be sufficient merely to set up a Commonwealth Secretariat; I think the next step will be a Commonwealth meeting. It is rather surprising that in this vast organization there is no such thing as a meeting of the nations of the Commonwealth. The Commonwealth Parliamentary Association is a meeting of parliamentarians of the Commonwealth nations. The Prime Ministers' Conference is a meeting only of heads

of state. Therefore I believe the next step will be a general meeting, and I think this can contribute greatly to the usefulness of the Commonwealth in the world today.

I would go a step further and even suggest that the time may come when the Commonwealth will have its own High Court of Justice. It is true that international high courts of justice do not have a very eminent record of success, but perhaps such a court, taking over to some extent some of the prestige and useful work of the Judicial Committee of the Privy Council, might tackle and solve some of the problems such as Cyprus and Rhodesia with which the Commonwealth is concerned today and which, for reasons that are not difficult to explain, those countries were reluctant to take before the International Court at The Hague.

We are also told in the Speech from the Throne that our Constitution is to be amended by an address to Her Majesty. Honourable senators, I am sure you have read the excellent White Paper published by the Government on this matter. I think it makes extremely clear what is intended, even to a layman such as I. As I understand it, that document describes four ways for amending the Union. I was almost going to say breaking up the Union, but at the moment that is perhaps going too far, although I have very serious doubts myself as to the end result of some of the things being done in that connection, particularly under the heading of what is called "co-operative federalism." I regret to say that we are faced with the fact that ever since we have had this theory of co-operative federalism widely talked about, we have had a continuing deterioration of relationships within the Union.

Reference was made in the debate which was ruled out of order to the question of treaty-making powers. From my own study it is obvious that it is not quite as simple as was suggested. The fact is that since the treaty-making power was obviously retained by the Imperial Government in 1867, it has certainly not been fully allotted to the federal Government under our Constitution. I have read the Constitution very carefully, and while there is a section there—I think it is section 132—which refers to the matter, there is no clear transfer of the treaty-making power, as I understand it, to the federal Government.

We are also painfully aware of the fact that the federal Government never had the power to make a binding treaty with any nation in any matter covered by section 92 of the British North America Act. That is why from time to time we have had bills before us here purporting to implement international treaties entered into by the Government of Canada. On one recent occasion at least, and not an unusual one, we were told that such a treaty was being implemented in full because some letters had been received from provincial premiers saying that it was all right to go ahead and do it. I do not agree with this kind of procedure. It is untidy and unconstitutional. That power is given to the legislatures of the provinces, and not to the governments of the provinces, and I cannot see how a power given by section 92 exclusively to the legislature of a province can be dealt away by any provincial government. Some people will argue, of course, that the Government says, in effect, "Yes, that is all right because we will in due time get the approval of the legislatures." The fact is in most cases they have not bothered to do so. It is for that reason I describe that type of procedure as being untidy.

Quebec has a much better record than any other province in that respect, and even in amendments to the Constitution, Quebec has far more often than any other province referred the matter to its legislature, maintaining its stand over the years of the supremacy of the legislature in matters assigned to the legislature under the act.

We hear talk of an associated state with treaty-making powers. I am not too concerned whether any province asserts the right to make agreements. It is pure semantics whether you call it an "agreement," a "convention" or "treaty" in this context. If they have the right to enter into agreements in matters exclusively under their authority, then I say it matters little what we call it. But this theory is now extended beyond a mere assertion by certain ministers in Quebec. We are told it has been discussed in the cabinet of the Government of British Columbia. I wonder if this assertion is not attributable to the talk about co-operative federalism which, to some extent, seems to me to have tended to cover up the lack of real action. As I see the suggestions for carving up the Constitution—because we are now to have more formal ways in which it can be amended—I wonder if we are not finding ourselves in the position immortalized in the British House of Commons by the Irish member Sir Boyle Roche, who rose in that house in speaking on some matters relating to the Irish Constitution and said:

> It would surely be better, Mr. Speaker, to give up not only a part but, if neces-

sary, the whole of the Constitution to preserve the remainder.

Or, when I think of all the talk about co-operative federalism I am reminded of Heinrich Marx's famous remark about his illustrious son, Karl. He is reported as having said on one occasion:

> If Karl, instead of writing so much about capital, would make some capital, things would be so much better.

I pass quickly now to another subject in which I am interested, and one to which Senator Roebuck referred. We are told that there are to be changes in our immigration laws. We are to have a White Paper. I hope this document will tackle the question a little more honestly than it has been tackled in the past. It is no secret that we have had immigration policies that have said one thing and have meant another, and I am quite aware of the difficulties at the present time.

Immigration into Canada is allowable in two broad categories. One, where there are family connections and where immigration is considerably freer, based on the theory that Canada does not want to be in the position of breaking up families. But the main category is one in which there is a test of job availability. We are told the purpose is to make sure that any prospective immigrant fits into the employment pattern in Canada. I think we would all agree this is something that has to be carefully watched. Unfortunately, in other countries they just do not believe that is the real reason for that test. We were told this in Jamaica over and over again. We were told of the embarrassment of our own officials in having to confront those who said that this is really just a way to "keep out blacks." And it is understandable if people feel that way, because the discrimination or the test, because it is against the unskilled, is therefore most applicable against the developing nations, and it so happens that most of the developing nations today are what we, for want of a better word, call "black".

There have been honest attempts to get around this. Canada entered into an undertaking with Jamaica not long ago to allow a certain number of female domestics to enter Canada. The intent was good in this case. The thought was: Here is an area of job availability, and we will take in 500—I think that was the number. This was completely misinterpreted in Jamaica, even though they had asked for it. What we heard was, "Under your Canadian laws you have to be a domestic to get into the country." I say these difficulties arise because of this "double standard" in our immigration laws, and I for one would hope that the White Paper would face up to this and give us an honest assessment of our immigration policy, no matter how hard it may be for us or others to take.

I would like to say a word now about the suggestion in the Speech from the Throne that there will be legislation to facilitate—if I may use that word—the retirement of senators having reached a certain age. I have no strong views on this, except that from my experience here it seems to me that there is a danger of Senate reform being attacked from the wrong side, perhaps even from the wrong end. I need not mention names, but it is my own view that much of the area of the greatest worth of the Senate is to be found in the age group beyond the three score years and fifteen. If it is meant to be Senate reform, then I say somebody is not being very realistic. We have to face the fact that there is a demand across the country for some measure of Senate reform, and I use the term "reform" because that is the one currently in use. I have spoken to honourable senators about this and they have said, "Don't get worried about this, because this great outcry goes on every few years, and then it dies down."

I would like to suggest that this occasion may be different. If the Constitution is to be repatriated there is almost certainly going to be a constituent assembly of the provinces. I would say that in that constituent assembly the Constitution of Canada may well be examined section by section, paragraph by paragraph, and I would like to see somebody there to speak for the Senate. I would respectfully suggest to the Leader of the Government that it might be worth thinking about having a committee appointed, to consist of the wise men of the Senate, to face up to this problem and do a job of self-examination.

Is there any substance in this criticism? It is certainly not for me to say. Are we burying our heads in the sand? It is not for me to say. But I would like to see a committee of the Senate examine and analyze these criticisms, and recommend to this house what action should be taken by the Senate, if any action is necessary.

Finally, may I just make a comment on another matter that is suggested as the basis of legislation that will be introduced by the

Government in due course. That is the limitation on election expenses. I am sorry the phrase used is "the limitation *and* payment of election expenses", if that means the Government has already decided it is not only going to limit the election expenses of candidates for election to the House of Commons, but it is also going to pay them. From my experience, I would be strongly in favour of limiting those expenses.

I have the honour of being called before a committee of the House to describe experiences I may have had, and with permission I shall be doing that. In the meantime I should like to say for the record that I believe the limitation of election expenses can be made effective. There are others who say it cannot, that it is a lot of humbug and there are many loopholes. I believe it can be made effective if two conditions are met. One is that there be a limitation not only against the candidates themselves but also against the national parties, as in Quebec. The second is that the sanctions imposed be not the paltry fines that are now provided by the Election Act, but that there be a forfeiture of the seat in cases of substantial infractions of the law. Anybody who has had close and active experience with candidates and their problems in this respect will agree that when they weigh the possibility of a fine of $200 or $300 against the chance of taking the seat, then they take the chance. Forfeiture of the seat is a very powerful sanction, of course, because inherent in it is a strong incentive to the defeated candidate to invoke the sanction.

With the increase in salaries it would be very unwise for the federal Government to imitate the Quebec legislation—which I do not mean to criticize, because it is in another field—and make arrangements to pay a per capita contribution to every candidate who obtains 20 per cent of the vote. I may be premature in saying that. It may well be that when the question of reform here is considered I will be among those who will be very glad to have their election expenses paid.

Honourable senators, that is all I have to say. There are some other matters I should have liked to mention, but I see that time is getting on. I thank you for the courtesy of your attention.

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

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, May 12, 1965

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

Prayers.

DOCUMENT TABLED

Hon. John J. Connolly tabled:

Interim Report of the Inter-Departmental Committee on the Study of the Economic Unity of Canada, dated April 30, 1965. (English and French texts).

PRIVATE BILL

PRINCIPAL LIFE INSURANCE COMPANY OF CANADA—FIRST READING

Hon. Donald Cameron presented Bill S-9, to incorporate Principal Life Insurance Company of Canada.

Bill read first time.

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

Motion agreed to.

COMMONWEALTH RELATIONS

MOTION TO EMPOWER COMMITTEE TO MAKE INQUIRY—DEBATE CONTINUED

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Thorvaldson:

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; and

That the Committee be instructed to report to the House from time to time.

Hon. M. Grattan O'Leary: Honourable senators, before the close of the last session, in a few words which I spoke on the occasion of the flag debate, I ventured to say that I thought that a good fresh look should be taken at the United Nations and perhaps at the Commonwealth. Therefore, I suppose that you will bear with me in a few ill-chosen words on this motion moved by Senator Thorvaldson.

I would like to join with Senator Roebuck in the tribute he paid to Senator Thorvaldson for his informed and intelligent interest in external affairs; but I must add at once that I am not happy with the wording of this motion. I fear that, if carried out too literally, it will lead to the thing which he himself deplored, namely, that we might get into the bog of an exercise in futility. And I am not relieved of this uneasiness by Senator Roebuck quoting last night some support for this motion from the Toronto *Globe and Mail.* John Bright used to say that he never felt sure he was right until the London *Times* said he was wrong. For myself, having followed the ramifications of the *Globe and Mail* for the past year or two, excellent newspaper though it be, I would almost be sure that I was wrong if the *Globe and Mail* said I was right.

Hon. Mr. Connolly (Ottawa West): Other people feel somewhat the same way about other newspapers.

Hon. Mr. Choquette: But with not as good reason.

Hon. Mr. O'Leary (Carleton): Another thing about which I feel a curious unease is that this motion is concerned only with the Commonwealth. Why restrict any inquiries we may have to make to the Commonwealth and to our relations with it? Surely if there is anything urgent or of moment in our external relations it is not with the Commonwealth. What about Cyprus? I shall have a few words to say about Cyprus later on. What about NATO? What about the United Nations? What about Viet Nam? But before coming to these I do wish to say a word about the Commonwealth. What is it today?

I remember the famous English editor, Mr. J. A. Spender of the old Westminster *Gazette,* who used to refer to the old Commonwealth as an Act of Faith. I am very much afraid that the faith which many people had in the Commonwealth has diminished in recent years, and for very clearly defined reasons.

I attended my first Commonwealth Conference, then called an Imperial Conference, 45 years ago. I went there, as a correspondent for the Canadian Press, with Arthur Meighen, who at that time almost single-handedly was opposing the renewal of the Anglo-Japanese Alliance. In passing I may remark that in the light of the pomp and circumstance of the

world vagabondage of our diplomats and statesmen today, it is interesting to recall that in going to that conference where Mr. Meighen was to oppose the greatest minds in England at that time—Lloyd George, Churchill, Curzon, Birkenhead and, last but not least, that famous character from Australia, Mr. Hughes—he took along with him but one assistant from the External Affairs Department, Mr. Loring Christie, his private secretary Mr. Charles Armstrong, and another gentleman who acted as his stenographer, three in all. Yet in that month in London, as I said, when he was opposing the cream of British statesmanship, he fought single-handed until he won his point which resulted in the calling in that same year of the Washington Disarmament Conference.

The point I want to make about that meeting is this: Here you had the old Commonwealth of the United Kingdom, Canada, Australia, New Zealand, India and South Africa. Now, in that conference when they were discussing the Anglo-Japanese Alliance, with all its implications of world policy, naturally there had to be a tremendous amount of discussion concerning security of the most delicate kind. What I put to you today, gentlemen, is this: Could a conference of that kind take place in the Commonwealth as it exists today?

Another question which must occur to all of us in considering the Commonwealth is this: What tests today apply for membership of the Commonwealth? In the case of the United Nations the test used—observed rather loosely, I admit—is that a nation shall be a peace-loving nation. Do we say that the test for membership in the Commonwealth shall be that a nation has regard for human freedom, for liberty, for civil justice, for civil liberty, for the right of free assembly and for the freedom of the press? I ask you to look at Ghana where Mr. Nkrumah dismissed his own Minister of Justice out of hand, suppressed his Parliament, created a one-party state, and took the image of Her Majesty the Queen off his coins.

I ask you to look at Mr. Ian Smith's record in Southern Rhodesia. What there do you find now of regard for justice? They had an election there last week, a sort of double-barrelled election, one in two categories. Certain people were allowed to vote for 65 seats in the assembly and certain people for 15 seats. Mr. Ian Smith, having got his majority by these means, now says that if this is not acceptable to the United Kingdom he will declare Rhodesia's independence. Well, Rhodesia is not a full-fledged member of the Commonwealth, but would be welcomed there, and I think if we are going to deal with the Commonwealth in this proposed committee, a fair question to be asked is: What about countries like Ghana? What about countries like Rhodesia? What about countries like Kenya?—and so on down the line. Honourable senators, I am convinced that you are weakening, you are diminishing the affection, the respect, the love which people have for the Commonwealth when you have a membership of that kind.

I know there are answers to what I am saying, and one is: Well, why not keep them in the Commonwealth? Mr. Nkrumah will not always be with us, and maybe his successors will be of a different state of mind. That is one argument, but I do not think it is a convincing one. What is more, I know that in Britain today there is steadily declining respect for the position of the Commonwealth. In fact, the first time I had the honour of speaking in this chamber I had to point out what I think was true, that members of Mr. Macmillan's ministry in London, supported by a wing of the Conservative party but not by the British people, were engaged in downgrading the Commonwealth as a trade potential. And last night my distinguished friend Senator Roebuck said this was one of the things we might discuss in this committee, the trade potential of the Commonwealth. The trade potential of the Commonwealth was not too readily accepted or supported in this country two years ago, and that at a time when Mr. Heath and his accomplices were selling the Commonwealth down the river.

I come now to Cyprus. When it was decided a year ago to send Canadian troops to Cyprus, the Leader of the Government in this house, Senator Connolly (Ottawa West), made an announcement on the position taken by the Government. I think that was in line with his wish, which he has carried out fairly and with distinction, of enhancing the prestige of this chamber. But, honourable senators, what have we heard about Cyprus since? On the night the Leader of the Government made his announcement I ventured to ask him whether any other countries, and if so how many, were joining with Canada in this peace-keeping mission. He answered, and quite properly, that the matter was then a subject of confidential negotiations and he could not answer at that

time, but that this information would be given to us later.

A few days later the honourable Senator White placed upon *Hansard* a series of questions addressed to the Leader of the Government about the position of our troops in Cyprus, about their mandate there, the limitations placed upon them, who would be responsible for their pensions in the case of losses, and so forth.

I have not seen a reply to those questions. It may be they have been given privately to Senator White, although I do not believe so because I do not think that Senator White and Senator Connolly (Ottawa West) would regard Cyprus as their private domain. As these questions were placed on *Hansard* they should be answered on *Hansard*, and if security prohibited their answer we should have been told. This is one of the things that a committee such as that proposed could do. It need not restrict itself to some vague ideas of what we might do about the Commonwealth.

There is the question of the UN. Surely a committee of this kind should try to get more information about our position with respect to the UN. Mr. Paul Martin, the Secretary of State for External Affairs, speaking yesterday in London said that there was some uneasiness about that position. Indeed, he said that he was urging that some other nations now come in and help us with respect to Cyprus. But we do not hear much about these things here in the Parliament of Canada. That is my complaint. These things should be discussed here in Canada.

We have our statesmen going abroad and making speeches at universities and other places and declaring what is purported to be Canadian policy. Honourable senators, the policy of Canada with respect to foreign affairs, with respect to its position affecting any country, should be stated in Canada, in the Parliament of Canada, and nowhere else.

I do not know what our position is with respect to the United Nations. It is almost impossible to get authoritative information. We had last summer a meeting in this city of many nations, and UN Secretary-General U Thant was among those present. U Thant was asked whether he believed there could be a settlement of the dispute over the payment by Russia, France and other countries of their dues to the United Nations. What did he say? He said he was in no doubt whatever about the fact that the matter could be settled, and would be settled. Well, it was not, and you have to ask yourselves: What was U Thant thinking about?

Incidentally, I am referring to the meeting at which he said that Mr. Goldwater should have his head read for suggesting that bombs be used in North Viet Nam. I do not know what he thinks about what is happening in North Viet Nam now.

I could go on about these things, but I come back to this test of membership to mention one more thing. We are told that there is going to be set up a secretariat for the Commonwealth. Honourable senators, if that secretariat is going to be merely a clearing house for Commonwealth information, well and good, but if it means only that, then why are we discussing the possibility or the probability of one of the ablest foreign officers in this country, Mr. Arnold Smith, becoming a member of it? If it is to be merely a clearing house, what will Mr. Arnold Smith be doing there?

I do not know what is being set up, but I think this committee could very properly ask: (1) How is such a secretariat to be appointed; (2) Who will decide what matters are to come before it; (3) What authority is to be vested in it; (4) To what representative body will it be responsible; and (5) Will it operate from London, Ottawa, or Canberra?

It may well be that such a secretariat could do good and useful work, but if it represents a trend back to the thinking of Mr. Lionel Curtis and Mr. Philip Kerr, to the old Round Table group, to the thinking that still goes on at Chatham House, then I am against it, and I think this country traditionally has been against such things from the days of Wilfrid Laurier down to the days of the present Prime Minister. These are the things that this committee should inquire into.

Honourable senators, I would be sorry if any of you, because of what I am saying, concluded that I am against the Commonwealth. I am very much for the Commonwealth. One of the dearest wishes in my heart for years has been the wish that Ireland, free, united and independent, would return to it—that Ireland, united north and south, will be in the commonwealth where she belongs, and with which so much of her history and a lot of her blood are co-mingled. As one of the greatest of Irish patriots, Henry Grattan, said:

> The Irish Sea cries out against union, but the Atlantic thunders against separation.

That is why I believe in the Commonwealth. But I also believe we should look on the Commonwealth and know what it is we are

believing in. It is no use having the same old loyalty for something that is new. What is it that we are now supporting? Is it Ghana, Kenya or Rhodesia? This is not the sort of Commonwealth to which we gave our loyalty and devotion in days gone by, and it is not the sort of Commonwealth we would like it to be.

I should like to have all of these questions asked in this committee, and that is why I think this motion is too general and too ambiguous. While ambiguity is safer than definition, I still think that definition will get us further in the long run.

On motion of Hon. Mr. Macdonald (Cape Breton), for 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. Bourque, seconded by Hon. Mr. Aird, for an address in reply thereto.

Hon. Jean-François Pouliot: Honourable senators, I intend to be very brief in the remarks I have to make today on the Speech from the Throne. In the first place, I wish to congratulate the mover of this motion (Hon. Mr. Bourque), who is a personal friend of mine. He is a self-made man and he is highly respected in the City of Outremont, in which he lives in the Province of Quebec, and also in Canada at large. He has been the mayor of Outremont for a number of years, and he has represented that riding in the House of Commons. His presence here is an asset for the Senate.

To the seconder of the motion, Senator Aird, I say he is most welcome. What we admire about him is his great humility. He is a young man, but a prominent lawyer. He comes from a well-known family of Toronto. His grandfather did much for the progress of radio in its beginning. He also is an asset to this chamber. He is much younger than my contemporaries and myself, but he is capable and will make great contributions to the debates of this house.

I have known His Honour the Speaker for many years. If some unpleasant remarks have been made about him by those who do not know him, I am sure that if those who made such remarks had been better acquainted with him they would have spoken very highly of his career in politics.

I remember, sir, when you were the Parliamentary Assistant to the Minister of Public Works, that you took the same care over all problems that were left to you, whether they came from supporters or opponents of the Government. The number of Members of Parliament you have helped is very great.

I must tell you, honourable colleagues, that the Senate is a place where everyone expresses himself or herself freely, and I wonder what would be the use of a debate on a motion for an address in reply to the Speech from the Throne if at times suggestions were not made for the reform and improvement of public business. Naturally, a suggestion for reform is a suggestion for a change, and it is most difficult to have a change in the routine that has existed for a number of years.

At first, in order to be well understood, I must tell you that according to my experience, whenever someone conveys that anything wrong has been done by anyone of his race, he is considered a traitor to his race, and if he does not belong to that race he is considered a cannibal. I do not exaggerate, but it is very difficult to complain about anything wrong that has been done by anyone, for that very reason. I told one of my friends, who is a Jew, that such things do not happen to them because they never criticize any one of their race. Perhaps that is wise. On the other hand, if we want progress we must indicate what is wrong to improve conditions in this country.

Another observation I wish to make is that freedom and liberty and human rights are subjects that are widely discussed by many people who do not seem to know what freedom, liberty, or democracy mean. They do not know what human rights are any more, but they are now so full of it.

I will give an example to show how badly freedom, human rights and democracy are understood in my own province. A young man, a teacher in my province, belonged to a religious order. In his class was shown on both sides of the crucifix two pictures, on one side a picture of Our Lord, and on the other side a picture of Hitler. This happened at La Mennais School in Montreal.

What would any one of you have done if you had been the director of the school? You would have fired him at once. They did not see it that way. In the land of liberty, freedom and human rights, democracy, etc., they decided to have an investigation made, and that investigation is still in progress to

decide whether he had the right to do that and to teach his pupils that Hitler was as great as Our Lord.

This shows that something is wrong somewhere—and you know it. You have seen it in the press, and it is mentioned like a serial.

On another occasion in the Province of Quebec a teacher was found with some sticks of dynamite. There was some kind of preliminary inquiry. I do not know what happened to it, but it shows the spirit of some of the teachers.

What can we do about those wrongs? We can do nothing. We supply money for education in the Province of Quebec and in the other provinces, but the federal Government cannot be informed about the manner in which the federal subsidies for education are spent by the provinces.

Moreover, when subsidies are paid by Ottawa to the provinces for education, then the provinces refuse to render account to show how the money has been spent. Is there any businessman in this house—and all of you are businessmen—who would agree to that idea of giving money to the provinces for education without control as to whether or not the money has been spent on education?

We have to revert to fundamentals, and this is what I will try to do in a few brief remarks. However, with regard to education, I have asked a question. I did not ask for the opinion of the Government, because I know what it is, just as well as I know what is my own opinion. I have given my authority —the B.N.A. Act. What I wanted to know is, what was the authority of the Government of Canada to have an exclusive right to sign treaties with regard to education with other countries? This is the point. I have put the cards on the table, and I would like the Government to do the same. What is its authority? It has not been given.

When I stand by the Constitution of this country, I find that I am safe. What is the trouble now? It is that the Constitution of Canada, the B.N.A. Act, is treated as nonexistent by Ottawa and by the provinces. They pay no attention to it.

I remember that at the time I was first elected there was great respect for the Constitution. I remember that when Mr. Heenan was Minister of Labour, in 1930, he moved a bill to consider a minimum salary for the employees of the Government of Canada, but he did not go farther. At the time, I contemplated that employees engaged in public works and other departments in the Province of Quebec were paid less than those who were doing similar work in the Province of Ontario, and I remember that Mr. King himself corrected some of my notes. However, what I want to point out is that at that time there was a great respect for the Constitution, and Mr. Heenan wanted to stay within the Constitution to pass legislation to improve the condition of those who were working for the Government of Canada in public works.

That was in the past. At the present time there are many difficulties because the spirit of the Constitution, as well as the letter, is not observed.

You have all read the B.N.A. Act. If you will permit me to say so, I felt it was my duty to check the fact that you could get all those books free of charge from the Printing Bureau, one copy of each in English and one in French, printed by the Queen's Printer. I wanted you to have the text of all publications that come from the Printing Bureau. In my humble view, the Parliamentarian should be served by the Printing Bureau first. It is essential that you should have at your disposal the acts passed by Parliament, and all the other publications that are printed by the bureau.

Before I analyze the Speech from the Throne, another observation I want to make is that in this country it is a fact that very many people speak about liberty, freedom, human rights and democracy, and all that. Contradiction is not admitted, and it is not accepted. For instance, you may go for a walk with a friend on a perfect day. If your friend says to you, "Well, is it not beautiful weather?", and you say in reply, "Yes, but don't you see the clouds there?", immediately you will have a certain feeling of uneasiness, because your good friend who is with you does not say, "Beautiful, indeed," after you said that the weather was beautiful. Therefore, it is very difficult to contradict anybody.

With regard to the general achievements of the Government, to the vigorous economic expansion, in improving incomes and employment opportunities, here I must praise unreservedly the Minister of Trade and Commerce. He is making efforts everywhere to boost Canadian business, to encourage the exportation of Canadian goods throughout the world. Besides that, he has always a message of cheer wherever he goes, to encourage all those who are engaged in business in

Canada. Trade is the life blood of a country, so the work he does so well must be highly appreciated as it gives many good returns to the Canadian people.

In regard to making federalism work, I do not believe in co-operative federalism. What is it? It has been described or defined as follows by one of the provincial ministers. When the federal Government paid $10 million for improving a highway he said, "This is co-operative federalism. Cheers! The Ottawa Government is paying $10 million for the construction of a highway."

It seems that, according to the letter and the spirit of the Constitution, each legislative body should be completely independent of the other financially, in this sense, that the provinces should not expect subsidies, and progressively increased subsidies, from Ottawa and they should get enough from their taxes to pay for their expenditures.

Sir Wilfrid Laurier used to say that it is always a dangerous thing for one government to advance money to another one. I find that the formula of co-operative federalism is wrong, because the increase in gifts of subsidies from Ottawa to the provinces will never end. We will never know where we are.

Is it not a mistake to grant to the provinces everything that they ask for in matters of subsidy? There should be a definite and final understanding between Ottawa and the provinces with regard to the collection of taxes and the spending of money.

In regard to social progress, pensions, youth allowances, student loans, I will deal with those later.

Canada's influence in the world, apparently, is good. I have not the time to discuss that matter today, otherwise I would have spoken in reply to my good friend Senator O'Leary (Carleton).

With respect to the constitutional amendment formula, we hear people speak of the "repatriation" of the Constitution. That could be said if the Constitution had been made law in Canada and had been sent to London afterwards; it could be "brought back" to Canada. But it is an English statute, drafted by the Fathers of Confederation and passed by Westminster. Why is there not unanimous agreement between the provinces and the Government of Canada before having the Constitution brought to Canada?

There is something which is much simpler. As the provincial governments and the Government at Ottawa are composed of men of good will, they should meet together and agree to a new Constitution which could be approved by the Parliament of Canada and by the provinces and assented to by Her Majesty the Queen of Canada. If a petition is made to the Queen with regard to that Constitution, it should be addressed to the Queen of Canada and not to Her Majesty the Queen in any other capacity.

What would be the use of bringing the Constitution to Canada while it is still unsettled? I do not believe in the F-F formula. It should be F-F-F—for factitious, fictitious and factious—factitious because it is artificial; fictitious because it is imaginary, and factious because it may lead to trouble.

In regard to redistribution by independent commissions, the view has been expressed that this should have been done by Parliament, but if it has been decided to have it done by independent commissions, I shall not insist on that point.

With regard to the flag, I have fought for a distinctive Canadian flag with the maple leaf as emblem. The flag which has been adopted by this Parliament and approved by Her Majesty the Queen is satisfactory to me. We can provide one for $28.24—if you want to buy a large national flag, six feet by twelve feet, in nylon, that is what it costs.

In regard to defence integration and policy, I wish to felicitate the present Minister of National Defence, the Honourable Mr. Hellyer, for having succeeded in accomplishing a thing which has not been done since Confederation, bringing the "brass hats" to order. It had to be done, and he did it. There were some complaints, but he has done this very successfully.

Moreover, Mr. Hellyer is the only minister, to my knowledge, who has publicly praised his former associate Minister, Mr. Cardin, when the latter was appointed Minister of Public Works. This is a good note for both.

On the improvement of the provinces' tax position, equalization and increased federal abatement, I refer to what has been said. As to "opting out," the same thing.

In regard to constitutional amendment for those on widows', orphans' and disability pensions, here the Government shows respect for the Constitution. If they amend the Constitution for that purpose, so much the better.

In regard to the Canada Pension Plan, it is a good plan and it deserves the appreciation of all.

The Old Age Security increase to $75 and the making of it payable from age 65, are also good measures.

As to youth allowances for those age 16 and 17, at $10 a month, I have no objection to that. It is a continuation of the Family Allowance policy for one more year.

On the question of student loans, these have been asked for by nobody—neither by the universities nor by the provinces. This means it is a free gift to the students, which was not asked for. I cannot understand why it has been done, because it is a controversial matter which will give much trouble to the Government. If the money is paid to the provinces, the Government here will not know what is done with it.

On the federal Labour Code, the present policy is different from what was done in the time of Mr. Mackenzie King and Mr. Heenan.

As to farm credit, bigger loans and their extension to machinery partnership purchases, that is very good.

Support of crop insurance, that also is very good.

Improved veterans' allowances: I have no objection to that, provided that the grant of allowances is not refused to veterans who have served in a theatre of war and who do not already get a pension. It is most difficult for a veteran to get a pension in the first instance. The rate of pension is improved for those who already have it, and for those who are not getting a pension it is quite a fight to get it.

Here I should remark that all those who have served in the armed forces and have suffered the hardships of war are naturally predisposed to diseases and disabilities from which they would not suffer if they had not been in the forces. The Leader of the Opposition (Hon. Mr. Brooks), who has served as Minister of Veterans Affairs, will understand what I mean. These things should be taken into consideration when a case comes before the pension board. There are allowances granted to those who do not receive a pension, but an allowance is a kind of charity while a pension is a matter of right. The veteran who is qualified must have a pension provided by the state to compensate for the hardships he has suffered while serving in the armed forces, and allowances must be reserved only for exceptional cases. The granting of pensions should be on a broader scale.

A 12-mile fishing zone: That is very good. The automobile agreement: I am not familiar with that matter.

Divorce bills: I find the legislation we have with regard to divorce is the most absurd that has been passed by any Parliament. I do not criticize the membership of the committee, but I find the manner in which the legislation was drafted is positively absurd.

The Columbia River Treaty: I feel it was wrong to approve the policy of the Province of British Columbia to sell the power to the United States. Later on when that country makes progress and the population increases, it will be very difficult to make adjustments with the Americans who already have agreed to purchase the power from British Columbia.

Economic Council: I am doubtful about the purpose of this. In 1936 I presented a bill to abolish legislation concerning the creation of an economic council. On this I had the support of Mr. Mackenzie King. The three readings were completed in five or ten minutes in the House of Commons, and Mr. King said he did not need an economic council, that he had sufficient advisers on his staff.

Department of Industry: It is doing very well.

Area development program: This could be simplified if computers from the Dominion Bureau of Statistics were used to obtain calculations which otherwise take a long time to obtain.

Atlantic provinces development fund: Very good.

Municipal development fund: Also very good.

Housing expansion, winter works program, reduced N.H.A. interest rates, more assistance for urban renewal and law: Probably that is good.

Hon. Mr. Choquette: Is there anything bad in it?

Hon. Mr. Pouliot: I give the benefit of the doubt.

Expansion in technical and vocational training: This is a matter of education. I am not familiar with the matter.

Then we come to the question of assistance to individuals. For instance, if anyone employs a person two days a week, it is better for that person to keep his employee for two days instead of sending him home and making him work only one day.

The tax structure committee is very complicated because the imposition of taxation depends on the expenditure, and as long as

the expenditure is not adjusted it is very difficult to reduce taxes.

The Bilingual and Bicultural Commission: I cannot understand this; it is the policy of the defunct bloc populaire of the Province of Quebec. One of the commissioners, whom I shall call "fiasco"—and you all know who that is—has given an interview to a large newspaper in Montreal to say that the Members of Parliament here are half aldermen and half church wardens. He was pouring ridicule on the Members of Parliament; and the chairman, Mr. "Snobissimo," has often been unjust to the Members of Parliament. However, we all know that Members of Parliament deserve a lot of credit, and it is most unfair to abuse those who work very hard and do their best for their electors and the people of Canada.

I do not believe in culture; I do not believe in bilingualism. I may be called a traitor to my race because I say that, but I consider that the good Canadians of my former constituency and those of any other province are most alike, and I do not see why the people down home who speak French should be obliged to speak English, or why those in British Columbia or Orangeville should be forced to speak French. To have the principle of bilingualism extended to all is to have a Utopia. On the other hand, I believe that the two official languages should stand together, and should be used in publishing all official papers, and that the French-speaking Canadians should be on a footing of equality with those of any other race anywhere in this country. This is my opinion. But to preach bilingualism to the extent to which it is being done, and to ridicule the Members of Parliament, is pure nonsense.

Now, with regard to culture, I do not believe in it. I do not believe in what is called culture, for the very good reason that culture does not exist in this country. The teaching is so superficial and the programs are so far from the fundamentals, it is impossible to speak of culture.

Immigration review: To have an open door to all immigrants to this country is a mistake, because they all should be screened. There are various dangerous elements that come from Europe, and this country should be very careful about accepting them freely. I have the utmost sympathy for the present Minister of Citizenship and Immigration who has so much to do because he is also Acting Postmaster General at the present time. He is a fair gentleman, and I hope to have an opportunity to discuss some matters with him in due course. However, the idea of opening wide the doors of Canada to all immigrants would be a great error.

Reform of parliamentary procedures: One reform with which I agree entirely is the simplicity of the opening of Parliament. There is nothing more ridiculous than to have the opening of Parliament performed in the old manner. The opening of this Parliament was done soberly and was appreciated by all those who had the opportunity of seeing it on television.

Farm assistance: Good.

Election expenses: It must be difficult to adjust that problem.

Encouragement of science and technology: So much the better.

Capital punishment—here we are! I remember Mr. Lapointe, a former Minister of Justice, told me that when he had to consider a case of capital punishment he did not sleep for a week. He had to do his duty, but it embarrassed and pained him. It was painful for him to make a decision in such matters. But, on the other hand, society must be protected, and just because it is a most difficult matter to deal with that does not mean to say it can be avoided. When a Member of Parliament accepts the portfolio of Minister of Justice he must realize that he will have to fulfil the same obligations as those of his predecessors. I read one day in the press that capital punishment was abolished until legislation was passed by the Parliament of Canada.

There was a Mr. Bickerdike, the member for St. Lawrence in Montreal, at the time of Laurier, who advocated the abolition of capital punishment at every session for a time, and then he left politics. The matter was again brought to the fore by a young member who was elected by the largest majority in Canada. After he had succeeded in having legislation passed regarding non-capital murder he was not re-elected.

People are very concerned about what happens in this country when so many are exposed to persons who suffer perhaps from a mental disorder of some kind, but is it because they suffer from a mental disorder that capital punishment should be abolished? To my mind, the best example that could be cited is that of a lioness that was kept as a pet in Quebec City. She killed a child, and a constable came and shot her. I feel it was the way to deal with that case, in the manner in which such cases have been dealt with at all times to get rid of dangerous beings,

whether they belonged to the animal kingdom or not. Then, at the present time, when I was coming to Ottawa I read in the press that a man who had killed a woman with an iron bar to steal her purse, and had been found guilty of murder and sentenced to the scaffold, had had his sentence commuted.

It is a very sad thing, and the matter will have to be reconsidered in due course. I am not surprised that the Attorney General of Quebec said that those who were for the abolition of capital punishment were the criminals themselves. It was hard to say, but it was said by him.

Take for instance the recent case of the young woman of 16 who was kidnapped, raped, killed and buried. Nothing was done until recently to discover who was the murderer, though the people of the vicinity knew about the case. Then the murderer confessed his crime. What will happen to him? He will be sent to jail for a certain period of time if he is found guilty by the court according to his confession, and then he will be set free.

Why should we encourage those who are a danger to society? There are certain societies —there is the John Howard Society to which Members of Parliament belong, and Mr. Arthur Maloney of Toronto has started another one of a similar type. I wonder how many members of both houses belong to the John Howard Society and the other organization for the abolition of the death penalty for criminals.

When you have children or grandchildren you do not know what will happen to them, unless all those dangerous perverts and criminals are dealt with in a way that has been considered the best one for all times.

Then, the last item is the Senate retirement age. There was a suggestion I thought of making to the Government, to appoint the Leaders of the Opposition groups—except Mr. Diefenbaker, who is the official Leader of the Opposition—to the Senate: Mr. Thompson, to fill the vacancy in Alberta; Mr. Douglas, to fill the vacancy in British Columbia; Mr. Caouette, to fill the vacancy in the Province of Quebec. There is also a vacancy in Ontario for Mr. Fisher. Then we will have livelier sittings in the Senate.

That being said, I must say that the present Government, the Pearson Government, has treated the Senate as well as the House of Commons. In that regard we must appreciate what has been done by our Leader, Senator Connolly (Ottawa West), and Senator Ross Macdonald, who is doing exceedingly well as Chancellor of the University of Waterloo. They have eliminated the differences that existed before with regard to travelling expenses, etcetera. To be fair, I must mention that our colleague, Senator Croll, was with them and supported their recommendations to the Government. Those recommendations were accepted.

There is now a bill before the House of Commons for the reform of the Senate. The Senate could be reformed by the Senate itself, and the Government could help it. I have thought of this, and I have spoken to some of my colleagues about it. When the bill for the retirement of senators comes before us I wonder if it will be possible to leave aside all political considerations in respect to amending the bill, and to institute a non-partisan committee composed of an equal number of senators on the Government and Opposition sides, which will decide what senators should retire. I think that that could be done in a just manner if the pension is adequate for the incumbents.

Naturally, all senators are not rich men, in spite of current rumour. Some of us are more fortunate than others in respect to wordly possessions. I wonder, therefore, if it would not be possible to come to a satisfactory conclusion on the matter.

I must say that among our senior colleagues there are some who are young-hearted, and who work hard and regularly attend the sittings of the Senate. They perform their duties just as well as any younger man. It is not a question of age. In the first place it is a question of attendance and, in the second place, of physical fitness. This bill will release those who suffer from illness of some kind from the obligation of coming here. The manner in which the Senate could proceed to that kind of reform, a manner that would not be painful, would be to strike from the list of the committees the names of those senators who do not attend half of the sittings.

I remember that Senator Marcotte from Saskatchewan used to say that a senator held public office, and he should first be a senator, and place his private business second to his public business. Mind you, it is a sacrifice for us to come to Ottawa from distant parts of the country. I wonder if the matter could be considered successfully to the benefit of the Senate. It is not a question of infringing upon the rights of individuals. The object is just to give certain members of this house the opportunity of enjoying a well-deserved rest.

Among the membership of this house there are some who are over 75 years of age, and some who are over 80. Our older senators do very well. If those who complain about the Senate attend its sittings and its committee meetings, they would realize that attendance is not a question of age but a question of good will and physical ability.

I wonder if honourable senators are satisfied with the amount of pension that is mentioned in the bill, and whether they are willing to retire. We should consider whether a pension that is almost equal to the indemnity that is paid now, less travelling expenses, is sufficient to induce those who are not well to retire. The pension proposed for widows of senators is far from being adequate, especially when the amount paid to judges, who make no contributions to their pensions, and to their widows, is considered.

Having said what I have, I regret that I have spoken longer than I intended, but I wanted to discuss these matters in the friendliest manner with you. I hope that what I have said will be taken in the spirit I intend, because I am proud of being a member of the Senate, and I want my colleagues to be happy and to continue their good work in this chamber.

On motion of Honourable Mr. Fournier (Madawska-Restigouche), debate adjourned.

OTTAWA TERMINAL RAILWAY BILL

SECOND READING

Hon. Norman P. Lambert moved the second reading of Bill S-3, to incorporate the Ottawa Terminal Railway Company.

He said: Honourable senators, this bill to incorporate the Ottawa Terminal Railway Company comes before the Senate as a sequel to Bill S-33 of the last session that was passed by this house on July 22, 1964, but which failed to pass the other place before prorogation.

I am sure all honourable senators will remember that as a result of a thorough discussion of Bill S-33 in the Standing Committee on Transport and Communications last session, consideration was given to certain proposed amendments relating to the licensing of services having to do with the transfer of goods and passengers by means of trucks, buses, cabs or other highway vehicles, as provided in paragraphs (e) and (g) of section 10. The present bill is a revision of the previous bill, in so far as those provisions are concerned.

In paragraph (e) of section 10 the word "license" in the last line has been deleted. This particular amendment was made by the Minister at the request of the City of Ottawa, which pointed out that the right to grant licenses to third parties as provided for in the old bill might unintentionally grant such licensees immunity from the city's by-laws.

In paragraph (g) the words "and passengers" and the words "buses, cabs" have been deleted. This change was made at the request of the Ottawa Transportation Commission, which claimed that its franchise to operate public passenger transportation services in the city was being transgressed by paragraph (g).

A third change has been made in Part II of the schedule attached to the bill, section 26 on page 17, referring to the date for the closing of transfers of land. As set forth in the explanatory note to clause 26, the parties to the memorandum contained in the schedule have agreed to extend again the date of actual transfer to March 31, 1965. The original understanding was that that transfer would be completed by the end of last year.

If this bill as amended meets with the approval of honourable senators, I think it should be referred to the Standing Committee on Transport and Commnuications to clarify this particular provision in the schedule.

The reason for delay is not made very clear, and there were a good many estimates or guesses expressed at the committee as to the valuation of the lands that would be exchanged between the railways and this commission, and vice versa, at that time. I think therefore it would be apropos if the committee looked at this revised bill, and obtained some evidence by the officials as to what the prospects are for the bill and what the reasons are for the delay in connection with the transfer of these lands.

I do not think there is anything else in connection with this bill that is not repetitious of the one we considered last session. I therefore move that second reading be approved now.

Hon. Arthur W. Roebuck: Honourable senators, I have read the bill as carefully as possible. I have also gone through the Memorandum of Understanding, perhaps not with a fine tooth comb, but reasonably carefully, and I can find nothing in this bill with regard to the employees of the railways. There is something about the directors and the president, and how much they are to be paid,

and about the transfer of property, and various things of that kind. Apparently it is not only a question of the road and the terminal, but I understand there is to be a change in the lines. However, there is absolutely nothing with regard to the employees, with one little exception, that in paragraph 30 of the memorandum, it is stated:

> ...the Commission shall in no instance be liable hereunder where such injury or damage results from negligence on the part of one or more of the railway companies, their employees, servants or agents.

So, apparently the railroad is not to run itself, and there are to be employees. Other than that, there is nothing suggested in either the bill or the Memorandum of Understanding with regard to the men who must run this road, the running trades, the non-ops and so on.

My mind goes back a long way in this matter, not quite so far as this in detail, but I have before me an act entitled Canadian National-Canadian Pacific Act, passed in 1932-33. It had a number of purposes. There is the organization to some extent of the Canadian Pacific Railway, and something about the Canadian National Railway. The real purpose of the act, as I see it, the core of the act, is to provide for co-operation between the Canadian National and the Canadian Pacific.

Somewhat later on during the war, when it was most necessary to conserve both our material resources and our manpower, there were proposals made for the running of pool trains. The late C. D. Howe was in charge at that time. Under Part II of that act, under the heading, "Co-operation between National Railways and Pacific Railways," in section 17, paragraph 1, I find it speaks about authorizing the parties to agree

> ...upon such co-operative measures, plans and arrangements as are fair and reasonable and best adapted (with due regard to equitable distribution of burden and advantage as between them) to effect such purposes...

That is to say, these parties were to agree, if possible, on a fair deal. I think that is pointed particularly at the pool trains. The paragraph goes on to say:

> ...and they are further directed that whenever they shall so agree they shall endeavour to provide through negotiations with the representatives of the employees affected, as part of such measure, plan or arrangement or otherwise, for a fair and reasonable apportionment as between the employees of National Railways and Pacific Railways, respectively, of such employment as may be incident to the operation of such measure, plan or arrangement.

Nothing of that kind appears in this bill with regard to the welfare of the employees. Not only that, but over many years gone by, agreements have been entered into between the employees and the employers, and the agreements have developed over the years with a good deal of discussion and wisdom applied. So far as this bill is concerned, however, all those agreements go by the board. The railway is to be transferred to independent parties, but so far as this proposed act is concerned, the new managers are to be free from any obligations or benefits that may be derived from these agreements developed over the years.

In the Canadian National-Canadian Pacific Act, which is before me, where co-operation of the kind that is envisaged in this bill was under consideration, you will find in section 17(3), the following paragraph:

> The National Company and the Pacific Company for and on behalf as aforesaid are directed to endeavour to provide that any new company, created as in subsection (2) referred to, shall give preference for work to employees in any services or any works taken over by such new company.

That is to say that the employees in the original companies now taken over by another company shall have a preference. There is nothing of that kind in this act.

Another provision, too, is important in a much better considered act than the bill that is before us. It says:

> 29.(1) The rates of pay, hours of work and other terms and conditions of employment of employees, of National Railways or Pacific Railways, engaged in the construction, operation or maintenance of National Railways or Pacific Railways shall be such as are set out in any agreements in writing respecting such employees made from time to time between National Railways or Pacific Railways, as the case may be—

That is to say, if there is a combination of the two railroads for the operation of a branch

or terminal, such as we have under consideration, the agreements between the railroad company's employees and the railroad shall be adopted and shall apply. I suggest that this bill should be amended along those lines. I am not prepared to draw the exact phrase that we should add.

Certainly, honourable senators, we should not pass this bill as it is. It sets up a commission for the operation of the road and deals with the transfer of the property, the protection of the management from the negligence of its employees, and all that kind of thing with regard to management; but it takes no consideration whatsoever for the welfare of the employees.

This is not the time on second reading to amend the bill, but I am pleased to hear my friend, Senator Lambert, say that he will ask that it be referred to the Standing Committee on Transport and Communications. I trust that when the committee meets it will hear the representatives of the railway unions. I know they will have something to say about this matter before we pass this bill, and they should be invited.

Hon. Mr. Lambert: They are a little late in presenting their case, not having presented it before the committee when it did sit.

Hon. Mr. Roebuck: I am not sure that they were notified of the bill or invited to be heard. Anyway, that is threshing old straw. The bill which we passed before did not pass the House of Commons. I am quite sure that if this bill as it now stands goes to the Commons, it will be attacked there very vigorously indeed.

However that may be, we in this chamber have always taken special care to invite before our committees those who are specially affected by legislation which we propose. Therefore, I suggest to the chairman of the committee that notice be given to all the railroad employees affected, through the unions, and that the unions be heard in this connection before we pass this bill.

I am sure that we in this chamber are as much concerned about the welfare of the employees of the railroad as we are about the welfare of the management and the railroad itself. That is all I wish to say in connection with the matter.

I am glad to see that we are making progress with the enterprise itself. I have no doubt that the new terminal will serve the public and I am not in any way criticizing that. However, I do point out the very evident and obvious omission from this bill of any reference whatever to the employees who must carry on the business.

Hon. A. K. Hugessen: Honourable senators, I am a little surprised at what my honourable friend has just said. I was the chairman of the Committee on Transport and Communications which considered the previous bill last session, and I must say it never occurred to me or to any members of the committee at that time that this was a bill in which the employees as a union were particularly concerned. It seemed to us that this was merely an enabling bill to incorporate the Ottawa Terminal Railway Company with certain powers. Certainly, when we considered the bill last year—and we considered it quite carefully over two or three sittings, as I recall—nobody made any representations to us that the railway unions should be heard.

I am quite certain the committee will be only too glad to hear the unions if they wish to be heard; and I will take note of my honourable friend's suggestion. The railway unions certainly will be notified of the hearings on this bill, if it gets second reading and is referred to the Committee on Transport and Communications.

I really do not quite see that, at this particular stage when the company is being incorporated, the unions will have any special interest in the matter. The bill states that the Railway Act shall apply to the company and its undertaking. I would normally suppose that, once the company is incorporated and starts its operations, it will have to enter into negotiations with the railway unions, just like any other railway company.

I must say, honourable senators, that from what one believes generally to be the case, the railway unions in this country are very active in the interests of their employees and certainly would not allow any matter to go by default in relation to the interests of their employees in connection with this bill.

Hon. Mr. Choquette: The Labour Code, too, will apply to them.

Hon. Mr. Hugessen: Yes, undoubtedly. If I had had any idea last year that my honourable friend was going to take this position this year, I would certainly, as Chairman of the Committee on Transport and Communications, have made certain that the railway unions were notified of our hearings on this bill. As I say, the hearings took place on two or three days, spread over two or three weeks. They were not confined to one hearing on one day.

Had the railway unions at that time indicated that they had any interest in this particular matter, it goes without saying that we would have been only too glad to have heard them—as indeed we shall be glad to hear them when this bill comes before the committee.

Hon. Mr. Roebuck: Honourable senators, the assurance given to me by the honourable senator is all that I ask at the moment. I do know, as a matter of fact, that the unions are interested. Whatever may have happened on a previous occasion, I do not know; but I do know that they are interested now, and if they are heard that will satisfy all the objections that I have.

Hon. Mr. Hugessen: Honourable senators, I might make one further observation. There was considerable controversy about this bill last year at the instance of the Truckers' Association. They objected to certain features of the bill. We held two or three sittings. As I have said, had we known that there was any interest of the railway unions in presenting a case, we would have been only too glad to hear them; but they were completely silent.

Hon. W. Ross Macdonald: Honourable senators, I take it that this bill refers to the relocation of the present Union Station. I am one of those who, to say the least, was not enthusiastic about the change in location. We all know that if we travel by air, it takes at least 50 minutes to go from the Parliament buildings to the airport. It was a great convenience to come to Ottawa by rail and arrive in the centre of the city.

Those who stayed at the Chateau Laurier had just to walk through the underground passage to the station, which was convenient in bad weather, and those who lived elsewhere had taxis quite handy. Those of us who came to Parliament and arrived in Ottawa about the time of the sittings could walk up here in a few minutes. Now we are going to lose that convenience. I am resigned and I realize that the change must be made.

Honourable senators, as I walked down the street from this building to Sparks Street, I saw in the windows of Canadian National and Canadian Pacific signs reading, "Travel by train and arrive in the centre of the city." It seems to me that those signs will have to be destroyed sooner or later. Instead of arriving in the centre of the city, we are to arrive many miles out.

Hon. Mr. Reid: And hire a taxi.

Hon. Mr. Macdonald (Brantford): Yes. We who are Scots do not like further expenditures like that.

I also read an advertisement in the American papers in which they referred to arriving in the centre of New York City by rail, and what a great convenience it is and will continue to be for people arriving there. But this is not to be the case in Ottawa. I hope that when the change of location of the Union Station in Toronto is decided upon, it will still be fairly close to its present location near the centre of the city.

However, honourable senators, I am wasting my words now in stating that I feel rather regretful that this station, located as it is in the centre of the city, and which brought people to the centre of Ottawa, is, in a few years, to be no more.

Hon. Mr. Reid: They are also tearing down a historical building.

Hon. Mr. Macdonald (Brantford): As my friend says, they are tearing down a historical building. What will be constructed in its place, we shall probably hear about later.

May I ask the sponsor of the bill for how much longer may we look forward to arriving in the centre of the city? Can he give us any information as to when the new station is likely to be built?

Hon. Mr. Lambert: In referring briefly to my honourable friend's remarks about the growth of this city, I have no doubt that he is looking at it through the wrong end of his telescope and is thinking of it in terms of his native city, Brantford. The centre of the City of Ottawa today is more nearly located to the prospective site of the new terminals than to the present station across from the Chateau Laurier. In the last session when this matter was being discussed we were told that the present location is really on the perimeter of the city, bordering on the river. I am advised by the engineers concerned with this matter that the new site is nearer to the centre of the city than would be any location in the area which we now consider to be the centre of the city. Furthermore, it will be more readily available to the outlying public buildings connected with the government administration and the general business development of the city.

It would appear that my friend has not made a voyage of discovery around Ottawa, and so is not aware of the location of the Green Belt in relation to the capital city. It has changed, as Vancouver has changed in size and dimension.

As to when the new station will be completed, it is supposed to be ready in time for our anniversary in 1967. That is one reason why I am rather concerned about the amendment in the schedules to the effect that the time for the completion of the transfer of lands has been deferred still further, until the end of March. I think that by having the committee hear further evidence from the officials and, as Senator Roebuck has said, from the railway officials or the unions connected with the railways, we might have more light on these different questions that have been asked.

In the meantime I can only say that the memories of those who attended the committee meetings last session must be very short, because this whole project was very thoroughly discussed then, without any reference whatever from the labour interests involved. Apart from the representatives of the trucking trade, no exceptions were taken to the proposal.

Hon. Mr. Vaillancourt: Senator Lambert has said that the centre of the city is changing its location. Does he think it will be necessary to change the site of the Parliament Buildings and the Chateau Laurier to have them in the new centre?

Hon. Mr. Lambert: If the sessions of Parliament continue to last as long as they have lasted in recent years, there might be something to be said for that.

Hon. Mr. Reid: May I ask the mover of the bill if the question of moving the station was outlined when we discussed this matter last year? Was it stated at that time that the station was to be moved to what he now calls the centre of the city? I do not remember.

Hon. Mr. Choquette: Yes. Our good friend the chairman of the Transport and Communications Committee referred to it in this way, that it was going to be moved to the sticks.

Hon. Mr. Reid: Where is that?

Hon. Mr. Choquette: Hurdman's Bridge, three miles out.

Hon. Mr. Hugessen: 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 the 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.

There is the further consideration that a number of important government buildings are moving out to the perimeter of the city in the southerly and easterly directions, and it will be easier to get to the new station from those buildings than it is at the present time. As I have said, I was rather surprised that this should be the attitude of the railway companies. But, as they explained, they do not expect to lose traffic by the relocation of the station to the proposed new site.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Lambert, bill referred to Standing Committee on Transport and Communications.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, May 13, 1965

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

Prayers.

PRIVATE BILLS

THE TRUSTEE BOARD OF THE PRESBYTERIAN CHURCH IN CANADA—FIRST READING

Hon. F. Elsie Inman, for Hon. Mrs. Fergusson, presented Bill S-10, respecting The Trustee Board of The Presbyterian Church in Canada.

Bill read first time.

Hon. Mrs. Inman, for Hon. Mrs. Fergusson, moved that the bill be placed on the Orders of the Day for second reading on Tuesday next.

Motion agreed to.

THE ALGOMA CENTRAL AND HUDSON BAY RAILWAY 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-4, respecting The Algoma Central and Hudson Bay 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 PRESENTED

Hon. Mr. Hugessen, Chairman of the Standing Committee on Transport and Communications, reported that the committee had considered Bill S-4, respecting The Algoma Central and Hudson Bay Railway Company, and had directed that the bill be reported with the following amendments:

1. Page 3, line 17: After "rights" insert, "present or future,".

2. Page 3: Delete clause 8 and substitute therefor the following:

"8. The company has as ancillary and incidental to the purposes and objects set forth in the Special Act creating the Company the powers set forth in subsection (1) of section 14 of the Companies Act."

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

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

Motion agreed to.

DIVORCE

REPORT OF COMMITTEE

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

Your committee recommends:

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

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

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

Motion agreed to.

REPORTS OF COMMITTEE PRESENTED

Hon. Mr. Roebuck, Chairman of the Standing Committee on Divorce, presented the committee's reports Nos. 2 to 49, inclusive, and moved that the said reports be taken into consideration on Tuesday next.

Motion agreed to.

EXCISE TAX ACT

BILL TO AMEND—REPORT OF COMMITTEE ADOPTED

Hon. William H. Taylor, for Hon. Salter A. Hayden, Chairman of the Standing Committee on Banking and Commerce, reported that the committee had considered Bill C-96, to amend an Act to amend the Excise Tax

Act, and had directed that the bill be reported without amendment.

Report adopted.

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

Hon. Eric Cook moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

PUBLIC SERVICE SUPERANNUATION

BILL TO AMEND CERTAIN ACTS—AUTHORITY TO PRINT COMMITTEE PROCEEDINGS

Hon. Mr. Taylor, for Hon. Salter A. Hayden, Chairman of the Standing Committee on Banking and Commerce, presented the following report of the committee on Bill C-97, to amend certain acts respecting the superannuation of persons employed in the Public Service, members of the Canadian Forces and members of the Royal Canadian Mounted Police:

> 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. Taylor: I move, with leave of the Senate, that the report be adopted now.

Reported adopted.

REPORT OF COMMITTEE ADOPTED

Hon. Mr. Taylor, for Hon. Mr. Hayden, Chairman of the Standing Committee on Banking and Commerce, reported that the committee had considered Bill C-97, to amend certain acts respecting the superannuation of persons employed in the Public Service, members of the Canadian Forces and members of the Royal Canadian Mounted Police, and had directed that the bill be reported without amendment.

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.

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 18, 1965, at 8 o'clock in the evening.

Motion agreed to.

THE ESTIMATES

FINANCE COMMITTEE EMPOWERED TO EXAMINE AND REPORT

Hon. John J. Connolly 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 31st March, 1966, in advance of the bills based on the said Estimates reaching the Senate;
>
> That the said committee be empowered to send for persons, papers and records and to sit during sittings and adjournments of the Senate; and
>
> That the quorum of the said committee be reduced to seven members.

Hon. John J. Connolly: Honourable senators, this is a self-explanatory motion and one with which I think all honourable members of this house are in agreement. As Senator Aseltine pointed out on another occasion when a similar motion was presented, this was not always so.

I am told that the first occasion upon which the Estimates were referred to a standing committee of the Senate was in 1943, at which time there was considerable debate as to the appropriateness of the Senate's making such a study as was proposed in the motion. However, it was so resolved, and the study was undertaken.

That procedure was followed again in 1950 when there was another fairly wide-ranging type of proposal, which resulted in the same step being taken. Since that time the principle of adopting a motion of this kind has been generally recognized as a proper step for this chamber to take.

Since 1950 the Estimates have been referred to the Standing Committee on Finance on seven different occasions. Many honourable senators will remember the study made in 1959 on the problem of inflation. On each occasion that the committee met, witnesses were called, documents presented and examined, and a thorough study made. These

studies were not made into the details of the Estimates—the Estimates were not examined as they are in another place—but certain aspects of governmental activity were discussed, and the committee's reports were usually fairly comprehensive. I should add that in every case the report of the committee has been deemed very good and useful.

In 1950 the committee's report, presented by Senator Crerar, the chairman at that time, dealt principally with the form in which the Government's accounts were presented. As a result of that study changes were made in the form in which the book of Estimates was prepared. In 1964 the committee undertook a study of the operation of the Government establishment itself in the light of the recommendations of the report of the Glassco Commission.

A few weeks ago I was reading the Debates of the House of Lords for a year or so back, and discovered that that house had initiated a debate on the structure of the Government. The debate covered a wide field, and some very experienced political people took part. That is the kind of debate we have had in this chamber, but we have gone a little further in referring the subject matter of the motion to a standing committee which has arranged for the hearing of evidence and production of documents. This is a more effective way of looking into problems of public interest, because the work is done in a forum that is unique in this country. The work performed by the committee last year made a useful contribution to government.

I could even go back to 1956 when the Senate Finance Committee, under the chairmanship of Senator Hawkins, explored the concepts of gross national product and gross national expenditure. This was a good public service, and the report of the committee was very favourably commented on in the press.

The terms of reference in this instance are as broad as they can be. They refer the Estimates to the committee, and it will be for the chairman, in consultation with the members, to set up a steering committee to decide upon what particular subject matter they are to pursue, and to make the necessary arrangements for the calling of witnesses and the presentation of documents, in order to make a report upon the topic selected for study.

Before I resume my seat, I would pay tribute to the Senators who have served as chairman of this committee in other years. I have already mentioned Senator Crerar. I will also mention the late Senator Hawkins, whose report was presented in the Senate almost an hour after his untimely and sudden death.

I would also refer to the report of the committee of which Senator Emerson was chairman, as well as that of last year when Senator Leonard was chairman. Once again we are indeed fortunate to have Senator Leonard as chairman of this important and significant committee.

Hon. A. J. Brooks: Honourable senators, I have only a few words to say on this motion.

First, may I join with the honourable Leader of the Government (Hon. Mr. Connolly) in expressing our appreciation of the work done by previous chairmen of the Finance Committee, and also our great satisfaction that the committee will be chaired this session by Senator Leonard.

There is no objection to this committee being set up. It has done excellent work in the past, as the Leader of the Senate has just stated, and has presented some excellent reports. Anyone who reads Senate *Hansard* will realize how much work has been done by this committee.

Last year the committee discussed and studied the Glassco Report. Sometimes I wonder how much is gained from such reports, unless recommendations are made and implemented. I know that some of the recommendations of the Glassco Report have been implemented, but I understand that the majority of them have not been touched. That report dealt with many subjects, and I think the general public feels it was an excellent report, and that perhaps there should be some further study this year of the Glassco Report and that its recommendations should be further implemented.

With respect to a study of the Estimates by this committee, may I say that the Leader of the Government expressed himself very well. It is simply a fiction to say that all the Estimates can be studied by the Finance Committee, since there are some twenty or more departments with which to deal. It would be impossible. The Estimates are studied for weeks in the other place, and I understand that they are now trying to reduce the time for debate to some thirty days or so, according to a report which is being brought down.

Those who have had to present Estimates before the Commons know that the studying of them is a long and tedious matter. There are thousands of items to be studied. This cannot be done thoroughly here, and we

should not expect it to be done. I have heard members in this house ask questions as to how much was spent on this or that item. It sounded ridiculous to me, because the Leader of the Government in the Senate is not sufficiently familiar with the Estimates to answer such questions. He has no one in front of him to assist him, nor has he the record to deal with the information.

Honourable senators, I simply wish to say that we are heartily in agreement with the setting up of this committee. If any honourable senator does not understand some item which is in the Blue Book, or wishes information about it, he has only to refer it to this committee and he can get all the information he needs. Therefore, the committee is really a safety valve, as it were, so far as the Senate is concerned. By means of this committee, the Senate, as in the past, will be able to make a worthy contribution by its study of any particular item or items which may be brought before it. We are therefore strongly in favour of the committee being set up.

Hon. Thomas Vien: Honourable senators, I am happy to congratulate both the Leader of the Government (Hon. Mr. Connolly) and the Leader of the Opposition (Hon. Mr. Brooks) on the remarks they have made. I think it is expedient and proper that such a resolution be introduced in this house, as was done in previous sessions.

I was elected to Parliament for the first time in 1917. I believe that the honourable Senator Power, the honourable Senator Crerar and myself are the only three survivors in Parliament of that election. I refer to that only for the purpose that I do not believe I have ever sat during any session of Parliament when some remarks were not made on the necessity for the Senate being given sufficient time to examine the Estimates properly. The motion to set up the proposed committee is precisely to correct that situation.

There is nothing in the British North America Act or in the Rules of the Senate to prevent such a motion or such a committee from sitting.

There are various opinions at large, and even accepted as being words of the Gospel, which are absolutely incorrect. People are sometimes prompted to think that the Senate has nothing to do with financial bills, the Estimates, or with the financial undertakings of the Government. That is altogether wrong. This impression has been created owing to a miscontruing of sections 53 and 54 of the B.N.A. Act, which do not say anything of the sort. Section 53 reads:

> Bills for appropriating any part of the public revenue, or for imposing any tax or impost, shall originate in the House of Commons.

Section 54 reads:

> 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.

Therefore, the only restriction imposed with respect to financial bills is that they shall be introduced in the House of Commons. Once introduced there the powers of the Senate and the powers of the House of Commons are exactly the same. This is clearly indicated in section 18 of the B.N.A. Act, which reads:

> The privileges, immunities, and powers to be held, enjoyed, and exercised by the Senate and by the House of Commons and by the Members thereof respectively shall be such as are from time to time deemed by Act of the Parliament of Canada, but so that the same shall never exceed those at the passing of this Act held, enjoyed, and exercised by the Commons House of Parliament of the United Kingdom of Great Britain and Ireland and by the Members thereof.

Therefore, outside of the provisions of section 53 of the British North America Act —which provide that a financial bill or a tax bill must be introduced in the House of Commons first and submitted to the house by a minister of the Crown, with the approval of the Governor General—the powers of members of the House of Commons and of members of the Senate are exactly the same.

It has been held in the Commons a number of times that a member of the House of Commons cannot introduce a motion with a view to raising expenditures which have been suggested by the Government in the budget provisions. However, once a financial bill is introduced in the House of Commons by a Minister of the Crown, with the approval of the Governor General, the powers of members of the House of Commons and the members of the Senate are exactly the same with respect to such financial bill.

Therefore, it is somewhat surprising—I should say impertinent—to read in the Standing Orders of the House of Commons, Order No. 63:

> All aids and supplies granted to Her Majesty by the Parliament of Canada, are the sole gift of the House of Commons,...

It is an impertinence because it is not true. It is an insult to the Senate. If a money bill is the sole gift of the House of Commons, then why should it have to be given first, second and third readings and be passed by the Senate? A financial bill, as passed by the House of Commons, cannot become law unless the Senate approves it. Therefore, it is impertinent to see in the Rules of the House of Commons that a supply bill is the sole gift of the House of Commons.

Hon. Mr. Roebuck: And the Governor General has to sign it.

Hon. Mr. Vien: Yes. At the end of the session, or when Royal Assent is being given to a financial bill, the Honourable the Speaker of the Commons comes to the Senate and addresses His Excellency in these words: "The Commons of Canada voted certain supplies." But it is not the Commons; it is the Parliament of Canada which has voted these supplies. The Senate has also approved of them.

I come now to the motion before this house. I repeat what has been said many times before, and particularly in the admirable report which was presented after an inquiry made by the Senate. Mr. Geoffrion and Mr. Lafleur, two eminent lawyers, appeared before the committee, and the committee reported to the Senate that money bills must be introduced first in the House of Commons, but once introduced there the powers of the House of Commons in dealing with it are not greater than the powers of the Senate.

Therefore, ever since I was elected to Parliament—and I am sure that my colleagues are of the same opinion—I have always found, in the Commons as well as in the Senate, the Opposition criticizing the Government for bringing in financial measures at the last minute, on the last day of a Session of Parliament, when members of both houses are called upon to vote hundreds of millions of dollars in almost no time.

This is a question of expediency.

When we come to the dying days of a session, after the House of Commons has studied and discussed these matters *ad nauseam*, the Estimates come at the last minute to a vote. Then they come to the Senate for approval and we have no time to go into them in detail. It is proper that Opposition members as well as Government members should criticize that practice of voting holus-bolus hundreds of millions of dollars without examining their details. This committee which is to study the Estimates will have ample time to go into such details. I agree with many former parliamentarians that it is not the function of the Senate to go into all the Estimates in as many details as does the House of Commons, but we would serve a good purpose if we studied the general line of financial provisions and if we went into them at least to the extent of being able to suggest remedies which would commend themselves to the good judgment of honourable senators.

That is why I congratulate the honourable Leader of the Government and the honourable Leader of the Opposition for having agreed on this motion. I think the Senate will serve a good purpose if the Estimates are referred to our Committee on Finance and are studied there at leisure.

Hon. Mr. Paterson: May I ask the honourable senator what would happen if, some day, we turned the Estimates back to the Commons? Has it ever been done?

Hon. Mr. Vien: I do not know that it has been done in Ottawa, but it was done in 1879 in Quebec. It resulted in a general election, and the Government was shortly thereafter defeated.

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. Bourque, seconded by Hon. Mr. Aird, for an address in reply thereto.

Hon. Edgar Fournier: Honourable senators, having the honour for the next few minutes to participate in this debate on the motion for an address in reply to the Speech from the Throne, may I first congratulate the

mover and the seconder, Senator Aird and Senator Bourque. Senator Aird, a new and welcome member to this house, carried out his duty in the high tradition of this chamber. Senator Bourque, who has a vast experience both in civic affairs and politics, and who is a perfect gentleman, was at his best. He was gentle, polite, soft-spoken; and he did a wonderful job with the material on which he had to work. When I heard his address I was inclined to think that the honourable senator had read a different Speech from the Throne from that presented to the Canadian people on April 5. However, I am sure we all agree that both deserve high praise for their accomplishment.

Honourable senators, I am sure I am in order in praising His Honour the Speaker on the impartial and fair way in which he conducts the business of this house.

Our two house leaders, honourable Senator Connolly (Ottawa West) and honourable Senator Brooks, are really an inspiration to us, the younger group, who can learn more by listening and observing than by "bragging". In their own capacity these two gentlemen are giving us an example of leadership which I hope will be followed for a long time to come—but naturally by a reversal of their roles.

Reading the Speech from the Throne leads one to believe that it was prepared by a nervous group, not knowing too well whether they were coming or going. There were many newspaper comments on it. Here are some of them: Toronto *Star*, by Peter Newman, "Shows fear of the N.D.P."; Toronto *Telegram*, by Lubor J. Zink, "A great basket of attractive Easter eggs. A ballot bait"; Ottawa *Citizen* editorial, "A massive welfare platform for the campaign trail"; Peterborough *Examiner* editorial, "Imitation of American programs"; Hamilton *Spectator* editorial, "As big as the sky and as far away"; London *Free Press* editorial, "Should serve to polish the Government image"; Calgary *Herald* editorial, "Potentially controversial"; Toronto *Globe and Mail*, by Fraser Robertson, "Snub to businessmen"; Sudbury *Star* editorial, "Weak imitation of Washington"; Victoria Daily *Colonist*, "Loaded with attractive-sounding thought, ill-defined proposals"; Sudbury *Star* editorial, "Nothing very original or inspiring—mostly borrowed"; *Financial Post* editorial, "Speech tells half the story—more crucial half in budget." And I could go on for quite some time. Personally, I will call it something else. It has great similarity to an octopus, a jellyfish, with lots of legs feeling its way around in the dark.

Honourable senators, let me assure you that I will direct my remarks specifically to the Speech we heard this year, not the one we heard last year, nor the year before nor the one which may be anticipated next year. I have perused the Speech from the Throne for many hours. It is hard to find in it any immediate measure to improve the welfare of the Canadian people except at a very high cost to the taxpayer. The Speech refers to several measures, but fails to state how long it will be before they are implemented and how costly they will be to the Canadian people. Some people and newspapers have estimated the cost of this whole scheme at some $3 billion. One must bear in mind that someone has to pay for all these gratuities, social services and government assistance of all kinds.

The Speech refers to a war on poverty. I can see in this a greater war on the wealthy. Many honourable senators will remember that years ago there was an American bandit group which had as a philosophy to rob the wealthy and give to the poor. I do not agree with the methods used by the gang nor do I agree with the word "robbing" but otherwise I see quite a similarity. I feel that the wealthy have an obligation towards the poor. Not so long ago a statement was made to the effect that a country which cannot support its poor cannot survive. But, honourable senators, the wealthy have a right to know how their contributions, whether by taxes or in other forms, are to be used.

We know what has happened to the unemployment insurance scheme, which was in itself a very good social measure. Social assistance was also a good measure, but we also know what has happened to it. Old Age Assistance combined with unemployment insurance and social assistance plus some other benefits have in many Canadian families reached a vicious circle not only to the parents who are living on those services, but for the family—usually a large one—which they are raising with the apparent philosophy, "Don't work, the Government owes you a lifetime pension; get everything you can from the Government and contribute nothing."

Honourable senators, war on poverty is not a handout, but is carried on by making jobs available as promised by the Government of the day. Canadians are not a lazy people; give them employment with a reasonable salary and they will be happy. But let us give them enough so that they can live a decent life, have enough income to educate

their children and provide food and shelter for their families. Let us make it possible for them to enjoy the facilities for living which are now available to mankind.

May I refer to a statement made with all the wisdom of the honourable Senator Macdonald (Brantford). It is to be found in *Hansard* of the Senate of October 4, 1962, at page 39, when the honourable senator, as Leader of the Opposition in this house, was very doubtful of the mandate and authority of the Government of that day, being a minority group. I would like to quote just the last part of his statement on that occasion:

> It has no clear mandate from the people, either as to general policy or as to specific measures. We must, as a responsible second chamber, take the general attitude that no piece of government legislation which might come before us in the current session could be said to have behind it a clear popular mandate. Therefore, it will be necessary for us in each case to give all legislation even more searching investigation than has been our custom following a conclusive popular verdict.

Being a newcomer in this house at that time, I listened with close attention to his declaration, and it appeared to be made with such sincerity that he had me almost convinced he was right.

I wonder if the honourable senator still thinks in the same way. I would like to add that in those days, even if the Government was a minority group, it was a group where integrity and public interest were of prime order. Following the honourable senator's advice, I feel that this house has a duty not only to give searching investigation to all legislation, but also to some legislators.

The Speech from the Throne outlined some good measures, and I would like to mention some of them. The interest in and assistance to the underdeveloped countries will be maintained, and our collaboration with NATO and the United Nations and our peace-keeping efforts will be maintained to the high standard expected of Canadians. The efforts to strengthen the unity of the Canadian people will be given special consideration. I have, however, some different views on the method of approach and I fear some of the results.

The proposed establishment of a Canadian Dairy Commission would be only a duplication of many provincial dairy commissions already in existence, and would be very little help to the industry. I fail to see where yet another commission can be of any assistance to the dairy producers.

The proposed establishment of an Indian Claims Commission deserves a lot of merit. The proposal regarding limitation of election expenses is long overdue, and I hope this will not be a one-way street whereby Opposition parties would be limited to a narrow path, but that the same measure will apply to all parties, including the party in power. Canadians should be left free to vote as they see fit and should not be subjected to bargaining. The amendment to the Immigration Act will be welcomed.

The proposed measure to establish an age of retirement for senators is, in my opinion, a step in the right direction.

I note with interest that it is the intention of the Government to:

> consider comprehensive legislation to reform public regulation of the railways and to facilitate the adaptation of the railway system to present and future needs . . .

I hope that the measure will not be to assist the railway companies but rather to establish passenger and rail services for those Canadian people who by their taxes are assisting the railways in their financial difficulties without having such services provided. Their only means of transportation is by private automobile which they must use on roads which often leave much to be desired. A railway passenger service is greatly needed in my own region along the St. John Valley. I wish to compliment the Edmundston Chamber of Commerce which is at the present time giving this matter special attention. I wish them every success.

The Speech from the Throne, to my mind, has very little in the way of immediate assistance to New Brunswick. It includes nothing constructive about the Prince Edward Island causeway, the development of the tidal power of Passamaquoddy, the Chignecto Canal, which honourable senators have heard about for the last 50 years, and the proposed corridor road through the State of Maine. It is true that this corridor road seems to have met with some objections from a few people in my region. However, I do not share the views of the objectors, for experience has now taught us that such new projects arouse the ire of some people in some areas presumed to be affected. But when such projects are completed and in operation, they are usually successful and promote the economy in one way or another.

However, I regret to say that politics have infiltrated to a very dangerous level into the proposed full development of the St. John River. I am referring to the great electric power potential of the Upper St. John River, the so-called Rankins Rapids power project. I recommend strongly to the federal Government on both sides, Canadian and American, that they arrive at a decision without further delay, once and for all, either to build it or kill it and bury it. People are getting disturbed over this waiting and buck-passing attitude, and the whole Upper St. John economy, Canadian and American, is staggering while waiting for a decision on this immense power project.

One of the recommendations contained in the Speech from the Throne reads as follows:

> You will be asked to approve the creation of a fund for rural economic development and, in order to provide for fuller integration of action for rural development, amendments to the legislation regarding ARDA will be placed before you.

Honourable senators, I am sure that the purpose of ARDA—which stands for Agricultural Rehabilitation and Development Act—was to assist farmers in the solution of agricultural problems, to promote assistance in the farming operation, and not to build recreation facilities—such as motels, dance halls, beer parlours, swimming pools and bowling alleys —which are not relevant to agriculture. While I am not suggesting that this is now done to the extent that I have mentioned, I do not say either that it is not done to a certain extent in my province. I believe that a closer watch has to be kept by the Senate over the people who have the responsibility of spending the taxpayers' money and to ensure that such money be spent for the purpose for which it was voted.

I am sure that the matter of the abolition of capital punishment will be of great interest even to those who are not members of the legal profession, and I hope to have a few words to say on this matter when it is presented to this house for consideration. On two occasions not too many years ago I witnessed the administering of capital punishment, and I hope that these experiences will be of some value when the proper time comes.

I regret and deplore some of the statements made in the other house about the Senate and senators. It is difficult to believe that such statements could be made by responsible people, unless for the one purpose of clearing the way of any obstruction which could save our democratic principles from the evil of socialist principles, which socialism is today camouflaged under the name of New Democratic. This should be a warning to the Canadian people that when such statements are made by so-called responsible people who proclaim to have all the answers, they act with little responsibility and our freedom, liberty and free enterprise are in danger. It is a public admission that those honourable members know very little of the work being done by the Senate.

[*Translation*]

Honourable senators, I would have liked to discuss briefly with you the question of bilingualism and biculturalism. However, since the Laurendeau-Dunton Commission has not yet completed its inquiry, it would be advisable to remain silent for the moment. You can rest assured, however, that when the commission will have completed its work, I shall then have the opportunity to express my views on this important subject.

[*Text*]

Honourable senators, as I do not wish to be critical or too political, this brings me to the end of my brief remarks. I wish to thank you sincerely for your kind attention.

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

The Senate adjourned until Tuesday, May 18, at 8 p.m.

THE SENATE

Tuesday, May 18, 1965

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

Prayers.

NATIONAL HOUSING ACT, 1954

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-104, to amend the National Housing Act, 1954.

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.

DOCUMENTS TABLED

Hon. John J. Connolly tabled:

Order in Council P.C. 1965-829, dated May 6, 1965, authorizing under section 21 of the Export Credits Insurance Act, contracts of insurance by the Exports Credits Insurance Corporation for the additional sale of 3,000 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. 1965-830, dated May 6, 1965, authorizing under section 21 of the Export Credits Insurance Act, contracts of insurance by the Export Credits Insurance Corporation for shipment of 200,000 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).

PRIVATE BILLS

EVANGELISTIC TABERNACLE INCORPORATED—FIRST READING

Hon. Gunnar S. Thorvaldson presented Bill S-11, 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 Thursday next.

Motion agreed to.

THE CANADIAN INSTITUTE OF MINING AND METALLURGY—FIRST READING

Hon. Sydney J. Smith presented Bill S-12, respecting The Canadian Institute of Mining and Metallurgy.

Bill read first time.

Hon. Mr. Smith (Kamloops) 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. 50 to 125, inclusive, and moved that the said reports be taken into consideration at the next sitting.

Motion agreed to.

EXCISE TAX ACT

BILL TO AMEND—THIRD READING

Hon. Eric Cook moved the third reading of Bill C-96, to amend an Act to amend the Excise Tax Act.

Motion agreed to and bill read third time and passed.

PUBLIC SERVICE SUPERANNUATION

BILL TO AMEND CERTAIN ACTS—THIRD READING

Hon. Eric Cook moved the third reading of Bill C-97, to amend certain acts respecting the superannuation of persons employed in the Public Service, members of the Canadian Forces and members of the Royal Canadian Mounted Police.

Motion agreed to and bill read third time and passed.

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY—DEBATE CONTINUED

The Senate resumed from Thursday, May 13, consideration of His Excellency the Governor General's speech at the opening of the session, and the motion of Hon. Mr. Bourque, seconded by Hon. Mr. Aird, for an address in reply thereto.

Hon. Donald Cameron: Honourable senators, in participating in the debate on the motion for an address in reply to the Speech from the Throne I should like to join with

my colleagues in congratulating those who have preceded me and, in particular, Senator Bourque and Senator Aird who moved and seconded this motion. It was Senator Aird's maiden speech in this chamber.

I propose to deal with a few of the items in the Speech from the Throne, and those only briefly. Reference has been made on frequent occasions to the amount of material in the Speech. It was certainly a substantial plateful. It might even be called an omnibus speech. I see nothing wrong with that. It is always a good thing, I think, to put more material before the people than can possibly be dealt with, because it provides a target for continued work into the future.

I propose to discuss first the proposals that are presently before the other place for the revision of the rules of the House of Commons. The present rules have long had their day. They are "horse-and-buggy" rules which have been, in some respects, retarding the speed with which legislation can pass the Commons. It is time they were brought up to date so that the Commons can deal efficiently with the tremendous amount of business that is placed before it. Many of these rules were put into effect when the Government's business was measured by a few hundred millions of dollars. The Estimates for this year will total something over $8 billion.

In addition, the business of government is becoming increasingly difficult and complex, and the rules need to be streamlined so that the country's business may be expedited without impairment of the rights of the people's elected representatives. This can be done, in my opinion, without too much difficulty.

I wish to comment briefly next on what has become known as the war on poverty. Remarks have been made to the effect that this is a program lifted holus-bolus from another country. I see nothing wrong with taking a good idea from any source, and I think we would be wise to do it more often. In that connection I have here a little pamphlet put out by a group of businessmen in my old home town of Edmonton, known as the Collective Group. It is a financial group.

In that document is a statement which would seem to suggest to me that there is some need for a war on poverty. This is apropos of the necessity of encouraging Canadians to save and invest in their own country. It reads:

> Take any group of 100 Canadian men at age 25, and follow them through to age 65.
>
> Statistics show that of these 100, 28 will have died, one will be rich, seven will be well-to-do, 22 will still be working and self-supporting, but the other 42 will be dependent on assistance of some kind.
>
> Yet the average Canadian will earn in excess of $200,000 during this time. And he will get to 65 with less than $800.

That suggests to me, as I have said, that there is some need for a war on poverty, some need to encourage people to save and to make more provision for their retirement years.

The next point I want to comment on briefly is what I believe to be the most exciting piece of legislation in the whole Speech from the Throne, that is, the Canadian Development Corporation. In this respect, I am sorry that our friend Mr. Donald Fleming, the former dedicated member of the House of Commons, does not find anything very good about it. I think it is probably the most significant piece of legislation in the current program, in that it is a means of encouraging Canadians to invest in their own country.

The bugaboo which has been raised that this legislation will be government interference with private enterprise, that government will be doing something that private enterprise ought to be doing, calls to my attention that Mr. Maurice Strong, the President of Power Corporation, which is not an insubstantial organization, said he saw no danger in this particular piece of legislation.

I happened to be in Vancouver at the time that Premier Bennett announced the establishment of his savings certificate plan, at $5 each—that was either 1959 or 1960. The next day the morning papers decried this as a harebrained scheme which the Premier had hatched. They are not singing that tune today, because it was partly as a result of the encouragement which that scheme gave to Canadians to invest in their own resources that some spectacular developments in the Province of British Columbia were undertaken. Therefore, I think the Canadian Development Corporation is a step in the right direction, and is a means through which the small people, as well as the big ones, can share in developing Canadian resources.

The next point I wish to refer to is the Company of Young Canadians. Again, remarks

have been made that this is a copy of something being done in another country. So what? It is a good idea. Canada was the first country to establish a youth corps—long before the Americans did so. We had from 60 to 80 young men from the universities working in Africa and other parts of the world. The Americans took on the program in their usual spectacular way, and it has become an imaginative part of the American aid program. However, Canada has not been slow in developing this program on a voluntary basis with some assistance from the Department of External Affairs.

But we do not need to go out of Canada to find a challenge for young Canadians. As I understand it, this program proposes to enlist the energies, enthusiasm and idealism of young Canadians, to go into some of the—perhaps "depressed areas" is too strong a term—areas where there are Indian settlements in the various parts of Canada, particularly in the northwestern part, and some of the areas of rural poverty where there is a tremendous job to be done. They can find a useful place in the developing ARDA program.

May I say in passing that the ARDA program, which was started under the previous government, is an excellent program, and also that we are fortunate in having as the head of the ARDA program today the Honourable Maurice Sauvé. I think he is one of the most qualified Canadians to attack that imaginative and constructive program.

There is a challenging place for young Canadians to work in this particular program, and that is all to the good.

The Speech from the Throne also had an announcement to the effect that encouragement will be given to cultural development. With all respect to my seatmate Senator Pouliot, I think we can do something about the development of culture. We have not done too much. Certainly, the Canada Council has made a tremendous contribution toward the training of Canadians in the arts and humanities in the last 10 years. Therefore, the $10 million grant, which I understand is a temporary grant for the next three or four years, has been quite a new shot in the arm to meet some of the tremendously important further training for Canadian artists and scholars. It will pay big dividends in the future.

Honourable senators, I had the good fortune to attend the National Conference on the Arts at Ste. Adele last January. It was a very fine and successful conference. It sometimes happens when Canadians are talking about the Royal Commission on Bilingualism and Biculturalism that they overlook the contribution of many ethnic groups when they think only in terms of the two founding races. But let me point out a significant fact. I was sitting in the dining room at the Chanteclerc one night, looking over that group, and I remarked to my wife that if you took Canada's immigrants out of the groups, 70 per cent of the people participating in the conference would have to leave the room. Something that we Canadians do not think about often enough is the tremendous debt which we owe to the people who have come to this country and made it the land of their adoption. This is encouraging too.

There is mention in the Speech of the establishment of a Science Council for Canada. I think this is a logical development. We established the Economic Council of Canada and it has made its first report. It is rather logical that we follow that with a Science Council of Canada. I am making the suggestion now and will have something to say later on about some kind of a national office for education.

I realize that there have been fears over the years that this may mean an invasion by the federal authority in provincial rights. That need not be so. If ever Canada is to become a nation, united and strong, we must have some co-ordinating body which will focus the aims and needs and the drive for education in terms of national unity, national problems and a Canadian identity.

Honourable senators, I should like to spend the remainder of my time in this debate on the implications of the technological revolution for education, business and government. While marvellous things are happening today in education, science and technology, the implications of what is happening are recognized by too few people. I should like to mention only the highlights of some of the development.

To my mind, it is important that this body realize just how important these changes are and the necessity to make plans now which will have to be translated into legislation and action ten years from now.

Honourable senators, you will remember that on November 22, 1960 the Government of Canada—or, rather, the Senate—set up the Senate Manpower Committee. That special committee of the Senate was charged

with examining the manpower situation in Canada and analysing the quality of our manpower, our labour force, and of making recommendations. The report of the Manpower Committee is one of the documents of which this chamber can be justly proud. Out of the report of that committee has really come the establishment of the Canadian Economic Council, under the distinguished leadership of Dr. John J. Deutsch.

Hon. Mr. Connolly (Ottawa West): It was he who directed the research for the Senate Manpower Committee.

Hon. Mr. Cameron: That is quite true. Members of the Senate are aware of the fact that it was Dr. Deutsch and his committee who did the research for the manpower survey. The Economic Council of Canada was the logical extension of that particular report and it is logical that Dr. Deutsch should be set the task of heading the very important Economic Council. He has the co-operation of a lot of distinguished Canadian businessmen, to study the economic situation in Canada. The Council made a first-class report last November and the report set the economic goals for Canada for the next five years.

Hon. Mr. Pouliot: It was after the Senate report.

Hon. Mr. Cameron: Yes, the Senate report was the beginning. I like to give the Senate credit for having initiated the steps taken to establish the Economic Council. Among the things which this committee did was to analyse the labour force in Canada.

Honourable senators, I wish to give you a brief picture of it—and I shall not bore you too much with statistics.

One of the first things they examined was the composition of the labour force. In 1961, 6,342,000 Canadians, men and women, were in the civilian labour force. This was broken down into categories: white-collar occupations, 38.6 per cent; manual workers, 34.9 per cent; agricultural and resource workers 13.1 per cent; service occupations, 10.8 per cent; and non-stated, 2.6 per cent.

The most significant occupational trend in the period was the rapid increase in the white-collar and service workers, the relatively slow growth in the manual occupations, and an absolute decline in agricultural and resource occupations.

Honourable senators, I do not propose to go into details, but there are one or two observations which I should like to make on the analysis of the labour force. I was interested to get the information on the changing relationship between the manual groups and the white-collar groups. The slowest growing group was what is known as the managerial group. Those of you who have been following the situation carefully know that we have been experiencing one of the greatest industrial booms this country has ever known. Under those circumstances, one would think that the managerial group would be growing at a more rapid rate. However, the facts are that the managerial group in Canada has been the slowest growing section of the white-collar group.

If we are to achieve the economic goals for Canada in the next few years, more attention will have to be paid to getting more and better trained people in this managerial and entrepreneurial group.

The Economic Council of Canada states that we must provide 1,500,000 new jobs between January 1, 1963, when they made their tables up, and 1970 if we are to have 97 per cent of our work force at work. This means that 4,120 new jobs must be provided in every one of the 354 weeks between January, 1963 and December 31, 1969. Put another way, it means we must provide 214,285 new jobs every year just to absorb the young Canadians coming into the labour market. This is part of the challenge to be faced today.

In the statistics—which I found rather shocking and it may be that you will find them shocking also—are those on the manpower situation in the field of public health. You are familiar with the tremendous interest in Canada today in medicare problems, health problems of one kind or another. Here is one instance where we need a real mobilization of manpower. Unless we train many more people, doctors, dentists and nurses, it is doubtful if any of our medicare programs will ever come to fruition.

In view of the country's increasing concern with more and better health programs, and the long-range program required to provide additional numbers of doctors, dentists and nurses, it is well to know the proportion of those persons in the labour force. There were only 5,500 dentists in Canada in 1961; and the increase over 1951 was only 800. It is no wonder that one has to line up to get dental care in this country. Only 800 dentists were added to the dental corps in Canada from 1951 to 1961.

In the field of medicine also conditions have been getting rather difficult. In 1961 there

were 21,000 doctors in Canada; in 1964 the number was 23,390. This is compared with 14,000 in 1951. In 1961 there were 61,500 graduate nurses and 23,000 nurses in training. However, because of the increased demand for doctors and nurses, it is estimated that by 1970 we will need five new medical schools and 10 new nursing schools.

In that connection, and in case some honourable senators may become frightened about the costs, here is something which will make you shudder a little more. These figures come from the most reputable sources. They refer to the medical schools. These statistics came from the doctors' convention in Toronto in 1964. There the doctors recommended that at least $470 million be spent by the federal Government on medical schools and research in the next 10 years, that $200 million be spent in renovating existing schools, and $210 million be used to build new schools. I hope that in this particular case the recommendations of the doctors will fall on fruitful soil, for if we are to have the kind of medical service that people are talking about, the first thing we need is more training facilities, more people to teach in the medical, dental and nursing schools and more people to go into this great service to humanity.

I do not propose to go into this matter in any greater detail. I am just taking the highlights from an address I gave to 7,000 educators in Toronto in January. I mention that number as evidence of the interest people are taking in what is happening in the field of education today.

In 1960 the government of the day passed the Technical Training and Vocational Assistance Act which has had rather spectacular results. Despite those results we still have a long way to go. For example, in 1960 when the act was passed we had places in Canadian technical training schools for 108,000 young Canadians. As a result of the provisions of that act under which the federal Government would underwrite 75 per cent of the cost in some situations and 50 per cent in others, $684 million was spent on facilities, of which $410 million was federal money. The result was that in three years the number of places in technical and training schools in Canada was increased from 108,000 to 197,000. We provided 30,000 new places per year for three years. Many people felt that this was quite an accomplishment, and it was. But if we are to achieve the target set by the Economic Council for the year 1970, which is only five years from now, we shall need 500,000 places to train Canadians in the technical aspects of our industrial society. In other words, if we provided roughly 30,000 places per year from April 1, 1961 to December 1, 1964, we shall have to provide places in the order of 60,000 a year from now until 1970 to train the necessary number of Canadians.

Another result of the passing of the Technical Training and Assistance Act was that between 1961 and 1964 five new institutes of technology, 53 new trade schools, 11 combined trade schools and institutes of technology, and 276 technical and vocational high schools were established in addition to the number already existing. As I say, we did pretty well between 1961 and 1964, but we have to greatly exceed the efforts of those years if we are to achieve the goals set by the Economic Council, to keep our unemployment figures down to 3 per cent of the labour force, provide 1,500,000 jobs, and develop the economy in this country in the manner suggested as necessary by the Economic Council.

I would like to give you some idea of the number of people in Canada who are being displaced by the electronic revolution and who must be absorbed into the labour force. I have collected some figures. If we take the Canadian population as being approximately one-tenth of that of the United States, and the figures of the obsolescence and disappearance of jobs in our country as about one-tenth of theirs, we come up with some rather alarming results. To obtain some of these figures I wrote to labour leaders in the United Kingdom, to the Secretary of Labour in the United States, and to Walter Reuther, the distinguished American labour leader and President of the United Automobile Workers Union. He was supposed to have made the statement some months ago that 36,000 jobs a week were disappearing in the United States. I asked if that were true and I received a letter in reply from his director of Special Projects and Economic Analysis, from which I read the following paragraph:

> . . . we in the U.S. need to create the equivalent of 80,000 jobs a week in order merely to prevent unemployment from increasing. The 80,000 figure is a composite, in round terms, of the effects of technological change and growth of the labour force. We calculate that the potential—although not currently realized—rate of productivity advance in our economy is approximately 4 per cent annually. That would translate, on the

basis of roughly 70 million employed persons, into the disappearance of 2,800,000 jobs a year or 54,000 a week.

Now, these figures can be misleading because the disappearance of jobs is not an absolute disappearance. This is where we get into the realm of controversy and where the experts do not always agree. Reuther said there is a disappearance of about 6 per cent per year in the American labour force. Peter Drucker, of New York University, an outstanding authority on management, says the net disappearance is between zero and 2 per cent. The one thing there is substantial agreement about is that there is a substantial loss of jobs each year, and we must take this into consideration as we go along.

From time to time we hear a lot of talk about the electronic age and what is happening as a result. I gathered some information on the number of electronic computers and data processing machines we have in Canada, because that is one of the main reasons for the displacement of labour. There are, of course, others as well. On January 1, 1965 we had in Canada 620 large electronic computers. In the United States they had something less than 24,000, and the number is increasing each year. Here again it is difficult to get figures that are accurate and which can be verified, but the estimate is that the displacement of labour by electronic computers varies according to industries and systems from 25 per cent to 75 per cent for some offices. Again I would quote from the report of the Manpower Committee:

> In general, an outstanding requirement for, and consequence of, technological change is to raise educational and skill requirements. In the main, increasing use of more complex and costly machinery, operating with finer tolerances at greater speeds, together with other manifestations of technological change require a human response at a different and higher level than was often needed in the past. Alertness and a greater measure of responsibility are called for, as well as a heightened ability to communicate. Advances in materials handling eliminate, of course, many tasks for which little was required in the way of basic education or training. In contrast, these qualifications are in growing demand with higher standards of maintenance required for intricate equipment and for planning, control and technical functions. Generally, new and expanding occupations and the very nearly indispensable ability to adapt to change itself require a higher platform for basic education than is necessary for routine manipulative and clerical tasks.

If we may summarize the characteristics required for the new manpower coming on to the labour market today, they would be as follows:

1. They must possess a higher standard of basic education.

2. They must have a broad base in English, mathematics and the sciences.

3. They must possess adaptability and resourcefulness far beyond the average of previous generations.

4. They must accept mobility, between jobs. between industries and between geographic areas as a normal concomittant to employment.

5. They must be psychologically adjusted to the idea that they may require training for three, four or more types of employment in their lifetime.

6. A much higher percentage than ever before will have to possess advanced technical training and higher university degrees.

I could go on at greater length in that field, but I have said enough to underline how important it is that we must not only give a broader base to education, but we must change the accepted psychology with respect to jobs.

The young man who was trained 15 years ago to go into the auto workers at Windsor or Oshawa, who joined the union and made provision for what he thought was security, will not be able to do that in the future; his job may disappear completely. This kind of situation has implications for the unions, for management, for government, for the citizen. We could spend the whole evening on that particular aspect, but I do not propose that we do.

One of the things that is happening today that is exciting and yet is demanding, and one of the results of this electronic age in which we are living, is the tremendous amount of new information that is coming out all the time. It may be deflating to all of us to accept the fact that the total volume knowledge in the world is doubling every 15 years. Think of the implications of that. In other words, in 15 years from now there will be twice as much information available as there is today —and it may be in less than that time. So, here is where the electronic age comes to our

rescue again, because one of the most exciting aspects of it is what it is already doing in the area of information retrieval.

I intended to bring to you tonight a slide the ordinary size, two inches by two inches, one that you could not put in your home projector, but there are projectors that can handle it. On it is reproduced the entire family Bible, no matter what its size, in other words, both the Old and New Testaments are reduced, through microphotography 40,000 times on to a two-inch by two-inch slide.

Last fall some of you were at the Strategic Air Command base at Omaha, Nebraska, and saw proof of what is happening in this field. If you wanted to know something about the Dnieper Dam in the Ukraine, the chap taking you through pushed a button and you got a slide one-half inch wide and three inches long on which was the equivalent of 450 pages of manuscript. He put it into another machine and that information came out translated at a rate of 1,200 words per minute. The same would be true of any other information you wanted.

Again, one of the challenges of the electronic age is that the new equipment we have is making it possible for us to handle this new information much more effectively than we were able to do years ago. I went into the Parliamentary Library one day not long ago and asked Mr. Spicer—who, by the way, is doing an excellent job, as I am sure you all know—

Some Hon. Senators: Hear, hear.

Hon. Mr. Cameron: I said that I wanted a dictionary of electronic terms, that there are so many new words coming out in connection with the electronic industry that a man is illiterate unless he knows something about it. Mr. Spicer replied, "We do not have such a dictionary." As an example of the quality of service that is provided in the Library, in about three days they obtained a dictionary of new electronic terms. They obtained part of the volume in Washington and some in various other places, but this was compiled, again as a result of the wizardry of electronics, in a matter of hours. So our libraries particularly will be much more meaningful and much more valuable to us as a result of the installation of electronic information retrieval; but we are going to have to pay something to support the increased costs.

I am not going into detail in connection with the technological revolution. The industrial revolution of 130 years ago or more was the first evidence of industrial change. It was followed about 30 years ago by what has become known as "Detroit automation"—in other words, the assembly line technique under which materials are positioned to fine tolerances using little manpower, and the labour force is cut down accordingly.

The third stage of the technological revolution is the "closed loop control" or "feed back" of the current technological equipment. I just want to refer to that briefly because, again, what is happening is exciting.

The next step beyond the automatic assembly line technique was the introduction of the "closed loop control" or "feed back". This is really a system of communication and controls which may vary in many respects but depends on electric, electronic, pneumatic, or electro-magnetic instrumentation of a very high order. The common household thermostat is one of the simplest of these devices. They all have their greatest use at present in what are called the continuous flow industries such as petroleum, plastics and certain food-processing enterprises.

The use of these electronic devices in computers is only in its infancy, but already it is revolutionizing bookkeeping and record-keeping procedures. Its role in almost instantaneous information retrieval, whereby inventory positions can be determined almost instantly, not only for one factory but for a whole widely dispersed chain of factories, is a revolution in itself. We see its use every time we go into an airline office to make a reservation for a trip on a plane.

I am deleting a few of the things that are happening. We have before us the evidence that as a result of advanced mechanization and the use of new products in the last 25 years labour output is increased from 15 to 50 per cent, while decreasing labour consumption by 10 to 30 per cent. From the present evidence the indications are that automation—if we may use that term loosely to cover the whole technological revolution—will greatly accelerate the process of increasing productivity with fewer and fewer people. If this trend becomes universal throughout our entire industrial society, what happens to hours of work? Will they become reduced in the next 50 years as much as they have in the last 30? Thirty and 40 years ago many people were working 60 to 72 hours a week. They were gradually reduced to 50, to 48, to 40, to 35, and some to 30 hours. I think it is only realistic to expect that in the next

15 to 20 years the rate of reduction of hours of work will be even faster than that which has taken place in the last 30 years.

If such a change comes about, what will people do with their leisure time? What would happen in our society if instead of 500,000 people having no work to do, we had 5 million in that position? One has only to examine the case histories of some of the thousands of people who have had the frustration of unemployment, of feeling unneeded and unwanted, to get some idea of the kind of chaos which would ensue if such a situation were to arise.

However, I do not think the current generation need worry itself too much about that, because if we satisfy the needs and wants of our men and women in Canada and the United States, we will have no trouble absorbing them in our labour force for some time to come. If we were to be successful in satisfying the myriad wants of our own people, there would still be the unsatisfied wants of hundreds of millions of people in the underdeveloped countries. But if we are to cope with the huge transfers of labour which automation is now making and will continue to make in the future, if we are to train the necessary scientists and technicians to make the automated industries work, if we are to revise our Government's legislation with respect to hours of work, transfer of labour, unemployment or compensating benefits, and if we are going to provide the teachers and the schools to meet the needs of a new industrial age, then the time to make the plans is now, not ten years hence.

Karl Scott, the President of the Ford Motor Company of Canada, speaking to a group of engineering students at Waterloo University last October, said that the education they were receiving today would be mostly obsolete within ten years, and the things they would need to know in ten years had not yet been discovered. This is a dramatic expression of the rate of technological change and, unfortunately, not enough of our people are aware of it. This is the challenge that the technological revolution poses to governments, businessmen, educators and trade unions. These are the factors I should like to deal with very briefly in the next section of my speech.

Educators are the people in society charged with the responsibility of transmitting the accumulated and distilled wisdom of preceding ages to the young of each new generation. They have always had one of society's greatest responsibilities. Society has not always acted as though it sufficiently appreciated the importance of that responsibility, if one is to judge from the financial rewards of bygone days. But, we are living now in happier times, when the educator is beginning to come into his own.

Education is the key to survival in the age of automation, and we neglect it at our peril. Previously it has been accepted that formal education was terminal with the passing of the early twenties, but one of the essential characteristics of the automated society is that education must be a continuous process throughout the working life of the individual. In the event that a man's working life terminates at 45, 50 or 55 in years to come, the educator will then have the responsibility of training the citizen to use his leisure time.

I need not repeat the characteristics I emphasized earlier as being necessary for the students coming out of our schools, but I should like to add one or two things. We must double and redouble the number of those who have the aptitudes for technical and scientific employment.

Finally, educators and educational administrators must establish a much closer liaison with industry so that there is a constant and clear understanding between industry and education as to what their common goals are. In short, the school-man must get out of the classroom and spend some time in the factories, so that he knows from first-hand experience what his technical students must know and do. Conversely, the industrialist should go into the school room to explain at first hand what the opportunities and responsibilities will be. The kind of co-operative arrangement that exists between the University of Waterloo and the industrial community should be expanded on a national basis.

Educators should take the initiative in establishing joint committees with business and industry so that there will be the closest possible understanding of current needs and future plans and changes. The educators of today must work out ten years ahead the plans for tomorrow.

What about the implications in business? The implications of technological change for the businessman and industrialist are beginning to extend in an almost mandatory way, and far beyond the primary responsibility of making the business or industry a successful economic enterprise.

To a greater extent than ever before the decision-making of the businessman must be

conditioned by the social consequences of his decisions as they affect displacement of labour through change, or outright unemployment through manpower becoming obsolete for a particular operation. In the immediate future the businessman will be more concerned with displacement of labour and the consequent necessity of its transfer to other and different jobs, and also the retraining of employees so that they may upgrade their skills, or learn new skills in a different line of work.

Where technological change is likely to result in a large number of layoffs or, in some cases, in a complete shutdown of a plant, management has the responsibility in giving as much advance notice as possible in order that the employees, with the co-operation of management and the unions, can find other jobs, transfer to similar work in another plant, or be retrained for different work in another plant or community.

There are various ways of avoiding layoffs, and some or all of them are often employed. They may be summarized as follows:

1. Attrition—the non-replacement of employees who leave for any reason.
2. Early retirement schemes.
3. Retraining.
4. Transfer from one plant to another.
5. Relocation allowances.
6. Work-spreading devices.

In connection with the latter, the United States Department of Labour made a study in May 1963 of what is happening to people who are working overtime, and in a particular survey it was discovered that during one week 3,318,000 people each worked an average of 9.2 hours of overtime. If this overtime had been eliminated to create full-time jobs, 1,250,000 new employees could have been hired. This sounds impressive as a statistic, but in practical terms it does not mean very much because, in the first place, the necessary people were not in the right place, and they would not move. There are other complications such as the available people not having the right skills, and so on. It is not simple to meet such a situation.

Schemes are being devised to ease the burden of unemployment such as severance pay, supplemental insurance benefits, the vesting of pension rights, and so on. In passing I might mention a very interesting scheme applied by an airline. In 1961 an agreement was reached between the Airline Navigators' Association and Trans-World Airlines, which provided that navigators losing their positions would receive from $10,000 to $25,000, depending upon their length of service, plus $400 a month for three years to enable them to get re-established. This is just one of hundreds of schemes that are being tried out today.

What are the implications for government in all this? For those elements in our society who are constantly deploring the increasing role of government in the business of the country, there is cold comfort in the age of technological change. The implications stemming from the increasing application of advanced mechanization and automation to industry are so important to national policy and public welfare that the Government, representing all of the people, is the only agency large enough, and with the necessary power and authority, to make the sweeping changes necessary to sustain the economy at a high level of growth and employment.

If the national goals of nearly full employment, high productivity, stable prices, sustained growth, and expanding public services are to be maintained, the implications for governments at all levels are clear and inescapable. The Economic Council has stated some of them with precision. They are:

1. Increased investment in human resources to improve knowledge and skills. I think the Canadian Development Corporation is a step in that direction.

2. Improved mobility of resources so that they can move easily and smoothly towards their most efficient employment.

3. Great specialization and organization of production.

4. Swifter and more effective technological advances.

5. Enlarged investment in fixed capital.

6. More initiative and enterprise in exploring new and better ways of using economic resources more productively, under the spur of competition and the lure of higher economic returns.

In concluding these remarks I want to use a phrase that President Johnson coined to great effect, namely, "The Great Society", which he said was the national goal of the American people. We all hope that this becomes a reality rather than a slogan, because in the vision of the Great Society we have a program of national goals that is of universal appeal to all mankind. The concept is one that can be likened to the leading edge of the wings of a jet liner, because it is forever reaching, thrusting forward and upward. It does not mean a Great Society just for the

United States or Canada; it means a Great Society for the world.

Part of the concept is the war on poverty, ignorance, unemployment, under-productivity and unfulfilled potential. Taken in that imaginative and daring context, it means that we shall marshal our wealth of brain power, skills and natural resources, and combine and direct them towards the goal of satisfying the unmet needs and wants in our society.

If we do that in Canada we shall have no unemployment of resources or people, because the improved standard of living which modern technology can make will occupy all our energies and resources for a long time to come. In the unlikely event that we as a nation succeed in filling the presently unmet needs of our own country, we could then join with others in filling the unmet needs of the world's underdeveloped countries.

That is the meaning and the challenge of the Great Society but we shall never achieve it without establishing consensus. People must understand what we are trying to do. They must see the goals of the Great Society in terms of intimate and personal goals. For them to see and understand, we must have effective communication to every level and strata of society. Through effective communication we will obtain the consensus which gives the mandate to go forward to success. Without consensus—the expression of the will of the majority in a democratic society for the goals of the Great Society—we will have the disintegration and deterioration, unemployment, under-consumption and stagnation. The choice is ours to make, but we can only make it on the basis of education and understanding, which today are the twin keys to the Great Society.

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

PRIVATE BILL

PRINCIPAL LIFE INSURANCE COMPANY OF CANADA—SECOND READING

Hon. Donald Cameron moved the second reading of Bill S-9 to incorporate Principal Life Insurance Company of Canada.

He said: Honourable senators, this is an unfortunate combination of circumstances tonight, that I should have to make two speeches, but I promise not to speak long on this particular bill.

It gives me a great deal of pleasure to bring this bill before the Senate, because as a Canadian this suggests to me one more evidence of the buoyant and burgeoning economy of Western Canada.

I read in the *Financial Post* of last Saturday, May 15, a story which stated that there are too many life insurance companies coming into being, and that the authorities are worried about the rash of newcomers and are eagle-eyeing their finances. The story went on to say that some seven applications for charters have been made in the last year for life insurance and trust companies in Alberta alone. This again is further evidence of the fact that this is the banana belt of Canada, and the place where, in combination with our neighbours in British Columbia, things are really happening.

However, it is evidence of something more than that. If you look at the history of the development of the United States, you will find that the western States did not begin to expand development until their own financial institutions were established west of the Mississippi. The establishment of the Bank of America in San Francisco in 1861 was the beginning—the people providing their own financial resources, developing their own institutions and their own industrial resources.

This is what is happening in Alberta and British Columbia today, and this is the reason for the spate of applications for life insurance companies, and the formation of other companies, and so on.

In spite of the large number of insurance companies, tremendous organizations, built on a sound basis, such as Sun Life and Metropolitan Life, which have served Canada well, 25 per cent of Canadians carry no insurance, and a further large percentage have very little. Therefore, even if many more insurance companies come into the field there will be lots of business for all of them. To me, this formulation of new companies is evidence that the population is expanding its needs and that the economy is booming.

Governments are tightening their regulations with respect to capitalization and surplus, and are curbing fly-by-night operations of people who are concerned with selling stock, rather than selling insurance. For example, the federal Government requirements for the establishment of an insurance company today is $500,000 capital and $500,000 surplus. The Alberta requirement is $500,000 for both, and by the end of this year that requirement for capital and surplus will likely be increased to $750,000. In addition, directors must invest a minimum of $2,500 to qualify as such.

Honourable senators, that is by way of introduction of Bill S-9, which is to incorporate the Principal Life Insurance Company of Canada.

The first-mentioned incorporator of this company is Donald Mercer Cormie, Q.C., of Edmonton—and I shall have something to say about him later. May I say that the incorporators are mainly a group of young Canadians who have been almost phenomenally successful in business enterprise in the last few years.

Ralph Perrin Forster, M.C., the secretary of the company, is a man of very wide experience and training in the business world. He was born in Medicine Hat and graduated from the University of Alberta. He then went to London, England, and graduated with the degree of Bachelor of Commerce. Later he was associated with the Canadian Embassy in Washington, and also with the World Bank there. His home is now in Edmonton, where he has lived for the past many years. Dennis Robert Stewart, a well-known Edmonton businessman, is Vice-President. Jack William Kennedy, solicitor, is an able Canadian executive. Kenneth Nelson Marlin, executive, and Lynn Allen Patrick, a solicitor, are both of the City of Edmonton.

These are the shareholders of the company which seeks to be incorporated under the name of Principal Life Insurance Company of Canada. I trust they will receive your endorsation.

Hon. Mr. Isnor: Can the honourable gentleman give the reason for the word "Principal" in the name of the company?

Hon. Mr. Cameron: I am sorry, I did not inquire about that. You will have to ask that question when the bill comes before a committee.

Clause 3 of the bill provides that:

> The capital stock of the Company shall be one million dollars divided into shares of one hundred dollars each, which capital stock may be increased to four million dollars divided into shares of one hundred dollars each.

Clause 4 provides that:

> The amount to be subscribed before the general meeting for the election of directors is called shall be five hundred thousand dollars.

Contrary to the procedure of most companies, this one is not going to the public to raise funds. It is an enterprise being established by what is known as the Collective Group, which represents a group of business firms established in Edmonton.

It is an exciting story. As a matter of fact, athletes like Senator Sullivan and a few others in this chamber will appreciate this, because the idea was conceived while attending a football game in Edmonton one October night in 1954. Donald Cormie, Ralph Forster, and Dennis Stewart went to the game, to support the Eskimos, of course. As successful young businessmen they were concerned with encouraging Canadians to save and invest money in their own country. Mark you, this was in 1954, and this is the story of what has happened.

The Collective Group, which consists of twelve successful western Canadian Companies, have set aside one million dollars from their funds to finance the Principal Life Insurance Company, so they are not selling stock.

This particular group has the following advantages:

(1) In the past 11 years it has already sold $20 million worth of creditor's risk insurance.

(2) They have done this through another company, known as the Alberta Life Insurance Company.

(3) The group has already had 10 years of experience in organizing a sales force to sell savings certificates.

(4) The company will have low overhead, because existing management, offices and equipment will be used. The equipment will include an IBM 1440 computer, the first one in Western Canada, which was put into operation at the Group's Edmonton headquarters.

(5) The Group has been investing under the British and Canadian Insurance Companies Act since 1959.

(6) It has two American subsidiaries, and these have been approved by the SEC, which is a pretty tough screening.

Some idea of the extent of the financial operations of the Collective Group in Alberta can be gained from the following summaries of its achievements to 1964. It is a pretty exciting adventure.

> In the spring of 1954, a little over eleven years ago, the three founders of the Collective Group organized the Group's initial member, First Investors Corporation Ltd. Two years later, by the end of 1956, nearly 4,700 Albertans

were saving with First Investors, and the initial assets of less than $100,000 had climbed to better than $888,000.

The year 1956 saw the acquisition of Imperial Real Estate Limited, a leading Edmonton realty organization, in an effort to give the Collective Group a better integrated investment arm.

The year 1957, though a poor year for the Canadian economy as a whole, was a remarkably good one for the Collective Group. The number of certificate holders with First Investors Corporation nearly tripled, to 11,825, while the maturity value of outstanding certificates passed the 48 million mark. Three more companies incorporated in the Group. These were: Alberta Mortgage Exchange Ltd., Mercer & Williams Agency Ltd. (insurance), and Western Industrial Planning Associates Ltd. Collective Securities, the holding company for the Group, now had a fairly complete service Group to look after its investment moneys.

Steady growth continued, and by 1960 the Group's assets had passed $7 million and the geographical expansion had taken place into the United States. At the year end 1960 the maturity value had hit the figure of $160 million.

The final consolidation of the Collective Group into the main elements of its present organization came about in 1963. The first step was the acquisition of the Associated Investors of Canada Ltd., another savings certificate company, repurchased from American ownership, and a mutual fund was brought into being in the same year. The year was devoted to putting muscles on the bones of the financial complex. The Group had really come into its own now with $52 million in assets.

Honourable senators, I note that there are some executives of insurance companies in the Senate tonight, so I would like to quote from a chart which gives some idea of the rate of growth of this particular organization. This represents savings generated in the Province of Alberta by the Collective Group in 1964. They amount to $7,379,000. That is a pretty tidy amount. I want to show how this compares with other well-established and reputable companies, based on comparative figures.

The Sun Life was next with $5,958,400; the Prudential was next with $3,296,700; the Manufacturers Life followed with $3,077,200; the Great-West Life, with $2,487,000; and the Confederation Life had 1,336,200.

In competition with well-established, soundly-based savings organizations, this company, the Collective Group, has done exceedingly well.

The investment contracts generated by this company increased from 4,700 in 1956 to 63,000 at the end of December last. The assets on December 31, 1964 were $37 million; the savings certificate holders at December 31 last were 59,132. and the maturity value of savings in force was $239 million. The 1964 payments to certificate holders were 4,512,000.

This organization has 38 offices in Canada and two in the United States. It employs 400 people.

In concluding this representation on behalf of the Principal Life Insurance Company, I just want to say that this is one of two of the most spectacular financial developments in western Canada. The other is the Laurentide Finance Corporation, based in Vancouver. This one is equally spectacular in its own way. It is one of the most important elements in the development of the western financial institutions.

Honourable senators, I heartily commend this company to your favourable consideration. It is my intention, if it receives second reading this evening, to ask that it be referred to the next meeting of the Standing Committee on Banking and Commerce.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Cameron, bill referred to the Standing Committee on Banking and Commerce.

DIVORCE

REPORT OF COMMITTEE ADOPTED

The Senate proceeded to consideration of the first report of the Standing Committee on Divorce, presented on May 13.

Hon. Arthur W. Roebuck: Honourable senators, this is the committee's first report and it is a routine matter. It is a resolution which I have moved on numerous occasions at the opening of previous sessions of Parliament.

The proposal is that we grant leave to the committee to sit during adjournments of the Senate and also during sittings of the Senate; that it be granted authority to appoint as many subcommittees as it deems necessary for the purpose of considering such divorce matters as may be referred to it by the committee; and set the quorum thereof, the subcommittee in each case to report its findings to the committee.

As I say, this is a routine matter but nevertheless is important in itself. I move the adoption of the report.

Hon. Mr. Brooks: Could the honourable senator possibly answer this question? Was all the business of the Divorce Committee cleaned up for the previous sessions? Are we now dealing with new petitions or were they held over from the previous session?

Hon. Mr. Roebuck: They are not holdovers from the previous session. I cannot say that every old case has been dealt with. Some may have been held back for certain reasons. However, the backlog has been cleaned up and every case which was ready to be heard has been proceeded with.

At the present time we are working on new cases which come before us. Today, if the case is in order, one can pretty well count on a divorce being granted by the committee in about three months' time from the initial filing of the petition. There is no delay whatsoever. As the cases are ready to be heard, they are heard, and great progress is being made in the handling of the cases. I should like to say something more along that line in a moment.

Motion agreed to.

REPORTS OF COMMITTEE ADOPTED

The Senate proceeded to consideration of reports of the Standing Committee on Divorce Nos. 2 to 49, inclusive, which were presented on May 13.

The Hon. the Acting Speaker (Hon. Mr. Gershaw): Honourable senators, is it your pleasure to adopt these reports?

Hon. Mr. Roebuck: Honourable senators, may I comment on the pile of reports lying on the Clerk's table. They are Nos. 2 to 49, very nearly 50 reports, which have all been heard by the Commissioner. Each one is a separate case. Each case has been heard and reported to the Standing Committee on Divorce, and these reports have been read and considered by the committee. The resolution has been passed in each case, forwarding it to this chamber, and I am now moving the adoption of all these reports.

Honourable senators, there is a wealth of labour, of consideration and of decision in that great pile of reports.

I would like to add that we are most fortunate in this chamber in having a Commissioner of the industry, the intelligence, the dignity and the legal knowledge of the gentlemen who is hearing the evidence in support of these reports. I do not sit and listen to the proceedings, because that would embarrass the Commissioner, but I do get information with respect to him continuously. I have heard no criticisms, but I have heard many, many compliments paid to him, for the judical calm, the dignity and the intelligence with which he is handling our work.

Honourable senators, I have great pleasure in moving the adoption of these reports.

Motion agreed to and 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 1, for the relief of Gloria Jeliu Dimitrov.

Resolution 2, for the relief of Joseph Adelard Raymond Michalk.

Resolution 3, for the relief of Lorraine Marie Manktelow Wrigglesworth.

Resolution 4, for the relief of Fred Barbely.

Resolution 5, for the relief of Lise St. Onge Marleau.

Resolution 6, for the relief of Julienne Jolin Grimard.

Resolution 7, for the relief of Henry (Henri) Lumbroso.

Resolution 8, for the relief of Gladys Winnifred Nickle MacGillivray.

Resolution 9, for the relief of Sybil Marchand Dubman Israelovitch.

Resolution 10, for the relief of Marcel Edward Bernard Sevigny.

Resolution 11, for the relief of Ann (Anne) Margulis Sokoloff.

Resolution 12, for the relief of Elizabeth Patricia Gaze Godden.

Resolution 13, for the relief of Jean Louis Belanger.

Resolution 14, for the relief of Anne Litvack Schnider.

Resolution 15, for the relief of Adeline Landry Stevens.

Resolution 16, for the relief of François Gougeon.

Resolution 17, for the relief of Sharon Olivia Marguerite Selby Fraser.

Resolution 18, for the relief of Carol Joyce Packer Micheals.

Resolution 19, for the relief of Sheila Rose Faulkner Bach.

Resolution 20, for the relief of William Bruce Watson.

Resolution 21, for the relief of Beatrice Rabin Moses, otherwise known as Beatrice Rabin Mosse.

Resolution 22, for the relief of Gleason Irvin Lake.

Resolution 23, for the relief of Sandra Cheyne Lee Slobodyian.

Resolution 24, for the relief of Robert James Murray, otherwise known as Robert James Kelly.

Resolution 25, for the relief of Sheila Frances Barclay Alexander.

Resolution 26, for the relief of Vivian Brian Powers Smith.

Resolution 27, for the relief of Cecile Reinharz Shapiro.

Resolution 28, for the relief of Maurice Vallee.

Resolution 29, for the relief of Leona Maria Van Look Deppisch.

Resolution 30, for the relief of Mary Maloney Schafer.

Resolution 31, for the relief of Margaret Elizabeth Joyce Gibbons Simpson.

Resolution 32, for the relief of Marthe Lauzon Rusiecki.

Resolution 33, for the relief of Andre Chauvette.

Resolution 34, for the relief of Shirley Borrin Cohen.

Resolution 35, for the relief of Sally Nelson Nevitt.

Resolution 36, for the relief of Patrice St. Louis.

Resolution 37, for the relief of Jean McKenzie McBain.

Resolution 38, for the relief of Rhoda Ross Phinn Lewis.

Resolution 39, for the relief of Arden Earl Sears.

Resolution 40, for the relief of Gwendoline Gertrude Sims Gauld.

Resolution 41, for the relief of Libby Leona Eligberg Hershcovich.

Resolution 42, for the relief of Maureen Dorcas McCord Exley.

Resolution 43, for the relief of Dorothy Sherrit Davison.

Resolution 44, for the relief of Monica Shackleton Lindsay.

Resolution 45, for the relief of Carol Clarke Moretti.

Resolution 46, for the relief of Joan Helene Hannaford Schell.

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 Thursday next.

Motion agreed to.

PRIVATE BILL

THE ALGOMA CENTRAL AND HUDSON BAY RAILWAY COMPANY—REPORT OF COMMITTEE ADOPTED

The Senate proceeded to consideration of the report of the Standing Committee on Transport and Communications on Bill S-4, respecting The Algoma Central and Hudson Bay Railway Company, which was presented on Thursday, May 13.

Hon. A. K. Hugessen moved adoption of the report.

He said: Honourable senators, I should perhaps give a brief explanation to the Senate about the two amendments we made to Bill S-4, an act respecting The Algoma Central and Hudson Bay Railway Company, when the bill was considered by the Standing Committee on Transport and Communications.

The first amendment is quite a minor one and refers to clause 5 of the bill relating to the power of the company to issue bonds and debentures and to mortgage or hypothecate all or any part of its property as security for such bonds and debentures. After the description of "real and personal property, undertaking and rights" we inserted the words "present or future". This was done to ensure that the company could, if it wished, hypothecate future property as part of its security for such bonds or debentures.

This is quite a usual clause in by-laws permitting companies to issue bonds, and it was welcomed very warmly by the sponsors of the bill. The committee considered that this amendment should be made in this bill, because we have another bill before us, Bill S-5 respecting Great Northern Railway Company and Great Northern Pacific & Burlington Lines, Inc., and the clause in that bill in which they ask for borrowing powers contains the words "present or future". The

committee felt it would be advisable to have the same wording embodied in each bill.

The second amendment in the bill relating to The Algoma Central and Hudson Bay Railway Company was made to clause 8, and it resulted from a comment which fell from Senator Grosart on second reading. Clause 8 originally read:

> It is hereby declared and enacted that the Company has and always has had as ancillary and incidental to the purposes and objects set forth in the Special Act creating the Company the powers set forth in subsection (1) of section 14 of the Companies Act.

As honourable senators will recall, Senator Grosart questioned that language because it could mean we were legislating retroactively by saying that the company had always had certain powers.

We questioned the promoters of the bill on that and pointed out that the Senate does not normally like to enact retroactive legislation. We asked if there was any special reason for wording it in this way, whether they had been troubled in the past as a result of doing something in their corporate capacity which they had no right to do and for which they had been attacked in the courts. They said no, that that had not been the case, and they readily agreed to the change which we propose in clause 8. Consequently we took out the words "It is hereby declared and enacted that the Company has and always has had" and inserted the words "The Company has" the right to do such and such. As I say, the promoters of the bill had no objection whatever to the second amendment, suggested to us by the very justified comment made by Senator Grosart.

Report adopted.

Hon. T. D'Arcy Leonard moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

CENTRAL MORTGAGE AND HOUSING CORPORATION ACT

BILL TO AMEND—SECOND READING

Hon. John J. Connolly: Honourable senators, I have asked honourable Senator Baird to move second reading of this bill.

Hon. A. B. Baird moved the second reading of Bill S-8, to amend the Central Mortgage and Housing Corporation Act.

He said: Honourable senators, the bill before us seeks an amendment to the statute which established Central Mortgage and Housing Corporation. As honourable senators may know, this is a crown corporation which reports to Parliament through the Minister of Citizenship and Immigration. It was established in December 1945, and commenced operations January 1, 1946. To it confided the responsibility for administering the National Housing Act.

At present the corporation has as its chief executive officers a president and a vice-president who, in addition to their regular duties, are members of the board of directors. It is now proposed to authorize the appointing of two additional vice-presidents. The appointments would be made by the board of directors, but it is important to note that the corporation would continue to be represented on the board by the president and one vice-president to be designated by the Governor General in Council. In other words, while this bill enlarges the senior executive establishment, it makes no change in the size and composition of the board of directors of Central Mortgage and Housing Corporation.

I believe all honourable senators can readily appreciate the factors which have prompted the corporation and the Government to establish two new vice-presidents. The corporation has experienced, in the 19 years of its existence, a truly phenomenal growth in its operations. For example, the corporation lending operations have grown almost without interruption over the past 19 years, and last year alone the corporation approved loans for the construction of some 58,000 units. In addition, the corporation has responsibilities in respect of financial assistance for a large program of university housing and sewage treatment programs. Other activities include assistance for urban development and public housing. Moreover, even further expansion in the activities of the corporation will be realized should Parliament approve the changes to the National Housing Act that the Government has proposed and are now before the Senate for consideration.

It is precisely because of the rapidly changing nature of its duties and responsibilities that authority to add two vice-presidents is sought. I believe the addition would be beneficial and would enable the corporation to continue to function in an efficient and responsible manner, and I commend the bill to the favourable consideration of the Senate.

Hon. Mr. Brooks: Honourable senators, we have no objection to this bill. However, I would like to ask the sponsor of the bill if

the meetings of the directors are held here in Ottawa.

Hon. Mr. Baird: I understand this to be the case.

Hon. Mr. Brooks: Under this bill there are to be two more vice-presidents?

Hon. Mr. Baird: There will be two new ones.

Hon. Mr. Brooks: What will the extra cost be?

Hon. Mr. Baird: I am not too sure of that, but I do not think there will be any extra cost. The staff will not be enlarged; it will just be that two members of the staff will be made vice-presidents.

Hon. Thomas Vien: Honourable senators, I was requested to move the adjournment of the debate because certain persons interested in this bill were not able to be in Ottawa this week. I have discussed this matter with the Leader of the Government, who seems anxious that at least second reading be given to the bill tonight. I have no objection, if it is understood that the bill will be referred to committee and will not be dealt with in committee before Wednesday of next week.

Hon. Mr. Baird: I think that is satisfactory.

Hon. Mr. Brooks: I just do not understand the necessity for two vice-presidents. I take that to mean that when the president is not at a meeting, one of the vice-presidents is to be the chairman. I was wondering why that is necessary when there are eight directors doing this work.

Hon. Mr. Baird: I understand that the volume of business has increased to such an extent in the past 10 years that they need these additional executives.

Hon. Mr. Brooks: Do they divide up into sections?

Hon. Mr. Baird: Yes, I understand that is what they intend to do.

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.

RETIREMENT OF SENATORS 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-98, to make provision for the retirement of members of the Senate.

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): I move that it be considered on Thursday next.

Hon. Mr. Aseltine: Honourable senators, I understand that quite a number of amendments were made to this bill in the other place. Has the bill been printed in its amended form?

Hon. Mr. Connolly (Ottawa West): I cannot tell honourable senators that, but it will certainly be available to us. I have moved that the bill be not called for second reading before the usual time required under the rules, namely, Thursday next. By that time I am sure there will be printed copies of the bill as passed by the other place available for distribution to honourable senators.

Motion agreed to.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, May 19, 1965.

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

Prayers.

DOCUMENTS TABLED

Hon. John J. Connolly tabled:

Copy of Ordinances, Chapters 1 to 10 inclusive, made by the Council of the Yukon Territory, assented to March 26, April 8, and April 12, 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. 1965-853, dated May 6, 1965, approving same. (English text).

Report to Parliament of the Civil Service Commission of Canada on positions excluded in whole or in part under section 74, and appointments made from February 1, 1964 to February 28, 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).

Statutory Orders and Regulations published in the *Canada Gazette*, Part II, of Wednesday, May 12, 1965, pursuant to section 7 of the Regulations Act, chapter 235, R.S.C., 1952. (English and French texts).

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

PRIVATE BILL

MUTTART MORTGAGE CORPORATION—
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-6, respecting Muttart Mortgage Corporation, and had directed that the bill be reported without amendment.

Report adopted.

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

Hon. Daniel A. Lang moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

HON. JOHN J. CONNOLLY, P.C.

FELICITATIONS ON HONORARY DEGREE

Hon. Cyrille Vaillancourt: Honourable senators, before the Orders of the Day are called, may I be permitted to rise on a special question of privilege?

Last Monday evening an honourable member of this chamber, the Leader of the Government in the Senate, (Hon. Mr. Connolly, Ottawa West), received an honorary degree at the University of St. Thomas, New Brunswick.

Hon. Senators: Hear, hear.

[*Translation*]

Hon. Mr. Vaillencourt: This is not the first time that such an honour has been conferred upon our leader; it is the third time, which means that—

Hon. Mr. Hugessen: He is a "pluralist."

Hon. Mr. Vaillancourt: Not only is he a pluralist, but his great knowledge and merits are recognized everywhere. Therefore, on behalf of the Senate, I am happy to offer him our most sincere congratulations and to pay him our respects.

Our leader is not only a jurist; he obtained a doctorate of laws, and I am told that he is often invited to deliver addresses on a wide variety of subjects, since he is learned in many matters.

He is actively interested in social questions; therefore, he is invited in many circles to express his views on matters involving the welfare of the whole community. Furthermore, he directs many social works throughout our country. I am pleased to offer our leader our congratulations and to pay him this tribute on the honour he received last Monday. You have always been a credit to us.

[*Text*]

Hon. A. J. Brooks: Honourable senators, I wish to join with Senator Vaillancourt in extending my congratulations to the Leader of the Government in this house on his receiving a degree from St. Thomas University.

In this connection may I say that St. Thomas University is now on the campus of the University of New Brunswick. It is in fact one of the colleges of that university.

All of us in New Brunswick, with the possible exception of the people of the Town of Chatham, where St. Thomas was situated, are happy that it joined with the University of New Brunswick and others to form one campus.

As Senator Vaillancourt has said, it is a great honour for our university to add Senator Connolly's name to a long list of distinguished men whose contributions to society have been so recognized. We all know of Senator Connolly's ability in law, politics and debate, and the conferring of this degree upon him is a recognition by our province of that ability.

Our university, as all honourable senators know, associates itself with the names of such men as the late President Kennedy whose degree from the University of New Brunswick was the only Canadian degree he received. Our campus is also associated with such names as Lord Beaverbrook, Bonar Law, Lord Bennett and Lloyd George, whose papers are deposited there.

I could name many more who have honoured the University of New Brunswick. I am very pleased, as indeed are all of us in New Brunswick, that Senator Connolly's name has been added to that distinguished list.

Hon. John J. Connolly: Honourable senators, I rise only for the purpose of closing the debate.

I thank Senator Vaillancourt and Senator Brooks for their very kind words. It is really more than either of them should have said, and more perhaps than all honourable senators should be exposed to.

To both honourable senators, I say it is a great honour personally to have been asked to accept this degree. Perhaps also some distinction is reflected on the Senate when our members are honoured in this way by our truly great educational institutions.

I do not know whether it would be any different if one were given the freedom of the beautiful City of Fredericton—it is a beautiful city just now in the springtime—or if one were adopted by New Brunswick. Certainly, the warmth of the reception which the other visitors and I received on that occasion is something we shall always cherish. From now on, I think I can lay claim to being at least in part a citizen of New Brunswick.

EDUCATION

QUESTION OF JURISDICTION TO SIGN TREATIES

Hon. Jean-François Pouliot: Honourable senators, I wonder if the Leader of the Government (Hon. Mr. Connolly) has received word from the Department of External Affairs in answer to the question I have already put about the jurisdiction to make treaties with foreign countries with regard to education?

Hon. Mr. Connolly (Ottawa West): May I advise the honourable senator that I will table the reply tomorrow afternoon.

AMPLIFICATION IN SENATE CHAMBER

Hon. Thomas Vien: Honourable senators, before the Orders of the Day are called, I would like to draw to the attention of His Honour the Speaker and honourable senators that there does not appear to be sufficient power given to the loudspeaker system in this Chamber. We have some difficulty hearing honourable senators. I would like to hear what is being said. I believe that the operators should give more power to the system when honourable senators are speaking.

I was told that the volume is not increased on account of the noise that comes from private conversations in the immediate vicinity of the honourable senator who is speaking. Even at that expense, I wish to hear what an honourable speaker is saying, rather than be obliged to read the report of what he said in the Senate Debates on the following day.

Therefore, I suggest that some instructions be given to the operators to put on more power.

PRIVATE BILL

THE ALGOMA CENTRAL AND HUDSON BAY RAILWAY COMPANY—THIRD READING

Hon. T. D'Arcy Leonard moved the third reading of Bill S-4, respecting The Algoma Central and Hudson Bay Railway Company.

Motion agreed to and bill read third time and passed.

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. Bourque, seconded by Hon. Mr. Aird, for an address in reply thereto.

Hon. Nelson Rattenbury: Honourable senators, before commencing my remarks on the Throne Speech debate, I would like to join my colleagues who have already spoken in the debate, extending to the mover and the seconder my heartiest congratulations on the

masterly manner in which they carried out their respective assignments.

The name of the mover has been known to me for years. He is a legendary figure in Metropolitan Montreal, and now that I have had the opportunity of listening to his oratory I can well understand some of the reasons why.

I am sorry the seconder is not here this afternoon. However, I am glad to have had the opportunity to tell him privately how happy I was that his maiden speech in this chamber went off so well. His material was thought provoking and typical of his outstanding and well-known abilities in the legal and financial fields. I have known Senator Aird for a number of years and I am sure the deliberations of this chamber will be enriched by his being a member.

Honourable senators, in taking part in this debate, I must say at once that to any Canadian the Speech from the Throne should be most heartening. The Government has come to grips with some of the most urgent problems of our times. It has recognized the nature of social and economic problems which have so long been with us, and it has proposed enlightened measures to deal with them.

It is of special interest to those of us who represent the Atlantic area; not that the proposed legislation is directed primarily to us, but because the national plan offers concrete measures which relate directly to fundamental requirements of our regional economy.

In particular, I want to mention the promise of planned regional development measures, plans for the re-employment and training of workers, the opportunity for further vital power developments, the co-operation with existing provincial development plans, and the assistance which must accrue to communications. All these are of greatest importance and, with redevelopment of rural areas and general rural economic development, are among those things which can specifically allow us to move ahead.

A high rate of economic growth for all Canada does, of course, give some help to the Atlantic area but in the past we have been far behind the national growth rate. Now, for the first time, we may look forward to a kind of participation which utilizes what we have in thebest way, which can, if properly done, overcome many of the almost immovable roadblocks we have faced in the past.

You have heard, in this place and in the other place, on many occasions the social and economic history of the Atlantic area. I shall not attempt to go over such ground again. Indeed, I think we have in the past been over-concerned with history and historic excuses and have given too little attention to current reality.

It is appropriate perhaps only to recall some actual factors which we now know have prevented the building of a lasting framework for efficient and self-sustaining economic growth. This essential framework can now be built in the Atlantic provinces if we understand the foundation requirements and provide them. The provinces themselves have been laying some of the groundwork but of course they cannot do it alone.

The reasons we have not achieved a prosperous, efficient and self-sustaining economy can be cited in part as these:

1. The economic situation confronting Confederation when our area was at a crucial point in development.

2. The relatively uneconomic character of the resources in the region.

3. The loss of once major British markets and the depletion of certain resources and the changing character of market demands.

It was necessary for the new federated Government from 1867 to 1900 to develop a national policy and to work out within that policy arrangements which would satisfy the various political units within the nation. The aim was to create transcontinental trade, and to that end the national policy was developed and a railroad built.

Both of these things accelerated western and northern development and in particular the growth of manufacturing in the central provinces. At this time, the economy of the Atlantic region was based on exports of primary products. This had once made for a prosperous economy, but with the passing of British preferences there came a loss of our markets. As it developed, we could not break into the central Canadian markets because of geography—the transportation problem of generations. Further, the Atlantic area lagged because much of Canadian growth and manufacturing was established during "resource booms"—and I refer to periods like the two great World Wars. All of these occurred in regions far from us where resources were and continue to be very rich indeed. They were resources of a type which provided profits that could absorb all the costs involved in development.

Atlantic area resources were and are of a different sort. They are not rich in the sense of northern Canada's resources, though they are extremely valuable. They do not offer profits which can cover all the expenses involved. There has been, as a result, a lack of dynamic instrumental capital for primary and secondary manufacturing industries. For instance, in 1949 this kind of capital amounted to $660 per capita for the Atlantic region, against $970 for Canada. This was 68 per cent of the national average.

To demonstrate the continuing impact of this factor, I would point out that in 1963 the Atlantic region had only 61 per cent of the national average. In short, the region is not catching up with the rest of the country.

I interject here to say that the activation of the Atlantic Development Board by the present Government and the allocation of part of its $100 million fund for power development and assistance for trunk roads and harbours have together brought about a new beginning for our area. We are now getting the foundation for the framework, and proposals now before the country can be instrumental in pushing it to the needed eventual level. This is the springboard we have long needed.

Of course some things have been done before now. However, I believe the only effective concession was the Maritime Freight Rates Assistance Act. This encouraged the coal and steel industry but it did little if anything for manufacturing. The freight assistance, in any case, worked in one direction only and a one-way economic policy could never be of much value to an area controlled by its geography.

Today, the resources pattern is not changed but some of the geographic obstacles are lower than they once were. Further, a prospering Europe and a new kind of world demand for processed minerals and chemicals—to mention these examples only—have provided new opportunity because we are on the ocean and have access to world markets. What we continue to require is the type of assistance I have been discussing which will allow us to take advantage of these opportunities.

If there is an honest desire—and I believe the Government of the day has such a desire—to promote development in the Atlantic region, the national Government must make available such basic services as communications which include roads—and notably roads—power and more power, technical training and more support to higher education, retraining and technical assistance.

It has been most encouraging, then, to note that this is the direction which is being taken.

The $20 million granted by the Atlantic Development Board to the Mactaquac Power Project—and similar grants in other provinces—has allowed the start on exploitation of an absolutely essential power source in New Brunswick. However, it must be remembered that power generated at Mactaquac will all be taken up by the major mineral and allied industrial developments in our province within a very few years.

Tidal power projects at Passamaquoddy, and in the Shepody-Cumberland potential tied in with the Chignecto canal, have received less national attention in Canada than they have in the United States. These are not new ideas, but they continue to be valid and I want to emphasize in particular what Chignecto means to us in the region.

Whatever may have been the arguments for a canal in the past—and there were powerful arguments—they grow stronger now. The joint provision of canal and power potential is itself a new incentive and one which would benefit not one province alone, but the whole area. Further, the possibility of a new steel industry locating in New Brunswick makes the canal project more urgent than it ever has been.

We are currently developing through the New Brunswick Government's agency a chemicals industry in which private enterprise is being given full scope for participation and ownership. This industry in the southeastern quarter of the province, and with other industries being considered by the New Brunswick Development Corporation, will offer more important reasons for the canal and power development.

Furthermore, the developments on the northeast coast will require supplies and more power in the future, and again the Chignecto project will be justified.

I have mentioned communications as being essential to economic growth. The Romans demonstrated this two thousand years ago and the proof of their demonstration has been increasing on this continent and in Europe in recent years. Roads are civilizing; they allow for human contact, they provide social activity, they open the way to resources and they give access to markets. They make a nation.

In Europe, with its heavy concentrations of population, concentrated railroad networks have developed and flourish to serve

all areas. Here in North America and particularly in Canada, highway transportation today serves the smaller and more isolated communities where railroads do not reach. Like bush airlines to northern Canada, roads to resources give us in the Atlantic region the access which is vital. They also allow for speed and flexibility.

There is no logical reason why in our day national assistance to roads should not be on the same level as it was to railways in another era. In this connection, I would mention the proposed all-weather corridor road through the United States to connect New Brunswick—and all the Maritime provinces—with the populous regions of Quebec and Ontario. This is a short route and one which would put us directly into the major markets of Montreal and Toronto. It is a route which should stir the imagination just as much today as the Intercolonial Railway did in its time. The road would be a commercial highway on which goods could flow to and from Central Canada, without customs problems, over the most direct and logical route.

There is another area of development to which I want to turn, and that is the increasing of human potential. It can be the best system of improving the economy, that is, by increasing the earning power of our people.

The war on poverty is an exciting idea, but it is more than that. It is a recognition of a basic economic truth that a nation or a region will prosper in relation to the desire and ability of its people to make it prosper. All the natural resources in the world would be valueless if the people did not know how to take them out.

We in the Atlantic area have had our bruises from economic history and geography, and sometimes in the past we have allowed these injuries to dishearten us. Many of our best young people have gone elsewhere to enrich other regions. This is not altogether a bad thing because just as they have given their talents to others, there are those who can give special talents to us. Our experience with social mobility may in the future prove a benefit rather than otherwise. Canada needs more people, and we in our region need more people.

In recent years, we Maritimers have taken stock and remembered the old maxim that "God helps those who help themselves." We in all the Maritime provinces—with my own in the vanguard where a brisk young premier is effectively co-ordinating his government's efforts with a friendly and responsive Government in Ottawa—have created a whole new attitude. Our people have adopted a fresh outlook, they have brought forward a renewal of their great vigour, and are now ready to make a new and better life in their home provinces.

There has been in Canada what the federal Minister of Labour referred to recently as "insular poverty." We have been one of the islands or areas where many residents have had substandard incomes. This has left many of our people unprepared for the kind of economy which can be made today, and for the full development of their potential which has begun.

Thus, even where the new attitude exists, there must be created opportunities for both younger and older people to take advantage. When a better life is shown, those who have lived marginal lives will in time be encouraged to rise to the improved standards. But first they must have the tools. Today, those tools are in job training, technical training, in higher education as well as in employment opportunities, tax concessions and other incentives to industries.

Helping workers acquire skills and the training they need to benefit from industrial development is an area in which the national authority can play a role which is impossible for the smaller provinces to do alone. It is a matter of great pride that in New Brunswick we have moved quickly to provide trades and technical schools made possible by federal help. We are passing up no opportunities, but it must be remembered that the smaller provinces have limited financial resources for cost-sharing schemes. Technical training is as expensive as it is essential, and anything done by the national Government will pay off in prosperity to the nation.

We in this chamber can do our part with others in making the modern role of skilled and technical education understood in its proper context. In the past, there has too often been—and it is not yet eradicated—a foolish notion that those trained and educated for skills and techniques were somehow in a different social class from those educated for white-collar occupations. The silliness of this is obvious on every hand, where incomes and the importance of skills and techniques have risen often beyond those of the so-called white-collar classes. Those who will form a new elite, and who are now doing so with great speed, are those who

fit into the modern technical scheme. The same professional recognition should exist for such technically-educated people as has been given traditionally to the conventional learned professions.

Loans to students for this kind of education, as well as for the traditional kind, are among the best things done by this or any other Government. I say that even more must be done. I have no fear of what some consider the danger of "spoiling" eager and energetic young people who wish to pursue higher education. The same arguments used in my grandparents' day against free elementary education were used in a later generation against free high schools. Today there are those who argue in exactly the same way about easier college education. Just as the arguments of those other days have been demolished by a progressive society, so will the arguments that exist today.

I have said that we in our region are looking to a day when we shall come much closer to the highest economic standards of the nation. We know how earning power can be increased, and I hope I have given some indication of how this power can be generated by federal measures. In my own city of Saint John we have seen what initiative and free enterprise can achieve when there is the proper co-operation of governments and governmental agencies. I want to pay tribute to those who have this initiative and enterprise, and I will serve notice that it is only a demonstration of what our people can accomplish. New designations which will exist under proposed federal legislation will open fresh avenues to us, and we shall take proper advantage of them.

It was predicted that when increased winter shipping went to the St. Lawrence route our year-round general cargo ports would suffer some losses. They have seen these losses, and they are most important to us. We have the facilities and we can handle this traffic as effectively as any people anywhere, but we do need the industries and the trade to keep them busy.

Planned regional development, in which there is continuous co-ordination among the provinces of the region and between the provinces and the national Government, is an absolute essential to our success. Regional planning alone can go only so far. Integration with the national development can finally establish that self-sustaining framework for the lively economy of which I spoke at the outset.

By strengthening the economy of our diverse regions, and especially of those regions which have been below the national average, we are strengthening all of Canada.

Hon. Paul Yuzyk: Honourable senators, I join with all members of this house who have spoken before me in congratulating Senator Bourque and Senator Aird who, respectively, moved and seconded the motion for an address in reply to the Speech from the Throne, with special congratulations to Senator Aird for his interesting maiden speech.

May I also extend my heartiest congratulations to Senator Connolly (Ottawa West), the Government Leader in our chamber, for the high and well-deserved honour accorded him when he recently received an honorary doctorate degree from the University of New Brunswick. This is simultaneously an honour accorded the Senate.

Honourable senators, I rise before this august body to speak on the issue of capital punishment. I was very happy to note the following statement in the Speech from the Throne. I quote:

> Arrangements will be made for you to decide the issue of capital punishment. My Government will appoint a special committee to study and make recommendations on a comprehensive policy for the correction and rehabilitation of prisoners.

I have been studying this problem for some seven months, and I have applied to it the research techniques, skills and experience of my profession as a historian. After much reading, examining of statistics, discussions with authorities, church leaders, lawyers and many others, and further deep thought and debate with my conscience, I have become a convert to the cause of the abolition of capital punishment. I have joined and actively support the Canadian Society for the Abolition of the Death Penalty, whose president, Mr. Arthur Maloney, Q.C., wholeheartedly fought for this cause when he was a member of the other house. Consequently, I fully support the stand on this issue of the Prime Minister, the Leader of the Opposition, the leader of the New Democratic Party and many other members of both chambers. Therefore, allow me, honourable senators, humbly to present the main facts and arguments which have led me to my stand against the death penalty.

Since a free vote will be taken, each member of both houses will have to consult his own conscience. What Parliament will have to resolve is not only whether capital

punishment is the unique deterrent to murder that its traditional use seems to sanctify or imply, but the more fundamental question of whether, in the final analysis, the retention of the death penalty causes more harm than good and is less effective in protecting life.

We are aware that the British House of Commons last December, by a vote of 355 to 170, overwhelmingly condemned the death penalty after several years of experimentation with it. Even many of its former supporters have reversed their original stand. It is unlikely that the House of Lords will not endorse the decision of the Commons.

This means now that all countries in Europe on this side of the Iron Curtain, with the exception only of France and Spain, have abolished capital punishment, and even these two countries have rarely resorted to it in the past decade.

Some 60 jurisdictions throughout the world have already abolished the death penalty, incluing most of the countries in South America, among them Argentina and Brazil. Within the Commonwealth of Nations, New Zealand abolished the supreme penalty for murder for a second time in its history in 1961. The Australian states of Queensland and New South Wales employ it no longer, while the other states are reconsidering their attitude.

In the United States of America, ten states have abandoned it by law, and most of the other states have had no executions for several decades. The only exception that most of the abolition countries have made is for treason during war.

It is very significant that most of the large religious denominations of North America have consistently opposed the death penalty. The Central Conference of American Rabbis in 1958 urged:

> —the abolition of the death penalty where it is still in effect. We are convinced that it does not act as an effective deterrent to crime.

Although the Vatican State retains the death penalty, it has not carried out any executions for a long time and, indeed, the Pope frequently appeals for clemency in other parts of the world. Although many Catholic bishops on this continent have not taken a direct stand, many have. Nevertheless, Father J. D. Conway, in *The Catholic Digest* of May 1959, asserted that:

> —the church is naturally inclined by history, doctrine, spirit and example to favour abolition of the death penalty in our modern society.

Hon. Mr. Vien: Would the honourable gentleman allow me a question?

Hon. Mr. Yuzyk: Certainly.

Hon. Mr. Vien: Is the honourable senator of the opinion that the death penalty is in no way whatsoever a deterrent to crime?

Hon. Mr. Yuzyk: Yes, I am of that opinion, and I shall deal with that as I go along in my speech.

Hon. Mr. Vien: I should like the honourable senator to answer also this question: To whatever extent it is effective as a deterrent, does he believe that the absence of the death penalty will provide a certain remedy for the ills from which we suffer?

Hon. Mr. Yuzyk: Yes, I think that will be brought out in the course of my speech.

Protestant churches, theologians and spokesmen for the majority have espoused the cause of the abolition of capital punishment, supported by many Roman Catholic writers. Some fundamentalist publications have taken the opposite stand, but these are few. The Christian emphasis on mercy, compassion and redemption for any person as a human being and our brother, under one God and Father of us all, reminds all faithful of such a clear New Testament teaching as:

> Render to no man evil for evil... avenge not yourselves...

This I take from Romans, Chapter 12, verses 17-19.

In the philosophy of Christianity it is not capital punishment that is the crucial issue, but rather that "the sacredness of the individual is not man-conferred or state-enacted, but God-given and inherent."

Typical of the Christian as well as the Jewish position is the resolution of the American Baptist Convention, 1960:

> Because the Christian believes in the inherent worth of human personality and in the unceasing availability of God's mercy, forgiveness, and redemptive power, and
>
> Because the Christian wholeheartedly supports the emphasis in modern penology upon the process of creative, redemptive rehabilitation rather than on punitive and primitive retribution, and
>
> Because the deterrent effects of capital punishment are not supported by available evidence, and

Because the death penalty tends to brutalize the human spirit and the society which condones it, and

Because human agencies of legal justice are fallible, permitting the possibility of the executing of the innocent,

We, therefore, recommend the abolition of capital punishment and the re-evaluation of the parole system relative to such cases.

The largest Protestant churches in Canada have gone on record condemning capital punishment. The Nineteenth General Council of the United Church of Canada in 1960 recommended the following alternatives to the Government of Canada:

1. In place of the death sentence for a capital offence, that there be substituted a statutory sentence of life imprisonment subject to the prevailing conditions of remission and parole.

2. That no person convicted of a capital offence be released from care in a correctional institution so long as his retention therein is essential to the well-being of society and to his reformation.

3. That subject to the approval of the National Parole Board, which should be given the necessary powers, the length and the nature of the treatment of persons convicted under such a system be determined in consultation with treatment authorities.

The Anglican Church of Canada, after having studied the question over a number of years, passed a resolution in 1958 petitioning the federal Government to "initiate proceedings leading to the abolition of capital punishment in Canada."

Criminologists and criminal lawyers, who specialize in criminal justice, are the most ardent crusaders against the death penalty. Donald E. J. MacNamara, Dean of the New York Institute of Criminology, a former police officer and a prison warden, a "convert" to abolition, states:

No criminologist of stature in America or abroad gives it support.

He is the President of the American League to Abolish Capital Punishment. Mr. Harry Walsh, Q.C., of Winnipeg, and Mr. John Robinette, Q.C., of Toronto, two of Canada's best criminal lawyers, and many other Canadian criminal lawyers, have made public statements in favour of abolition.

Most of the leading newspapers in our country have written editorials on the side of abolition. The Library of Parliament has supplied me with the following information as of May 18, noting that holdings are incomplete.

In favour of abolition:	Number of Editorials
Globe and Mail	11
Toronto Daily Star	10
Montreal Gazette	1
Montreal Star	2
Ottawa Citizen	9
Winnipeg Free Press	1
Peterborough Examiner	1
Pembroke Observer	1
Sault Daily Star	1
La Patrie	1
Ottawa Journal	No editorials but many articles
La Presse	No editorials but many articles
Undecided:	
Le Droit	
Against abolition:	
Le Soleil	
L'Action Catholique	

If one were to look back into the history of England he would discover that justice is a relative concept which changes with the times. The number of crimes punishable by death as late as 1819 was estimated at 223. These included not only murder, killing, treason, piracy, etcetera, but also thievery, heresy, adultery, forgery, and a host of what we would call minor offences. The lax enforcement after 1800 still resulted in up to 3,000 persons executed annually for many years.

For a long time the standard practice for those guilty of petty or high treason consisted of drawing, hanging, disembowelling, beheading and quartering the body. Robbers had their bones broken and the still living body bound to the spokes of a wheel fixed on a pole of the scaffold. Such executions were conducted in public, and were usually followed by drunken revels. Today such punishments are no longer tolerated and executions are performed in the seclusion of a prison. The number of capital offences has been reduced to a very few, in many places to deliberate murder only, testifying to the fact that the sense of justice has greatly changed in the last 150 years.

With the advancement of civilization, not only has brutality greatly diminished but so has the concept of the deterrent value of the death penalty. When Sir Samuel Romilly

introduced a bill in the British House of Commons in 1810 to abolish capital punishment for the theft of five shillings or over from a shop, Chief Justice Lord Ellenborough was so terrified that he stated in the debate:

> My Lords, if we suffer this bill to pass, we shall not know where to stand; we shall not know whether we are upon our head or our feet.

I would like to state here that he might as well have been standing on his head. I continue his statement.

> Repeal this law and see the contrast—no man can trust himself for an hour out of doors without the most alarming apprehensions that on his return, every vestige of his property will be swept off by the hardened robber.

In the course of decades, the British Isles have learned that the more than 200 offences punishable with death, including such offences of children as "secreting notes," and "stealing a spoon" and "smashing a shop-window," were not prevented by the taking of life; and today we laugh at Ellenborough's views.

If, as experience has shown, the death penalty does not deter a man from stealing or committing other minor offences, is it more likely to deter him from murdering? If modern social sentiments no longer uphold the belief that a thief should lose his life, why is it that a large proportion of the public still believes that a murderer should forfeit his life and that such an act has deterrent value? Does capital punishment survive because many still believe that, particularly in the case of murder, the Mosaic Law of retaliation, "an eye for an eye, a tooth for a tooth," must be applied, when the Jews themselves have abandoned it? Or is it that many think murder is so brutal, which indeed it is, that the public through the state must exercise vengeance, a carry-over from the primitive state of man? By taking the life of a murderer, is society justified in becoming a partner in crime? Are Christian precepts meaningless?

What do we learn from the experience of the many countries which have abolished the death penalty for murder? The recent United Nations study entitled *Capital Punishment* (1962) reveals some very significant facts. For example, the year before capital punishment was abolished in the Federal Republic of Germany (1949), there were 521 capital murders, but after abolition there were 301 in 1950 and 355 in 1960, figures which reflect a considerable decrease.

In Austria the restoration of the death penalty in 1934 was followed by an increase in crime: but its re-abolition in 1950 resulted in a decrease that recorded the lowest figures ever.

The crime trend shows similar decreases in such countries as Finland, Norway, Sweden and several others. The above-mentioned United Nations' study of the vast majority of the countries of the world which was prepared by Marc Ancel, a Justice of the French Supreme Court and Director of the Criminal Science Section of the Institute of Comparative Law of Paris, came to the following conclusion:

> All the information available appears to confirm that such a removal has, in fact, never been followed by a notable rise in the incidence of crime no longer punishable with death. This observation moreover, confirms the nineteenth century experience with respect to such offences as theft and even robbery, forgery and counterfeiting currency, which have progressively ceased to be punishable with death; indeed these crimes, so far from increasing, actually decreased . . .

The exhaustive study of the British Royal Commission on Capital Punishment 1949-53 has this to say:

> The general conclusion we have reached is that there is no clear evidence in any of the figures we have examined that the abolition of Capital Punishment has led to an increase in the homicide rate or that its reintroduction had led to a fall.

In regard to trends in the United States the Commission reported:

> We agree with Professor Sellin—
>
> A world authority on capital punishment.
>
> —that the only conclusion which can be drawn from the figures is that there is no clear evidence of any influence of the death penalty on the homicide rates of these States and that whether the death penalty is used or not and whether executions are frequent or not both death penalty States and abolition States show rates which suggest these rates are conditioned by other factors than the death penalty.

According to criminologists and penologists, these factors include the economic conditions affecting living, the education level

of the community, the efficiency of the police and of the machinery of justice and that if the punishment is to be an effective deterrent the penalty must be imposed "consistently, immediately and inexorably; that is on all offenders, promptly after the crime and in such a way that the general public exactly expects this."

Western civilization considers that it is wrong to imprison an innocent man and shocking to hang an innocent person. Juries and judges unintentionally have convicted many innocent persons of crime. Professor Hugo Adam Bedau, in his book *The Death Penalty in America* (*1964*), abstracted 74 cases of wrongful convictions of criminal homicide in the United States in the years 1893 to 1962, "proved beyond doubt." Fortunately, the death sentence was applied to only eight persons. How many of the more than 7,000 persons executed in the United States this century might have been proven innocent if they had received life sentences?

Of course the abolition of the death penalty does not remedy the injustice of convicting and punishing an innocent man, but it is much more just to avoid the execution of the innocent than to risk the questionable advantage of executing a few guilty ones, if we remember there were only 20 executions in the United States in 1963. This does not mean that our courts should be condemned. On the contrary, they are to be commended for their efficiency, but we must never forget that human judgment and human procedures are fallible.

It is these considerations of the highest human values in our society that have motivated the former Conservative Government and the present Liberal Government to commute death sentences. The Department of Justice has informed me that there have been no executions in Canada since 1962, and that the present Government has commuted 14 cases since coming to power. These commutations have not led to a proportionate increase in the number of murders.

Surely cabinets have much more important work to perform than hearing capital cases. It is obvious that governments are unwilling to apply the death penalty. Parliament should abolish it and institute penal reform for adequate protection of our citizens, our penitentiary employees and our police officers, as well as a system of education for the prevention of crime, bearing in mind that an ounce of prevention is worth a pound of cure.

Much more time would be needed to present a discussion of other implications of the abolition of the death penalty. Evidence can be produced that many persons who commit crimes are not rational at the time of the crime, the great majority having been under the influence of alcohol, in a fit of passion, or were insane; that alternative penalties, such as life imprisonment, have a greater protective value to society; that policemen and prison guards are as safe and safer in non-death penalty states; that paroled and pardoned murderers are no threat to public safety and much safer risks than paroled burglars and robbers; that the costs of extended trials and retrials, appeals, extra security, support of the convict's family, etcetera, are much more costly where criminals are executed; and that capital punishment has a brutalizing effect upon society, encouraging disrespect for our laws, courts and institutions and is a stumbling block in bringing about the reform of our prison systems and the treatment of crime and criminals.

Hon. Mr. Vien: May I ask the honourable senator if he believes that capital punishment at present would act in such a way as to induce more criminality in the country?

Hon. Mr. Yuzyk: No, I do not think I made such a statement. I claim that the use of the death penalty, or the lack of the use of the death penalty, does not affect the murder rate in any country.

Hon. Mr. Vien: The question is whether the abolition of the death penalty would have a beneficial effect on criminality in Canada.

Hon. Mr. Yuzyk: Yes, that is my belief, my firm belief; and I would like to present more evidence about it in a committee, as there is scarcely any time here to bring out the facts.

Hon. Mr. Vien: I would like to hear the honourable gentleman say on what that plea is based.

Hon. Mr. Yuzyk: On many of the facts that I have given already. I think that if the honourable senator followed my argument and the facts that I have presented, it would be quite clear to him. I am willing to present more facts on this issue before a Senate committee.

Honourable senators, as a symbol of approach to crime, capital punishment has been tried in the balance of history and found wanting. Its brutalizing influence is in complete conflict with the humanizing ideals of

present-day civilization and culture. Its abolition can only enhance our respect for the noblest human qualities and achievements. This approach is perhaps best epitomized by the greatest statesman of our century, the late Sir Winston Churchill, who wrote during the horrors of the Second World War:

> The mood and temper of the public with regard to the treatment of crime and criminals is one of the most unfailing tests of the civilization of any country. A calm dispassionate recognition of the rights of the accused, and even of the convicted criminal against the state; a constant heart-searching by all charged with the duty of punishment; a desire and an eagerness to rehabilitate; tireless efforts toward the discovery of the creative and regenerative processes; unfailing faith that there is a treasure, if you can only find it, in the heart of every man. These are the symbols which...mark and measure the stored-up strength of a nation...proof of the living virtue in it.

Honourable senators, the Minister of Justice has promised a background paper, similar to a white paper, containing all of the relevant information about developments in Canada and other countries which could prove useful in arriving at a decision. It would be advisable for all of us who have this grave responsibility upon our shoulders to peruse this document when it arrives. In the meantime, it would be useful to read the excellent book *The Death Penalty in America: An Anthology,* which presents a full up-to-date treatment of all aspects of the problem. This book has been supplied by the Canadian Society for the Abolition of the Death Penalty. The society has also sent to all members of the Canadian Parliament a documented reply to the submission by the Canadian Association of Chiefs of Police, dated February 6, 1965. This reply was prepared by Professor P. J. Giffen of the Department of Sociology at the University of Toronto and warrants careful consideration, for it factually refutes the police chiefs' allegation that the policy of the Diefenbaker and Pearson Governments "has contributed greatly to this deplorable state of affairs."

As a service to the members of both Houses of Parliament, the Canadian Society for the Abolition of the Death Penalty has arranged in the Parliament Buildings, on June 3, a panel discussion on this issue. Participating in this panel will be several outstanding experts, namely: Professor Thorsten Sellin of the Department of Sociology of the University of Pennsylvania, perhaps the greatest authority on this question; Mr. Sidney Silverman, M.P. from the United Kingdom, who introduced the bill to abolish the death penalty in the British House of Commons; the Honourable René Levesque, Minister of Natural Resources for the Province of Quebec; and Mr. John J. Robinette, Q.C., and Mr. G. Arthur Martin, Q.C., both distinguished criminal lawyers from Toronto. I hope our senators will take advantage of this opportunity.

It appears to me that mankind is gradually moving towards a universal constitutional prohibition against capital punishment. Canada has been lagging behind many countries which have pioneered and have proven the ineffectiveness of this brutal penalty. We now have the opportunity to improve justice and bring Canada in line with the progressive countries of the world.

Hon. Thomas Vien: Honourable senators, I had no intention of taking part in this debate, but the remarks which have just been made prompt me to give you my own views on the subject. I was a member of a joint committee of the Senate and of the House of Commons which studied this question for a couple of years. Many people and associations of all kinds, from all parts of Canada came to Ottawa and gave the committee the results of their studies on the subject.

We all deplore the increased wave of crime which has spread over Canada, the United States, European countries and, indeed, over the world. How can we correct that condition? This is the subject of studies carried out by numerous organizations, including Canadian parliamentary committees. I had an open mind to receive the views of those who were called or who requested to appear before us.

Two questions seemed to be fundamental in the study of that problem: Is the death penalty, as now applied in Canada and elsewhere, a deterrent or an incentive to more crime? Will the abolition of capital punishment be helpful in reducing the crime wave?

I have studied the evidence adduced in the committees of Parliament. I have tried, with an open mind, to consider the conclusions which we should accept. I confess that I was not convinced that some criminals, at least, were not deterred from committing a crime because of the death penalty; I was not able to come to the conclusion that if we

abolished the death penalty the wave of crime would be diminished, in Canada and in the world. I am still convinced that many people are deterred from committing a crime because of the shadow of the gallows, and that, if the death penalty were abolished, many more people would be prompted to commit a crime than otherwise.

That is my summary of the situation. At this juncture in the world's history, we are being urged to adopt all kinds of remedies by what we call in French "l'avant-guarde," the forerunner of new ideas, a new method of living in the world.

From the very beginning of the world crimes were committed. Cain killed Abel at the gates of the Garden of Eden. Rousseau contended that "social conventions" corrupted the human being. Seventeenth century French philosophers and encyclopedists urged that man is moral, but the social contract or conventions perverted him. Is this assertion not contradicted by the fact that, at the door of the Garden of Eden, Cain killed Abel? There was no "social contract" of any kind at that time.

No. Human nature is corrupt, since the original sin, and only by spiritual gift can it be lifted above its state of corruption. Today, the world is in a state of turmoil because spiritual forces are no longer the gift of as many people as in prior times. Far be it from me to say that the old times were so good! Students of history know that, through the ages, the world has had its moral problems.

The question has now been raised. I am in favour of a procedure which, when adopted, would help to reduce crime and to establish a better social order in the world. And this in Canada first, because we must look after our own affairs—if we don't, nobody will look after them.

Be that as it may, two questions suggest themselves to my judgment at the present time, namely: Is capital punishment, in some way, a deterrent to crime, even if not fully, as is exemplified by the number of crimes committed in the world, notwithstanding capital punishment? Is it, to a certain extent, a deterrent?

Secondly, if we abolish capital punishment, is the wave of crime likely to diminish? These are the questions! After the examination of all that has been said by the honourable senator who has just spoken, and who has given us a number of opinions—

Hon. Mr. Yuzyk: I would like to make a correction. I did quote facts, not just opinions. If the honourable senator reads my speech right through, he will see that. I do not know that he heard me clearly, but I did quote facts. I think I have answered the questions he is asking me, and I am prepared to discuss this at a later stage. I have introduced this problem so that we can think about it, and so that we may have an opportunity to bring in the experts who could answer some of the questions and give us some further facts.

Hon. Mr. Vien: These authorities quoted by my honourable friend were merely opinions, and they cannot convince me that capital punishment has not been a deterrent, and that its abolishment would improve the situation.

That is all I have to offer for your consideration, honourable senators. I would be glad to adopt any policy which would be likely to reduce the wave of crime in the world, but I am sorry to say that, after listening with a great deal of attention to all that the honourable gentleman has just said, and to all the authorities he has quoted, and to all the authorities which were quoted to the committees of the Senate and the Joint Committee of the Senate and House of Commons which have sat to investigate this question, I have heard a number of opinions, but none on the points that I have just indicated: Is the death penalty a deterrent? Would the abolition of the death penalty be a greater deterrent? On that I am still to be advised.

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

DIVORCE

REPORTS OF COMMITTEE ADOPTED

The Senate proceeded to consideration of reports of the Standing Committee on Divorce Nos. 50 to 125, inclusive, which were presented yesterday.

On motion of Hon. Mr. Croll, for Hon. Mr. 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. Croll, for Hon. Mr. Roebuck, Chairman of the Standing Committee on Divorce, presented the following resolutions:

Resolution 47, for the relief of Jane Harriet Takefman Birman.

Resolution 48, for the relief of Vida Adella Johnson Smith.

Resolution 49, for the relief of Beatrice Bridgman Moran.

Resolution 50, for the relief of Ingeborg Barbara Lehmann Knoble.

Resolution 51, for the relief of Veronika (Veronica) Sonnenfeld Kramer.

Resolution 52, for the relief of George Veres.

Resolution 53, for the relief of Janet Laura Wilson Morin.

Resolution 54, for the relief of Marie Madeleine Francoise Beaudet Blais.

Resolution 55, for the relief of Rose Koval Bockler.

Resolution 56, for the relief of Josephine Ciarlo Laviolette.

Resolution 57, for the relief of Maurine Pilkington Black.

Resolution 58, for the relief of Irene Florence Bird McIntyre.

Resolution 59, for the relief of Rose Geraldi Salconi.

Resolution 60, for the relief of Marie Huguette Desneiges Gaetane Brazeau Forward.

Resolution 61, for the relief of Fernand Herve Ouellette.

Resolution 62, for the relief of Rejeanne Veillet Beaucage.

Resolution 63, for the relief of Joseph Adolphe Jean de Rainville Laurendeau.

Resolution 64, for the relief of Gerald Ernest Hinds.

Resolution 65, for the relief of Margaret Yuill Menzies Boyne.

Resolution 66, for the relief of Albertine Theriault Guay.

Resolution 67, for the relief of Sandra Margaret Neilson Crotty.

Resolution 68, for the relief of Joyce Marie Blais Granie.

Resolution 69, for the relief of Lyndon Rees Groves.

Resolution 70, for the relief of Judith Sidney Browne Handel.

Resolution 71, for the relief of Rosanna Winnifred Bernard Hamilton.

Resolution 72, for the relief of Solange Scherzer Broder.

Resolution 73, for the relief of Marie Blanche Irene Mignonne Frenette Fournier.

Resolution 74, for the relief of Miroslavia Neville Linda Prozak Parsons.

Resolution 75, for the relief of Marguerite Mercier Sansoucy.

Resolution 76, for the relief of Mary Patricia Henley D'Aoust, otherwise known as Mary Patricia Henley Daoust.

Resolution 77, for the relief of Florian Riopel.

Resolution 78, for the relief of Germaine Tremblay Richer.

Resolution 79, for the relief of Joyce May Turcotte Kelly.

Resolution 80, for the relief of Marlene Shirley Helfgott Safe.

Resolution 81, for the relief of Donald Desilets.

Resolution 82, for the relief of Marie Clara Mercedes Jeanne Brossard Beaubien.

Resolution 83, for the relief of Heinrich Bernhard Altmeppen.

Resolution 84, for the relief of Marie Augustine Flora Methot Miville.

Resolution 85, for the relief of Lorraine Myrna Hollahan Quinton.

Resolution 86, for the relief of Gerassimos Stamatelatos.

Resolution 87, for the relief of Lucien Landry.

Resolution 88, for the relief of Margaret Louise Tomlin Marchant.

Resolution 89, for the relief of Eleanor Ann Rubin Labow.

Resolution 90, for the relief of Viktoria Zauner Wagner.

Resolution 91, for the relief of Claude Genet.

Resolution 92, for the relief of Elise Marie Lebon Zajac.

Resolution 93, for the relief of Bella Shain Shaffer.

Resolution 94, for the relief of Jean Paul Rovira.

Resolution 95, for the relief of Mary Ruth Girling Parent.

Resolution 96, for the relief of Joseph Marcel Andre Laforge.

Resolution 97, for the relief of Beverley Anne Martin McEllin.

Resolution 98, for the relief of William Joseph Padden.

Resolution 99, for the relief of Vincente Martin Latorre.

Resolution 100, for the relief of Judith Ann Ruel Nutt.

Resolution 101, for the relief of Michael Lysak.

Resolution 102, for the relief of Pawel Gerasimow.

Resolution 103, for the relief of Vinicio Pertout.

Resolution 104, for the relief of Herbert Ronald Pass.

Resolution 105, for the relief of Rolando Antonio Mordente.

Resolution 106, for the relief of Dora (Isidora) Lebalul Laufer.

Resolution 107, for the relief of Guy Raiche.

Resolution 108, for the relief of George Nueman.

Resolution 109, for the relief of Edward Dorosowsky.

Resolution 110, for the relief of Joseph Paul Rene Gervais.

Resolution 111, for the relief of James Joseph Condon.

Resolution 112, for the relief of Graham Glen Powers.

Resolution 113, for the relief of Nancy Vilner Regenstreif.

Resolution 114, for the relief of Marie Germaine Margueurite Gouin Cormier.

Resolution 115, for the relief of Theresa Rose Berger Dubin.

Resolution 116, for the relief of Phyllis Orr Buchanan Evans.

Resolution 117, for the relief of Janet Courtenay Fry Fortier.

Resolution 118, for the relief of Lionel Paul Chamelot.

Resolution 119, for the relief of Stephanie Zuperko Dudek.

Resolution 120, for the relief of Gilberte Rolande Belanger Fournier.

Resolution 121, for the relief of Joseph Louis George Bergeron.

Resolution 122, for the relief of Andre Jette Burstall.

The Hon. the Acting Speaker (Hon. Mr. Gershaw): Honourable senators, when shall these resolutions be taken into consideration?

Hon. Mr. Croll: Honourable senators, I move that these resolutions be considered on Tuesday next.

Motion agreed to.

COMMONWEALTH RELATIONS

MOTION TO EMPOWER COMMITTEE TO MAKE INQUIRY—DEBATE CONTINUED

The Senate resumed from Wednesday, May 12, the adjourned debate on the motion of Hon. Mr. Thorvaldson:

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; and

That the Committee be instructed to report to the House from time to time.

Hon. A. J. Brooks: Honourable senators, at this late hour I do not intend to speak for more than a few minutes, and perhaps I may be permitted to complete my remarks later in the debate.

First, I want to congratulate the honourable Senator Thorvaldson for bringing this subject before the Senate in this form. I understood from his remarks that his intention was to have the committee inquire into Commonwealth relationships and the position of Canada within the Commonwealth.

Canada, of course, has always held a very important position in the Commonwealth, one, I would say, which is next to that of Great Britain—and her importance is increasing as time passes. If anyone asked for a definition of the Commonwealth, I am sure it would be difficult to provide one. I would like to quote from the London *Times of* April 8, 1964 in which edition this question was asked and this answer given:

> The answer is that with all its embarrassments and imperfections the Commonwealth is the greatest effort at a multi-racial society of nations the world has seen. Multi-racialism is mankind's only way forward to universal peace and, on a world scale, the only way in which Britain leads.

The *Globe and Mail* of September 15, 1964 had this to say on the same subject:

> ...the Commonwealth is no longer in fact an English institution but an institution of co-operative understanding among at least formally equal members.

And the *Christian Science Monitor* of July 18, 1964 stated:

> The Commonwealth is surely one of the world's most remarkable non-organizations—and one of the healthiest and most constructive, too.

I think we would all agree with those statements. We know what the old Common-

wealth meant to the world, and probably it would have been easier for us to have given a definition of the old Commonwealth, so-called—consisting of Great Britain, Canada, Australia, New Zealand, South Africa and, at that time, Newfoundland.

At the present time the Commonwealth is made up, in part, of a great many emerging nations, and just what the success of these emerging nations will be we cannot tell. To a great extent, the Commonwealth will depend on their success, so the present and future of the Commonwealth are very uncertain.

Honourable senators, when I was in attendance at the meetings of the Inter-Parliamentary Union in Dublin there were quite a few problems considered before that organization, and in discussing the matter with Senator Dessureault when I came into the chamber this afternoon he told me these matters would be discussed later on. Many of them are similar to the problems we are experiencing in the Commonwealth, and for that reason, as I said at the outset, I am going to make my remarks short and will deal with some of the problems at a later date.

I was greatly impressed by the work of the Economic and Social Committee, of which I was a member. As far as that committee was concerned—and this was agreed on by practically every member of the committee, consisting of delegates from over 50 nations—the population explosion is the greatest menace the world faces today. Practically every member felt that all organizations—whether it be those of the Commonwealth of Nations or of the individual nations—should be taking this problem seriously under consideration.

According to the world population estimate recently made public, the world population at mid-1962 was 3,135 million. Also, the rate of increase has tended to rise since the end of the last war, and the annual average rate of increase from 1960 to 1962 reached 2.1 per cent, the highest ever experienced. The present world population can be estimated at approximately 3,300 million. If such a high rate of increase of world population is to continue in the future, the world will double its population in less than 35 years, and by the end of the twentieth century it is expected to exceed 6,900 million. By the year 2020 we will have, at the present rate of growth, over 12 billion people.

As far as the Inter-Parliamentary Union is concerned, the big problem is how the world is going to feed this number of people. I have extensive notes on this subject and, later on, I will have more to say about it. It is estimated that there are 10,000 dying every day from malnutrition and starvation. Certain nations are bursting at the seams. China is one of them, and we know what a menace China would be if it should break the human dam, as it were, and start rolling across the world. This fact was brought out. India is another such country. I was quite concerned to hear one of the members of the Indian delegation express the view that the solution is more food production and the occupation of the great empty spaces which she said exist throughout the world—and I am sure she had certain spaces in the Commonwealth in mind.

With regard to food production, as one of the other delegates pointed out, even in India food production was 88 million tons last year, which was 8 million tons more than the previous year. However, shortages persist because relatively the food output has been stagnant for the past four years while the population has increased rapidly. That is to say, even with a great increase in her food production India is not producing sufficient food for her own needs.

Food production was considered carefully by the committee, and it was shown that it could be greatly increased by improved scientific methods and the assistance which the developed nations could give to these undeveloped countries. It was felt that the Commonwealth could assist the undeveloped countries by teaching them better methods of food production. However, that was looked upon as only a temporary measure, and not one that would provide a lasting solution to the population problem.

As a matter of fact, through WHO and other organizations under its control, the United Nations is following the policy that they must help these nations to help themselves. That, of course, should be the aim of the developed countries of the Commonwealth, to assist the less-favoured nations of our organization. Rather than dole out surplus foods to them on a crash basis, we should teach them better methods of farming and production, and this is being done to a great extent.

As one delegate put it, we should follow an ancient Chinese philosophy:

> Give a man a fish and he will eat for a day; teach him how to fish and he will eat for the rest of his life.

As far as fishing is concerned, this delegate mentioned the fact that the experts that we and other nations have sent to these backward countries have helped them to increase their production to the extent that where two men used to go out to fish and obtain 15 pounds a day, those same two men can now go out and catch 150 pounds or more. Similar changes have occurred in farming. In some countries of Africa and Asia there has been an increase of ten times in dairy products.

Millions of acres of grain have been destroyed over the centuries by the great hordes of locusts. The scientific experts that the United Nations and other countries have sent out have taught the people how to combat this menace, and the locusts today are no longer a threat. This has meant that millions of tons of extra food have been produced. However, as I mentioned before, food, while it is a temporary measure, is not looked upon as a real solution to the problem.

Another area in which help can be given to these countries is that of trade. The emerging nations must be assisted in marketing their products, especially the primary products such as tea, coffee and cocoa. The great international trading organizations are endeavouring to arrange matters so that products such as these of the emerging nations will not meet the degree of competition in the world markets which they would normally meet. They are assisting them to build up their economies by helping to sell their primary products, and also by helping them establish secondary industries, such as canning, so that their products can compete with those of other countries.

The State of Israel was mentioned as an example of what can be done. This is a case of where thousands of people from all over the world went to a land that was not very fertile. Today the produce of Israel is recognized as some of the finest, and is selling in all countries of Europe.

Honourable senators, as I mentioned, I had prepared quite a long speech, but I shall not weary you by continuing now. I shall conclude by saying that the three methods discussed and emphasized as possibilities for meeting these very serious situations were the following:

1. A study of the population explosion. Methods of controlling it have been suggested, and I shall not mention them.

2. The production of food as a temporary measure.

3. An increase in trade to assist the economies of these countries to grow, which will enable them to help themselves.

As one delegate said, there is hardly one stable emerging country in Africa today. The real problem lies in the fact that they obtained their independence too soon, at a time when they did not know how to govern themselves and were unable to look after the proper development of their economies.

On motion of Hon. Mr. Connolly (Ottawa West), debate adjourned.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, May 20, 1965

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

Prayers.

CANADA-UNITED STATES INTERPARLIAMENTARY GROUP

MOTION TO INVITE UNITED STATES DELEGATES TO THE FLOOR OF THE SENATE

Leave having been given to proceed with Notices of Motion:

Hon. John J. Connolly: Honourable senators, with leave of the Senate, I move, seconded by the honourable Senator Brooks, that when the delegation from the Congress of the United States of America to the meeting of the Canada-United States Interparliamentary Group visits the Senate this afternoon, the Honourable George D. Aiken and the Honourable Cornelius E. Gallagher, the Co-Chairmen of the delegation, and the Honourable Michael J. Mansfield, the Majority Floor Leader of the United States Senate, be invited to take places on the floor of the Senate Chamber, and that the other members of the delegation be given places of honour at the Bar of the Senate.

Motion agreed to.

UNITED STATES DELEGATION GUESTS OF THE SENATE

The Hon. the Speaker: Honourable senators, I have the honour to inform the Senate that the members of the delegation of the United States of America to the meeting of the Canada - United States Interparliamentary Group are in the antechamber.

The Co-Chairmen and Honourable Michael J. Mansfield of the United States delegation were then escorted by the Gentleman Usher of the Black Rod to the floor of the Senate Chamber, and presented to and invited to take places at the right of the Honourable the Speaker. The other members of the delegation were seated at the Bar of the Senate.

The Hon. the Speaker: Honourable senators and distinguished guests: I am very pleased indeed to have the opportunity to express, on behalf of the members of the Senate, a cordial welcome and warm greetings to the delegates of the American Congress who are here to attend the Eighth Meeting of the Canada - United States Interparliamentary Group.

The aim of this association of parliamentarians—"the advancement of mutual understanding, harmony and goodwill between Canada and the United States"—has been most assiduously promoted and cultivated since the first meeting of the group.

These meetings afford an opportunity to two good neighbours to sit down and study the various problems they have in common. It is true that such discussions have not always produced definite and immediate decisions, but they have started the ground work for the final solutions; they have contributed to create a friendly atmosphere which has eliminated many misunderstandings, and have paved the way to eventual decisions beneficial to both sides. They have established a sound basis for closer partnership in every respect, and have helped to further international co-operation for the good of all mankind.

Is it not true that, at times, there has been a tendency to make a tragedy out of a difference? The communications between Canada and the United States have always been friendly and frank in every sphere. But, unfortunately, too often our differences have been exaggerated and given too much publicity, while the many points on which we agree were passed over in silence. Harmony seldom makes headlines.

I am convinced that I express the sentiments of all honourable senators when I extend to all participants in the present meetings my very best wishes for a fruitful and successful session.

Honourable senators, there is one thing on which there is unanimous agreement: The presence of the charming wives of the delegates is an inspiration to all of us; their company will highly contribute to temper the discussion of even the most controversial questions, if any, during the conference.

The Canadian Parliamentarians who had the privilege of attending the Seventh Session of the Canada-United States Interparliamentary Group held in Washington in January 1964, followed by a visit to historic St. Augustine and to Cape Kennedy, have not forgotten the generous and warm hospitality extended to our delegation. Our American friends may rest assured that every effort will be made in order that their stay in Ottawa and Montreal will be pleasant, interesting and instructive. When they return to their great country we would like

them to express to the American people our good wishes and cordial friendship.

Now that I have exhausted my English vocabulary, I should like to take a leaf out of Senator Aiken's book and say a few words in French.

[*Translation*]

Honourable senators, in your name I extend to our good friends from the United States a warm welcome to the Parliament of Canada. Our meeting of the Canada-United States Interparliamentary Group was scheduled for February of this year and included a visit to Quebec City, which was to coincide with the great annual carnival. But due to circumstances beyond our control, it became necessary, at this meeting, to replace the visit to the old capital by a trip to the metropolis of Canada. Delegates will therefore have the opportunity to enjoy once more the legendary hospitality of French Canada, after getting a warm reception in other Canadian cities on previous occasions.

In closing, I express the hope that when our meetings are over, the United States and Canada, through their representatives, will know and understand each other better. As Newton said:

> Men build too many walls and too few bridges.

[*Text*]

I am sure that honourable senators would be pleased if I called out the names of the members of the delegation of the United States individually so that each may rise and be identified.

The three gentlemen seated on my right are:

Senator George D. Aiken, of Vermont, Co-Chairman of the United States delegation. (Applause)

Representative Cornelius E. Gallagher, of New Jersey, Co-Chairman of the United States delegation. (Applause)

Senator Michael J. Mansfield, of Montana, Majority Leader in the United States Senate. (Applause)

Members of the delegation at the Bar of the Senate are:

Senator Leverett Saltonstall, of Massachusetts. (Applause)

Senator Patrick V. McNamara, of Michigan. (Applause)

Senator John Sherman Cooper, of Kentucky. (Applause)

Senator B. Everett Jordan, of North Carolina. (Applause)

Senator Eugene J. McCarthy, of Minnesota. (Applause)

Senator Frank E. Moss, of Utah. (Applause)

Senator J. B. Pearson, of Kansas. (Applause)

Senator L. B. Jordan, of Idaho. (Applause)

Senator Hiram Fong, of Hawaii. (Applause)

Representative William T. Murphy, of Illinois. (Applause)

Representative Harold T. Johnson, of California. (Applause)

Representative Stanley R. Tupper, of Maine. (Applause)

Representative Mark Andrews, of North Carolina. (Applause)

Representative J. Irving Whalley, of Pennsylvania. (Applause)

Representative Robert T. Stafford, of Vermont. (Applause)

Representative Vernon T. Thomson, of Wisconsin. (Applause)

Representative Armistead I. Selden, of Alabama. (Applause)

Representative Donald M. Fraser, of Minnesota. (Applause)

Representative Sidney R. Yates, of Illinois. (Applause)

Hon. John J. Connolly: Honourable senators, it is indeed a pleasure and an honour to the Senate of Canada to welcome to its chamber the distinguished legislators from the Congress of the United States who are with us today.

As Mr. Speaker read their names just now, I am sure all of us thought we have here as our guests some of the most distinguished legislators of the Western World. In their own country, and of course in their own local areas, their names are household words. I should like to tell them all, too, that their names are household words in this country as well.

They come to us from a great nation, a nation which is our closest neighbour and our best friend. They help to mould the policies which make that nation great. They shoulder great responsibilities, responsibilities which affect the destiny of their own people but in many ways, too, affect the destinies of mankind. Their countrymen and ours have common ideals of freedom, of the role of government, of the rule of law, and of the dignity of man. These ideals have modified their relationships in peacetime; they have forged effective co-operation between our peoples in war. In many ways these two countries of ours have built a partnership on this continent that is in truth a wonder and an example to a troubled world. This has been possible because we understand each other easily.

[*Translation*]

Honourable senators, let me tell you how happy we are to have in the Senate of Canada, today, representatives of the U.S. Congress. They are all Canada's good friends and we extend to them our warmest welcome to our country.

[*Text*]

Before coming into the Senate today I was reading some of the biographical material on our guests. The publications of the Congress of the United States are very similar to those of our Canadian Parliament. They publicize their members, and it is right that they should do so. As I read this material, I was struck with the fact that the bloodstreams which feed the nerve centres in our two national capitals, Washington and Ottawa, find their foods and develop their consistencies from almost identical sources. Members of both Houses of the Congress of the United States and members of both Houses of our Parliament spring from almost identical breeding grounds. They are men from business, from the professions, from the trades, from the resource industries, and from the schools and universities. And in their various callings they have been eminent. A desire and a capacity for public service first put them onto school boards, into municipal councils, into the legislatures, into the courts, into the universities and the armed services. Success in these various callings has pushed them ultimately onto the national stage, into the House and into the Senate. Their hard work and good friends have helped too.

That is the story of the people who populate our two national legislatures, and down deep it may explain why we can get along so easily together.

Senator George Aiken of Vermont is an old friend of Canada and an old friend of the members of the Canada-United States Committee. So too, indeed, is the Honourable Cornelius Gallagher of New Jersey, his co-chairman. Their zeal in the promotion of better relations between Canada and the United States has been fruitful of results, and in their times they have seen great achievements flow from their statesmanship. Their work has made them benefactors of Canada, especially at times when the going was rough. I venture the opinion that in this work they have benefited their own country immeasurably as well.

We welcome them to this new meeting of the committee and through them all of their fellow delegates. It will not be thought invidious by any of our guests, I am sure, if I as Leader of the Government in the Senate of Canada venture a special word of welcome today to the distinguished Majority Leader of the United States Senate, the Honourable Michael J. Mansfield.

This is not only because we share an Irish background, although that would be good enough reason, or, indeed, because we have mutual friends, because both of these reasons perhaps would be true of many of our other distinguished guests too; but we welcome Senator Mansfield for himself and because of his distinguished career in education and in the armed services. We have admired his great and enlightened parliamentary capacity. Canadians remember his most moving eulogy in the Capitol at the bier of your tragically assassinated President. Senator Mansfield has been a friend and confidant of Presidents. He honours our country by coming here.

Honourable senators, may I conclude by emphasizing the welcome expressed by Mr. Speaker, with his customary Gallic délicatesse, to the wives of our distinguished guests who were to have been present in our south gallery today but who instead are out enjoying our "southern" sunshine. We who are in public life know how much our wives do, how very much we depend upon them, and how we admire the fortitude with which they endure the vicissitudes of their husbands' careers. I am perfectly sure that each guest here tells his wife this every day. If this is repetition for the wives, I say it only to emphasize how glad we are that these ladies have come to visit us in our springtime. As Mr. Speaker said earlier, they have come with the tulips, and they add much to the colour and the charm of this our season of high hope.

It was a cynic, of course, who said that "behind every successful man there stands a surprised woman." For ladies with husbands of such distinction, I am sure there is no element of surprise but only an abiding satisfaction among those ladies at the results of their handiwork. The women of America have indeed been makers of great men.

Mr. Speaker, the Leader of the Opposition, the honourable Senator Brooks, and myself have, with difficulty, restrained most of our colleagues who wish to speak on this occasion. Senator Brooks himself will be addressing the Senate, and then we shall have the pleasure of hearing from some of our guests.

Hon. Senators: Hear, hear.

Hon. A. J. Brooks: Honourable senators, distinguished guests, I am delighted to join

with the Leader of the Government in welcoming our distinguished guests, the United States Interparliamentary group. I also wish to join him in expressing our regret that their wives are not present in the south gallery, but I am sure they are enjoying the Ottawa sunshine and our beautiful tulips more than they would looking down on we Canadian senators.

Hon. Mr. Roebuck: Hear, hear.

Hon. Mr. Brooks: In welcoming this group, may I say that we are simply telling very close friends and good neighbours that we are glad to see them again.

The whole of Canada, both geographically and sentimentally, is very close to the United States. I come from the eastern part of Canada, and may I say that we in the Atlantic provinces feel that we are just a little closer to the United States than perhaps many other parts of Canada. As a matter of fact, the New England States were almost entirely populated by Canadians in those days gone by.

History tells us that many thousands of Americans settled in our provinces after the American Revolution, and they certainly played a great part in building this Canada of ours. We were proud to call them United Empire Loyalists. They were given other names, I understand, in other places, but those years are gone and long forgotten, and the work they commenced for Canada continues.

Our history also tells us that 10,000 came to the mouth of the Saint John River in New Brunswick, my native province, and founded a settlement which afterwards became the City of Saint John, the first incorporated city in British North America.

The honourable Leader spoke about the bloodstreams that are identical in our public life. This is very true, for in the succeeding years many thousands of our people have emigrated to the United States and made their homes there. In fact, when we visit your great country we do not go just to visit American cousins, as we so often hear said, but we go also to visit our brothers and sisters, our uncles and aunts, and many others.

I recall the statement of the leader of your delegation, Senator Aiken—who has been spoken of as a great friend of Canada, and we recognize that fact and are proud of it—when he visited us a few years ago. He said:

> The undertakings which we have carried out together have been an example to the whole world.

This is true and, may I say, may it always remain true, for the best friend Canada and the Commonwealth have is the United States; and I think I am safe in saying that the best friends the United States has are Canada and the older members of the Commonwealth, such as Great Britain, Australia and New Zealand.

Hon. Senators: Hear, hear.

Hon. Mr. Brooks: We in the Western World are fortunate that your country is the leader of the free world today. We see "Uncle Sam," as we may affectionately call your country and as you do in your own country, as the modern Atlas carrying on his broad shoulders the burdens of the world and, at the same time, searching into space for the great secrets it possesses. We wish him every success and the best of luck in these and all other undertakings, and I can assure you that we will do our best to help.

So, distinguished guests, on behalf of Her Majesty's loyal Opposition in the Senate, I wish you a very pleasant and profitable visit to Ottawa and Canada, and I can assure you that the more we are together the happier and merrier we shall be.

Hon. Senators: Hear, hear.

The Hon. the Speaker: Honourable senators, at lunch time the honourable Senator Aiken told me that he had brought only one speech with him. Even if that be the case, Senator Aiken, I am sure you will be able to find a few words to say to us and I am sure that honourable senators will be very happy to listen to you.

Hon. Senators: Hear, hear.

Hon. George D. Aiken, Senator from Vermont: Monsieur le Président, honourable senators, mesdames et messieurs, I regret to inform you that my French vocabulary has not expanded much since the last time I addressed you. However, I want to express our appreciation for the courtesy you are showing us here today.

I first experienced that courtesy about seven or eight years ago when I found myself unexpectedly in this position. I think the meetings we have had in the intervening period have been well worth while, not only for our two countries but for the rest of the world as well.

In these days when a good part of the world is struggling, sometimes futilely, sometimes frustratingly, to find a formula not only for self-government but for getting along at peace with the rest of the world, I believe we are setting a good example.

In my opinion, perhaps the most important part of that formula, when they find it, will be, as the Bible says, "Know your neighbour." And that is why we are up here today.

We are up here in full strength this time. That attests to the importance that we attach to these meetings. The members of our delegation of the House and the Senate represent all parts of the United States from California to Maine, from Minnesota to Alabama. That is as it should be. They represent different walks of life. They represent different committees of the House and Senate in Congress. They have some things in common: They are all good vote-getters, otherwise they would not be here, and they are all friends of Canada.

I feel sure, Mr. Speaker, that this the eighth of these interparliamentary meetings that we are now holding will give benefit to both Canada and the United States, and that we shall again, as we have done in the past, set an example which the rest of the world might well follow.

The Hon. the Speaker: Honourable senators, we shall now hear from the other co-chairman, the Honourable Cornelius E. Gallagher.

Hon. Cornelius E. Gallagher, Representative from New Jersey: Mr. Speaker and Honourable Senators, I must apologize for not being able to speak in French as well as my friend Senator Aiken. The rules of the game for this session were that Senator Aiken was to make a speech in French and I was to speak in English, but he has crossed me up a bit. I wish to apologize, and to say a few words in English.

First of all, I wish to thank your distinguished and able Speaker for his kind words of welcome, and also the Leader of the Government, Senator Connolly, and the distinguished Leader of the Opposition, Senator Brooks, for their kind remarks. We are most grateful.

On behalf of my colleagues in the house, I want to tell you how happy we are to be back in Canada. It is a rare privilege that you have accorded us in inviting us to the floor of the Senate.

I could not help but think a little about, and deliberate upon, what Senator Connolly (Ottawa West) said about our wives when he remarked that behind all great men are their women. I checked about me, and I recalled a remark by Napoleon who said that many great men become great because their wives drive them out of the house. That does not apply to any of our wives. They have all been very inspirational. To tell you the truth, I would not be saying this if my own wife were sitting in the gallery.

However, I am happy to be here once again, able to exchange views with our counterparts in Canada. Senator Aiken has said all that needs to be said—he always does. He is a wonderful leader, and an inspiration to all of us in the United States. He is certainly one of the great friends of Canada, and I am delighted to serve as his co-chairman.

As we are about to settle down to our committee meetings I cannot but reflect also on the beautiful sign you have here which says "Way Out". If the history of the human race is not to come to an abrupt end in the very near future, in these complex times in which we live, perhaps the way out for us can be found in these exchanges we have between the parliamentarians of Canada and of the United States. If there is a way out, it will be found only in the example that we, as two separate nations, each finding its own way and pursuing its own destiny, are showing. The only way to reach peace is by understanding, co-operation, and mutual trust.

That is the inheritance that both of our nations share, and I hope that these meetings will make some contribution to the continuance of that great tradition.

The Hon. the Speaker: Thank you very much, Representative Gallagher, for your very appropriate words.

I am sure we should all like to hear from the Majority Leader of the Senate of the United States. I now call upon Senator Mike Mansfield.

Hon. Michael J. Mansfield, Senator from Montana: Mr. Speaker, honourable Leaders, my fellow-parliamentarians, may I say that I wish I could walk into the Senate of the United States each day and find such a large attendance as is here today. I am delighted to be here, and to serve under such distinguished co-chairmen as Senator George Aiken and Representative Cornelius Gallagher.

I was very interested in a remark made by Mr. Gallagher in which he noted that Napoleon had said that behind every successful man—and I assume he means politicians

—there is a woman who wants to drive him out of the house. I wonder if he had any political connotation in mind.

It is good to be here. It is good to be here as an American of Irish and French descent. It is a pleasure to be in Canada in this most beautiful of capital cities, to be among neighbours and friends and to talk over with you our differences, such as they are—and there are some. I remind you that there are elements which unite us and keep us together.

My particular interest in Canada lies in the fact that Montana has the longest common border of any State in the Union, with Canada. We border on a part of Saskatchewan, a part of British Columbia, and the entire southern boundary of Alberta. We have a very close relationship out there. I would disagree most respectfully with the Leader of the Opposition (Hon. Mr. Brooks) and say that the Canadians of the west have made their mark in the Rocky Mountains and Pacific parts of the United States, and have done so in a constructive manner. The result has been, I must admit, that too many of our citizens are going north into Alberta, British Columbia and Saskatchewan. I hope that their contributions will be at least half as much in these provinces as the contribution of the Canadians who have come down to the western part of the United States.

It is good to be with you and meet fellow-parliamentarians on a level of equality, of mutual understanding and mutual respect.

Before I close I want to refer to the remarks made by my distinguished friend, the Leader of the Government (Hon. Mr. Connolly, Ottawa West) in which he said that people who are successful in politics get there by hard work, and loyalty on the part of friends. I think we ought to add one more ingredient to that, and say that many of us, myself included, have got where we are because we happen to have had a good deal of luck at the right time.

The Hon. the Speaker: Thank you very much, Senator Mansfield. It gives me great pleasure to declare that the motion of welcome is carried unanimously.

Hon. Senators: Hear, hear.

PRIVATE BILLS

INTERPROVINCIAL 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-7, respecting Interprovincial 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 Acting Speaker (Hon. F. W. Gershaw): 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, presented the following report:

> The Standing Committee on Transport and Communications to which was referred the Bill S-7, intituled: "An Act respecting Interprovincial Pipe Line Company", has in obedience to the order of reference of May 11th, 1965, examined the said bill and now reports the same without any amendment.
>
> Your committee further recommends that the Parliamentary fees paid upon the bill at the last session apply to the bill at this session.

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.

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.

GREAT NORTHERN RAILWAY COMPANY AND GREAT NORTHERN PACIFIC & BURLINGTON LINES, INC.—AUTHORITY TO PRINT COMMITTE PROCEEDINGS

Hon. Mr. Hugessen, Chairman of the Standing Committee on Transport and Communications, presented the following report of the committee on Bill S-5, respecting Great Northern Railway Company and Great Northern Pacific & Burlington Lines, Inc.:

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 ADOPTED

Hon. Mr. Hugessen, Chairman of the Standing Committee on Transport and Communications, reported that the committee had considered Bill S-5, respecting Great Northern Railway Company and Great Northern Pacific & Burlington Lines, Inc., and had directed that the bill be reported without 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.

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 25, 1965 at 8 o'clock in the evening.

Motion agreed to.

RETIREMENT OF SENATORS BILL

SECOND READING—DEBATE ADJOURNED

Hon. A. J. Brooks: Honourable senators, item No. 8 on the Orders of the Day is the second reading of Bill C-98, an act to make provision for the retirement of members of the Senate. I understand that the honourable leader of the Government proposes to explain the bill this afternoon. As it is an important measure and of interest to all senators, I would ask that it be proceeded with as if it were item No. 1. All honourable senators will then have the opportunity of hearing the explanation this afternoon.

Hon. Mr. Connolly (Ottawa West): I am in the hands of the Senate. If unanimous consent is given, I am most agreeable to proceeding with the explanation of the bill now.

Some Hon. Senators: Agreed.

Hon. John J. Connolly moved the second reading of Bill C-98, to make provision for the retirement of members of the Senate.

He said: Honourable senators, this is a bill with which all of you are familiar, because it has been discussed in the press, and I am sure has been the subject matter of general discussion among parliamentarians, and senators in particular.

I am happy indeed to agree to the proposal made by Senator Brooks that I should put the explanation of the measure upon the record this afternoon. I shall try to do so concisely, and I shall restrict myself to the provisions of the bill, in the hope that it might be easier for honourable senators to understand the somewhat intricate draftsmanship that has gone into the measure.

In the first place, the bill provides that after its passage all future appointments to the Senate, new senators, shall retire when they have reached their 75th birthday. They will do so on a pension, to which they will contribute. The pension will provide survivor benefits for their widows, if their wives survive their husbands after retirement. The basis of the pension will be that provided in the Members of Parliament Retiring Allowances Act, which is now in effect for the other house.

I should point out, in respect of that act, that a senator can retire at any time and draw a pension, providing he has served in three Parliaments—not through three Parliaments, but in three Parliaments. If the service has been less than in three Parliaments the contributions which such a new senator has made to the fund will be returnable to his estate, at his death, without interest.

In respect of present senators, the provisions of this act are found in Part III of the bill, which provides that present senators may retire from the Senate for two reasons: (1) disability, (2) age.

To retire on account of disability, a senator would be required to supply and file evidence of his physical or mental disability, as the case may be. Upon that evidence being accepted, his resignation would become effective.

Present senators, too, may retire on account of age, when they reach their 75th birthday, or thereafter.

The bill provides that after its passage all present senators shall contribute to the Consolidated Revenue Fund, which is the fund into which the moneys are to be paid for the purpose of pension, at the rate of 6 per cent of their annual indemnity. That indemnity is now $12,000 a year. The contribution, consequently, will be $720 per year for each senator, or $60 per month.

Honourable senators, I would point out very emphatically that under this measure no present senator is required to retire on account of age. The original terms of the life appointment remain, unless an honourable senator desires to alter them by retiring. There is no interference with the Patent.

Part III of the bill also provides that if a senator desires to retire, if he is over 75 at the time the bill is passed, he must exercise his option within a year from the time the bill becomes law. For senators who have not reached their 75th birthday, this option must be exercised within one year after such senator attains his 75th birthday. The consequences of the exercise of the option, as provided in the bill, are that a senator, upon retirement, will be entitled to an annuity of $8,000 per annum, which is two-thirds of his present indemnity. There is a survivor benefit for his widow, which is one-third of the retired senator's annuity, or $2,666 per annum. There are no survivor benefits unless a senator retires.

Under Part III of the bill, the maximum period of time through which a present senator is forced to contribute would be 26½ years. That figure is chosen because it takes that length of time to build up an annuity of $8,000 at the rate of payment proposed by the legislation.

Under this bill an existing senator is entitled to retire at any time on grounds of disability. If he should do so, the annuity of $8,000 per year and the survivor benefit for the widow are both applicable in his case. That would apply whether he has exercised his option within a year or not.

The payments made into this fund by existing senators do not involve a return of contributions even if the senator does not in fact receive his annuity.

There is another option provided under clause 14. By that clause honourable senators are entitled to decide not to have Part III of the bill apply to them. This means that if a senator says that he at this time agrees to retire at the age of 75, and if he desires to be treated under the provisions of the Members of Parliament Retiring Allowances Act, he may do so.

Perhaps I could put it even more simply by saying that any senator now enjoying a life appointment may, if he wishes, by exercising this option, convert his status to that which would be enjoyed by a senator who is appointed to the Senate after the passage of this bill. The consequences of the exercise of this option, provided by clause 14, are that the payments will be made into the fund on the same basis as that on which they are made in the other place by members of the House of Commons under the Members of Parliament Retiring Allowances Act.

The annuity which is built up in the fund accumulates at the rate of $300 per annum. The pension rights attach, provided that contributions have been made during three Parliaments—not three sessions, but three Parliaments.

Under that Act, applicable to Members of Parliament now and to new senators hereafter, and to senators who decide to come within its provisions hereafter, there are survivor benefits. The widow of a deceased retired senator who is entitled to an annuity would be entitled to three-fifths of the dececeased senator's pension entitlement.

If a senator—a new senator, or an existing senator who chooses to come under the provisions of Part II—fails to survive three Parliaments, there will be a return of his contributions to his estate upon his death. If he should die and leave no widow, the contributions which have been paid by him will be returned to his estate, if he has not drawn an annuity.

The contributions made by honourable senators under Part II and Part III will be deductibles from taxable income in the year in which they are made. The annuity or pension is taxable in the year in which it is received.

I should also add that arrangements will be made, through the Department of the Secretary of State, for honourable senators who retire to have the right to continue to use for life the prefix "honourable" before their names.

Hon. Mr. Farris: Is that in the bill?

Hon. Mr. Connolly (Ottawa West): No. That would be done by arrangement with the Department of the Secretary of State.

Hon. Mr. Farris: Where does the authority lie for doing so?

Hon. Mr. Connolly (Ottawa West): The authority would lie in the fact that the same practice is adopted for judges who retire.

Hon. Mr. Choquette: And for ministers of the Federal Cabinet.

Hon. Mr. Connolly (Ottawa West): And for Privy Councillors. I would add that former members of the House of Commons shall be entitled to buy back past service for pension purposes covering service in the House of Commons, but there is no provision for senators to buy back any period of service in the Senate.

Hon. Mr. Flynn: Only future service.

Hon. Mr. Connolly (Ottawa West): Yes. Honourable senators, I think what I have said constitutes an explanation of the bare bones of the legislation. I put it on the record in the hope that it will be of assistance to honourable senators in their consideration of this bill over the weekend. Furthermore, if the bill is given second reading I will move that it be referred to the appropriate committee of the Senate, at which time officials will be available to deal with any technical or other questions. I hope the explanation I have given will be helpful.

Hon. Mr. Aseltine: I have one or two questions. I understand from what the honourable Leader of the Government has said that all present senators pay the $720 per annum by way of a deduction from their indemnity; is that correct?

Hon. Mr. Connolly (Ottawa West): Yes.

Hon. Mr. Aseltine: And in the case of a senator who is now 75 years of age, that would never be refunded; no part of that would ever be refunded in the event of his death?

Hon. Mr. Connolly (Ottawa West): Answering the question precisely as it is asked, that is quite correct.

Hon. Mr. Aseltine: I have also been troubled about subsection (b) of section 15, and so I want to ask this question: If a senator who is now 75 years of age does not resign within one year, and some time after the expiration of the year, while he is still a senator, he becomes incapacitated and is unable to carry out his duties in the Senate, is it correct that he would then have the right to resign and obtain the pension rights?

Hon. Mr. Connolly (Ottawa West): That is unquestionably correct. There is no doubt on that point in my mind. That is a provision of the law.

Hon. Mr. Roebuck: Then does he get the $720 contribution back?

Hon. Mr. Connolly (Ottawa West): No, there is no return of contributions provided for in Part III of the bill.

Hon. Mr. Hollett: If a senator has reached the age of 75 and dies during the year which he may make an election, does his widow receive an annuity?

Hon. Mr. Connolly (Ottawa West): No, there are no survivor benefits until a resignation takes place. If a senator should die in the circumstances described by Senator Hollett, that is before resigning, the consequences of his death would be the same as the consequences of the death of any existing senator before the passage of this bill.

On motion of Hon. Mr. Macdonald (Cape Breton), debate adjourned.

PRIVATE BILLS

MUTTART MORTGAGE CORPORATION—THIRD READING

Hon. Eric Cook, for Hon. Mr. Lang, moved the third reading of Bill S-6, respecting Muttart Mortgage Corporation.

Motion agreed to and bill read third time and passed.

THE CANADIAN INSTITUTE OF MINING AND METALLURGY—SECOND READING

Hon. Sydney J. Smith moved the second reading of Bill S-12, respecting The Canadian Institute of Mining and Metallurgy.

He said: Honourable senators, The Canadian Institute of Mining and Metallurgy was incorporated in 1898, chapter 96, the Statutes of Canada, 61 Victoria, under the name of The Canadian Mining Institute. Subsequently, by Chapter 101 of the Statutes of Canada, 1920, 10-11 George V, the name of the institute was amended to its present name. There were no other amendments made to date.

The purpose of the present application is to enable the institute to change the location of its head office, which is presently in the City of Montreal, to such other place as may be deemed necessary and advisable. Such change of location is to be effected by by-law to be passed by the institute in compliance with the procedure pertaining to the introduction of new by-laws and the amending and repealing of existing by-laws.

Presently a change of the location of the head office can only be brought about by an affirmative vote of two-thirds of the members of the institute as set out in section 5 of the original charter of 1898. The difficulty is that it is impossible for practical reasons ever to obtain a vote of two-thirds of the members of the institute, since past experience has shown that approximately only 40 per cent of all members eligible to vote return their ballots.

If the present application is granted, the change of the location of the head office could be effected by the introduction of a new by-law. Such by-law, in order to be valid and legal, would merely require the acceptance of two-thirds of the votes cast. Therefore, if two-thirds of those members who return their ballots are in favour of such by-law, the change would be effective pursuant to the procedure set out in present by-laws 75 and 76.

The history of the institute shows that it has presently a membership of approximately 6,000, most of whom are located in Canada in various locations from coast to coast, and some in other parts of the world. The institute has 42 branches in Canada, and is divided geographically into six districts and technically into seven divisions.

The affairs and business of the institute are managed and controlled by an elected board which is known as the council and which consists of the president, the president-elect, certain vice-presidents, councillors and the chairman of each technical division of the institute, as well as the three immediately preceding past-presidents. In addition, there is an executive director, secretary-treasurer and the Western Field Secretary who are officers of the institute. There are also standing committees, such as Finance, Library, Publications, and Executive Committee.

There are various classes of membership. The fees vary from $2 for student members to $20 for members and associate members. There are also corporate members, and we understand that most of the mining and metallurgical companies in Canada are corporate members of the institute, as well as some of the petroleum companies.

The institute is a nonprofit organization and its objects of incorporation, as more specifically set out in the 1898 charter, are to promote the arts and sciences connected with the economical production of minerals and metals, the establishment of a central reference library and headquarters, and to take action upon matters affecting the mining and metallurgical industries in Canada, and also to encourage and promote these industries. The institute holds meetings on a local, regional and national basis. As an illustration, at the 1964 annual general meeting in Toronto, there was a registration of close to 2,500 people.

Since its inception the institute has been very active within the field of its objects, and it can be said that practically every Canadian connected with the mining and metallurgical industry, and geology, in Canada is a member.

Although the head office of the institute has been located in the City of Montreal since the date of incorporation, it is now felt by the executive that it would be conducive to the more effective operation and management of the institute to move its headquarters to the City of Toronto, which is now the mining and metallurgical centre of this country. In order to have freedom of action to change the location of the head office from time to time, and as circumstances may require in the future, it is felt that the best way to bring this about would be to enable the institute to regulate such location by by-law, which, in any event, would require two-thirds of the votes cast by the members. As a matter of fact, in June 1964 ballots were mailed to all members of the institute to vote on a resolution passed by the council to establish the necessary procedure to allow the institute to effect such change by by-law. The following is a breakdown of the result:

Ballots mailed		4,991
Ballots received		2,305
Disqualified and spoiled ballots		135
Ballot votes		2,170
Affirmative	1,919	
Negative	251	
	2,170	

The above indicates that the overwhelming majority of members who cast their votes were in favour of the amendment which is the subject matter of the petition.

Honourable senators, if this bill receives second reading I propose to ask that it be referred to the Standing Committee on Miscellaneous Private Bills.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Smith (Kamloops), bill referred to the Standing Committee on Miscellaneous Private Bills.

DIVORCE

RESOLUTIONS ADOPTED

The Senate proceeded to consideration of Resolutions numbered 1 to 46 inclusive, which were presented on May 18.

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, moved the adoption of the following resolutions:

Resolution 1, for the relief of Gloria Jeliu Dimitrov.

Resolution 2, for the relief of Joseph Adelard Raymond Michalk.

Resolution 3, for the relief of Lorraine Marie Manktelow Wrigglesworth.

Resolution 4, for the relief of Fred Barbely.

Resolution 5, for the relief of Lise St. Onge Marleau.

Resolution 6, for the relief of Julienne Jolin Grimard.

Resolution 7, for the relief of Henry (Henri) Lumbroso.

Resolution 8, for the relief of Gladys Winnifred Nickle MacGillivray.

Resolution 9, for the relief of Sybil Marchand Dubman Israelovitch.

Resolution 10, for the relief of Marcel Edward Bernard Sevigny.

Resolution 11, for the relief of Ann (Anne) Margulis Sokoloff.

Resolution 12, for the relief of Elizabeth Patricia Gaze Godden.

Resolution 13, for the relief of Jean Louis Belanger.

Resolution 14, for the relief of Anne Litvack Schnider.

Resolution 15, for the relief of Adeline Landry Stevens.

Resolution 16, for the relief of François Gougeon.

Resolution 17, for the relief of Sharon Olivia Marguerite Selby Fraser.

Resolution 18, for the relief of Carol Joyce Packer Micheals.

Resolution 19, for the relief of Sheila Rose Faulkner Bach.

Resolution 20, for the relief of William Bruce Watson.

Resolution 21, for the relief of Beatrice Rabin Moses, otherwise known as Beatrice Rabin Mosse.

Resolution 22, for the relief of Gleason Irvin Lake.

Resolution 23, for the relief of Sandra Cheyne Lee Slobodyian.

Resolution 24, for the relief of Robert James Murray, otherwise known as Robert James Kelly.

Resolution 25, for the relief of Sheila Frances Barclay Alexander.

Resolution 26, for the relief of Vivian Brian Powers Smith.

Resolution 27, for the relief of Cecile Reinharz Shapiro.

Resolution 28, for the relief of Maurice Vallee.

Resolution 29, for the relief of Leona Maria Van Look Deppisch.

Resolution 30, for the relief of Mary Maloney Schafer.

Resolution 31, for the relief of Margaret Elizabeth Joyce Gibbons Simpson.

Resolution 32, for the relief of Marthe Lauzon Rusiecki.

Resolution 33, for the relief of Andre Chauvette.

Resolution 34, for the relief of Shirley Borrin Cohen.

Resolution 35, for the relief of Sally Nelson Nevitt.

Resolution 36, for the relief of Patrice St. Louis.

Resolution 37, for the relief of Jean McKenzie McBain.

Resolution 38, for the relief of Rhoda Ross Phinn Lewis.

Resolution 39, for the relief of Arden Earl Sears.

Resolution 40, for the relief of Gwendoline Gertrude Sims Gauld.

Resolution 41, for the relief of Libby Leona Eligberg Hershcovich.

Resolution 42, for the relief of Maureen Dorcas McCord Exley.

Resolution 43, for the relief of Dorothy Sherrit Davison.

Resolution 44, for the relief of Monica Shackleton Lindsay.

Resolution 45, for the relief of Carol Clarke Moretti.

Resolution 46, for the relief of Joan Helene Hannaford Schell.

Resolutions adopted, on division.

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

THE SENATE

Tuesday, May 25, 1965

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

Prayers.

HON. A. J. BROOKS, P.C.

EXPRESSION OF HOPE FOR EARLY RECOVERY FROM ACCIDENT

Hon. John J. Connolly: Honourable senators, before we engage in the routine proceedings of this evening I should like to express our distress and concern that Senator Brooks, the honourable Leader of the Opposition, has met with an unfortunate but not serious motor car accident, and is in the Ottawa General Hospital. I am informed he is resting well and that it will not be long before he is able to rejoin us here.

I am sure all honourable senators join me in sending him a message of our hopes that he will have a very early recovery.

DOCUMENTS 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, 1965. (English and French texts).

Supplementary Report of The Canadian Wheat Board on the 1963-64 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).

Report on the Government Annuities Act for the fiscal year ended March 3, 1965, pursuant to section 16 of the said Act, chapter 132, R.S.C., 1952. (English text).

BUSINESS OF THE SENATE

Hon. John J. Connolly: Honourable senators, at this point, may I ask for unanimous consent—I have spoken to the Acting Leader of the Opposition (Hon. Mr. Choquette)—to move item No. 7 on the Order Paper, the second reading of Bill C-104, an act to amend the National Housing Act, to position No. 3. My reason for making this suggestion is that I understand Bill S-8, to amend the Central Mortgage and Housing Corporation, is to be considered in committee tomorrow, and if perchance Bill C-104 receives second reading this evening, it could be dealt with in committee tomorrow morning when the officials will be present.

The Hon. the Speaker: Agreed?

Hon. Senators: Agreed.

PRIVATE BILLS

BANK OF BRITISH COLUMBIA—FIRST READING

Hon. J. W. de B. Farris presented Bill S-13, to incorporate the 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, it would be a great convenience to me if second reading of this bill could begin tomorrow. I should like to explain this bill tomorrow, rather than later, because I am obliged to go to Vancouver. I can promise honourable senators that having already delivered two long speeches on the bill, this explanation will be very short.

The Hon. the Speaker: Agreed?

Hon. Senators: Agreed.

Hon. Mr. Farris moved, with leave, that the bill be placed on the Orders of the Day for second reading at the next sitting.

Motion agreed to.

GREAT NORTHERN RAILWAY COMPANY AND GREAT NORTHERN PACIFIC & BURLINGTON LINES, INC.—THIRD READING

Hon. Thomas Reid moved the third reading of Bill S-5, respecting Great Northern Railway Company and Great Northern Pacific & Burlington Lines, Inc.

Motion agreed to and bill read third time and passed.

INTERPROVINCIAL PIPE LINE COMPANY—THIRD READING

Hon. Hartland de M. Molson moved the third reading of Bill S-7, respecting Interprovincial Pipe Line Company.

Motion agreed to and bill read third time and passed.

NATIONAL HOUSING ACT, 1954

BILL TO AMEND—SECOND READING

Hon. Donald Smith moved the second reading of Bill C-104, to amend the National Housing Act, 1954.

He said: Honourable senators, in rising to move second reading of Bill C-104, an act to amend the National Housing Act, 1954, I think it appropriate and perhaps useful to remind ourselves of the special interest shown by the Senate in the past in the operations of the National Housing Act. I am referring, as honourable senators will know, to the Finance Committee's study of the Central Mortgage and Housing operations, which took place during the 1958 session, and the report made in August of that year. The committee made a number of important recommendations which were subsequently given consideration by the Government of that day and by the Government which followed, and I think the results have been very worth while.

The first recommendation that comes to mind is that consideration should be given to the suggestion that loans on university residences by approved lending institutions be qualified for insurance under the National Housing Act. The committee also pointed out in that connection that the provision of hostel accommodation was both desirable and necessary. A further recommendation of that committee was that the resources of C.M.H.C. be directed towards encouraging the provision of low-cost homes and the expansion of low-rental accommodation.

A third recommendation pointed out the need for a close study of the problem of increasing the supply of mortgage funds and of promoting the sale of approved mortgages. A fourth recommendation referred to urban redevelopment. The committee reported in that regard that greater use of the facilities under the National Housing Act would have to be made during the following ten years if the problem was to be dealt with adequately. The committee also stressed the need for improved information services with respect to assistance for urban redevelopment available under the National Housing Act.

It is interesting to note that all the recommendations to which I have referred have now been incorporated into legislation and into the policies of the housing administration in Canada.

I would also remind those honourable senators who were in the chamber at that time, and inform those who have since come into the chamber, that the chairman of the Finance Committee who wrote that report was the late Senator Charles Hawkins from Nova Scotia. He prepared a statement to be made on the presentation of the report, and it was sad that this wise, experienced and, indeed, beloved colleague passed away suddenly the day before he was to move the adoption of the report. However, his statement was placed on the record by another distinguished friend of all of us, the late Senator Horner, who was vice-chairman of that committee, because he deemed it appropriate that the statement should be on the Senate record. It was based on Senator Hawkin's philosophy of the meaning and value of home ownership, not only to the individual but to the community and the nation. In the debate which followed I remember saying that I hoped his words of truth and wisdom would be read by many of our fellow Canadians. I take this opportunity of bringing that statement of our late colleague to the attention of those who have become members of this chamber since then. Their time would be well spent in reading pages 574-5 of Senate *Hansard* of August 15, 1958. His words then were and still are well worth reading. It is indeed unfortunate that Senator Hawkins did not live to see the progress which has been made in the operations of the National Housing Act since the recommendations of the Finance Committee in 1958.

Honourable senators, Bill C-104, the bill before us now, seeks approval for several substantial monetary amendments to the National Housing Act, to ensure the continuing significance of this major piece of federal legislation as a vigorous instrument in Canada's national development. This request for additional funds stems largely from the amendments authorized to the act last summer which introduced broadened forms of assistance, particularly in the fields of urban renewal and housing for low-income families and individuals.

Since the enactment of these new provisions the minister responsible to Parliament for the operations of the Central Mortgage and Housing Corporation has devoted himself energetically to making the provinces and municipalities fully aware of the increased support to civic improvement which the federal Government is now willing to provide. Meetings have been held with provincial and municipal representatives in eight of the ten provinces, and I have been informed that similar meetings are planned for Winnipeg

and Regina during the latter part of this month, following which representatives from all provinces will have had an opportunity to have the legislation explained to them.

I believe some indication of the impending swell of activity to renew and modernize our towns and cities is apparent from the fact that some fifty municipalities have already sought federal aid in carrying out urban renewal studies. Ten municipalities, from St. John's, Newfoundland, to Vancouver, British Columbia, have now moved beyond this initial study phase and have received federal aid, first provided by last year's amendments, to prepare definite urban renewal schemes.

Assistance has also been provided since last June for the actual implementation of schemes developed for the cities of Hamilton, Vancouver, Kingston and Ottawa, which alone involve federal commitments totalling more than $6½ million.

My attention was drawn to a story, emanating from the City of Hamilton, which appeared in the Ottawa *Citizen* of Tuesday, May 18 last, indicating the tremendous job the City of Hamilton is doing in taking advantage of the assistance that is available to cities which are faced with this problem of urban renewal. I would just like to quote two short paragraphs from this article. The opening paragraph states:

> A dramatic urban renewal showpiece, probably the most ambitious in Canada, has been designed here to rejuvenate the city's faltering heart.

Later the article states:

> Although no estimates of the cost has been given, implementation of the plan will obviously run into tens of millions of dollars. However, under amendments to the National Housing Act, the city can collect 75 per cent of the cost of expropriation and clearance from federal and provincial governments. Further grants will be available for the building of roads and installation of services.

I should like also to draw the attention of honourable senators to a publication that was placed in our boxes over the weekend. It is in the form of a magazine entitled: "Urban Renewal and Public Housing in Canada." On page 11 and following there are tables which honourable senators may wish to look at when they have the opportunity, because they give a good idea as to what the movement is now towards taking advantage of the legislation that is on the statute books. Cities and towns from one end of the country to the other—and I might say not all of them are large towns and cities—are getting underway with this most important work.

As these urban renewal proposals begin to come forward in increasing numbers from the drawing boards of our municipal planners, federal funds to aid in carrying out these programs will be required to keep pace. In anticipation of this growing surge of activity, it is now proposed to increase the statutory limitation on federal funds for this purpose from $100 million to $300 million.

In many cases, programs of urban renewal will involve the provision of suitable housing for families residing in these areas—families which, because of restricted incomes, have been unable to obtain suitable accommodation on the open market.

Honourable senators will recall that the existing provisions of the Act to meet the need of this segment of our population were greatly enhanced by the amendments of last year. In addition to adopting some additional features to the usual joint federal-provincial arrangements for the supply of public housing, an alternative method of producing this form of accommodation was introduced through the authorization of long-term loans equal to 90 per cent of the costs to provinces and municipalities wishing to undertake developments on this basis.

There has been much favourable reaction throughout the country to this new form of federal assistance. For example, in Ontario alone the newly-created Ontario Housing Corporation has set for itself an objective of providing no less than 12,000 loan-assisted public housing units within the next three years. Negotiations are now underway with municipalities across the province for an initial program involving some 4,500 dwellings.

At the same time there has been renewed activity in development undertaken through joint federal-provincial participation, with agreements signed since last June covering eight projects. These will provide, in the aggregate, 1,031 units of modern housing for low-income families and elderly people. This work will be carried out with federal funds amounting to $10.5 million.

The present limit on federal participation in meeting the capital costs and operating losses on these projects is established at $50 million, plus any additional amounts authorized by Parliament. The proposal in which we are asked to concur would increase this amount to $150 million, and facilitate the

planning of federal action in this field over a two- or three-year period.

The evolution of the National Housing Act during the years has seen the introduction of a number of special provisions. Among these has been the program which was inaugurated in 1960 of assisting financially the construction of accommodation for resident students at our universities and colleges. I am sure that the accomplishments under this program have brought a real sense of satisfaction to the former minister, Senator Walker, who, I regret, is not in his seat at the moment.

Since 1960, loans totalling in excess of $120 million have been authorized for 103 projects, providing living quarters for 24,000 students. Recent proposals made to Central Mortgage and Housing Corporation could involve a further $5 million. These loans leave only approximately $25 million of the current limitation of $150 million uncommitted, and the bill recommends an increase in the fund allotment to $200 million. The additional amount, it is estimated, would enable C.M.H.C. to meet demands for assistance of this type during the next two or three years.

The remaining two changes proposed in this bill would increase the over-all amounts authorized at present for the insurance of mortgage loans approved under the National Housing Act, and for direct lending operations by Central Mortgage and Housing Corporation.

Section 13 of the act now limits to $6 billion the amount of mortgage loan insurance which the corporation may issue. By the end of 1964 insurance in force for loans made by the private approved lenders had reached $4.4 billion. But, to the same date, the corporation had on its own account authorized loans amounting to $1.8 billion, which are similarly insurable should they be sold to private investors or come to represent a claim against the mortgage insurance fund. There is, therefore, the technical possibility—and perhaps it is more than a technical possibility—that the corporation's authority to insure additional loans and to sell mortgages from its direct loan portfolio could be exhausted in the near future.

The amendments to section 13, increasing the permissible level of mortgage loan insurance to $8.5 billion, would preclude this eventuality and provide sufficient insurance coverage to sustain the anticipated high level of lending operations during the next three years.

The situation in regard to funds required by C.M.H.C. for its wide range of direct lending activities is a matter of some urgency. Loan advances and commitments by the corporation now stand at approximately $2.3 billion, just $200 million short of the present statutory limit. The current rate of lending of this nature, which will be further accelerated as the new provisions of the act find their full impact, indicates that the funds now available will be exhausted in a few short months. In these circumstances, an additional $750 million has been requested to bolster the financial resources for this vital program, raising the over-all limitation to $3.25 billion.

Honourable senators, the amendments now before us deal solely with the increased monetary commitments to support existing facilities afforded through the National Housing Act. There is no new policy involved. These amendments have become necessary because, as I said at the outset, of the high demand for funds which has stemmed from the recent amendments to the act.

Hon. Mr. Farris: Have you added them up to see how much they come to?

Hon. Mr. Smith (Queens-Shelburne): These are not the expenditures. These are the authorizations to insure loans and to lend money to persons, corporations, organizations, provincial governments and municipalities, all of which will be expected to pay back their loans.

In conclusion, honourable senators, I should like to refer very briefly indeed to an aspect of housing that has not, I believe, received the attention it justly deserves, namely, the impact of housing on the economy of this country. Since World War II there have been over 2,100,000 houses started in Canada. In the short period of 20 years we have doubled our housing stock. These dwellings have provided accommodation for seven million people or, to put it more graphically, accommodation for more than the combined populations of Greater Montreal, Greater Toronto, Vancouver, Winnipeg, Ottawa, Hamilton and Halifax. These houses represent an astonishing total investment of more than $23 billion.

In recent years housing has represented close to one-fifth of all our public and private investment. In the past year there were 166,000 housing starts, and 151,000 completions, which was an increase of 18 per cent over 1963. At year end there were 108,000 houses under construction. These record figures reflect the effect of a booming national economy coupled with the incentives of lower

interest rates and lower down payments, and they will be further enhanced by the recent increase in the maximum N.H.A. loan from $15,000 to $18,000. The $500 bonus for winter house building during the past winter season stimulated the construction of 35,000 homes, providing thousands of jobs during a period which in the past was one of high rate layoffs.

On the basis of the Economic Council's report, which holds forth the prospect of a housing program in the vicinity of 190,000 units by 1970, the future for the industry, for employment and for the economy, augurs well indeed.

As population grows, as its age structure changes, as family and non-family formation increases, as immigration rises, as replacement of our worn out housing stock goes inexorably on, the demand for accommodation stimulates the whole housing industry. It means vast urban renewal programs to rid us of congestion in the built-up centres of our cities, more low-rental projects for our low income families, new subdivisions, new streets and services, new schools, churches and shopping centres.

It is also important to point out the added economic effect—a significant effect—of the rapidly increasing associated demands for household appliances, furniture, rugs and drapes, as well as for transportation and service facilities.

Honourable senators, for the social reasons, which were so well stated a few years ago by the late Senator Hawkins, as well as for the economic effects which I have just outlined, the early passage of this bill is most desirable. It will ensure that Canada's booming housing industry and urban renewal program will not be in danger of being slowed down because of lack of availability of federal funds.

If Bill C-104 receives second reading, it is my intention to move that it be referred to the Standing Committee on Banking and Commerce for full consideration.

Hon. Malcolm Hollett: Honourable senators, it is not my intention to delay the proceedings of the house for long on these amendments, because they have already been so well explained by the sponsor, the honourable Senator Smith (Queens-Shelburne).

As a matter of fact, if the honourable Senator Brooks were here this evening I think I would have refrained from saying anything at all on the proposed amendments, but since he is not here, perhaps I would be remiss if I did not say a few words.

I have endeavoured to follow to some extent the comments made on this legislation by various members in the other place, and it is my opinion that practically every member on both sides of that house is agreed, not only with the principle but with the various amendments now being made.

As pointed out by the minister—the Honourable Mr. Nicholson—this legislation is simply for replenishment of the exchequer of the Central Mortgage and Housing Corporation. As honourable senators will note from the bill, and also from the resolution as it was proposed in the other place, there are five changes being made. These have already been pointed out by the mover of the bill (Hon. Mr. Smith, Queens-Shelburne) on second reading.

It will be noted that when the National Housing Act was passed in 1954, the aggregate amount of all loans in respect of which insurance policies could be issued was not to exceed $2 billion. I think we may safely come to the conclusion that as Canada grows it will become necessary for the Central Mortgage and Housing Corporation to have more funds.

In later years the amount of $2 billion was raised to $6 billion, and the present amendment sets the limit at $8½ billion. Honourable senators will note, therefore, that Canada as a nation is growing, despite the fact that there might be disagreement in various parts of the nation. The growth is evidenced by these figures.

For the purpose of making direct loans to borrowers to assist in the erection of houses and housing projects, the limit set in 1954 was $250 million. This was later amended to $2½ billion. The present bill will raise the amount to $3¼ billion.

Under the original bill of 1954, the Central Mortgage and Housing Corporation could make loans and grants relating to urban renewal schemes and for urban redevelopment to the amount of $20 million, which was later raised to $100 million. Under this bill, the amount will be raised to $300 million.

With regard to public housing projects which could be developed jointly by Central Mortgage and Housing Corporation and any one province or agent thereof, the amount available under the act of 1954 was only $5 million. This was later raised to $50 million. The bill now before us increases the amount to $150 million.

It will be noted that in 1954 the amount made available to the Central Mortgage and Housing Corporation for the purpose of making loans to university housing projects was only $50 million, which was later raised to $150 million. Under the present bill, the amount will be increased to $200 million.

It will be seen, therefore, that the extent to which the Central Mortgage and Housing Corporation has been able to assist in housing generally, and particularly with regard to university grants or loans and to the amounts of loans which may be insured, has been considerably increased.

When we look back at the wonderful work which has been performed by this public corporation, we realize why there has been no opposition to any particular section of this amendment. I am sure we all agree that Central Mortgage and Housing Corporation has done and is doing an excellent job relative not only to general housing throughout Canada, but to particular areas in large centres and cities which, for reasons best known to people who live in those areas, have degenerated into what are commonly known as "slum" areas.

Personally, I wish to compliment the Government on bringing in these amendments to the National Housing Act. It is not often I compliment the Government, but in this instance I do. These amendments are absolutely essential and are a step in the right direction.

I made some inquiries at the office of the minister under whom Central Mortgage and Housing Corporation is listed, with regard to the extent to which that corporation has assisted in my own Province of Newfoundland. Here I want to pay tribute to Mr. Fitzpatrick, the executive assistant, who very kindly gave me many details relative to the work of the corporation in Newfoundland.

With regard to private house construction, I am advised that housing starts in the urban centres in Newfoundland have improved remarkably over last year. Housing starts number 129 from January to April of 1965, which is more than 100 per cent higher than for the same period last year, and that was more or less for the winter period. National Housing Act loans have risen 80 per cent during the same period up to 54 units as compared to 30 units last year.

Furthermore, the federal Government and our provincial government have announced a Housing Design Competition for the development of 47 single family residential lots in the St. John's 1200-lot land assembly project. This competition is open to house builders throughout Canada and, I have been informed, has been undertaken to encourage the development of new housing designs and for the introduction of new design techniques in low and medium-cost housing in the area.

Specifically, may I say that in Clarenville, which is a small town in Trinity Bay, Newfoundland—and we have lots of small settlements in Newfoundland which need assistance from this corporation—a study is being made to work out an over-all small town plan and to introduce concepts and methods of community planning in a manner which it is hoped will encourage other small communities, not only in Newfoundland but throughout Canada, to consider the plans which will be formulated as a result of this study. The costs of this study are being shared equally with the federal and provincial governments.

I am sure that about 90 per cent of honourable senators here, in looking back at their younger days, will wonder how in the world our parents ever managed to build houses, ever managed to send some of their children to school, and so on. How our parents managed to build houses, educate their children and do many other things is hard to understand, but they did it without any government help at all.

Canada is growing and I hope it is growing in the right direction. The only fear some of us have is that governments may be helping us a little too much. I am wondering what effect such help will have later on the make-up of our young people.

The final report of the urban renewal study for the Town of Grand Falls and Windsor, in the centre of Newfoundland, has now been practically completed by the planning consultants. It is hoped to table these plans to the municipalities within the next few months. Incidentally, Windsor was recently a suburb of the Grand Falls area, which was the centre of paper-making originally in Newfoundland, and the Town of Grand Falls, which is one of our finest towns in the interior, had its beginning around the turn of the century. Honourable senators will pardon me for making a reference to my own province, but I like to do this occasionally.

Hon. Mr. Connolly (Ottawa West): It is very interesting.

Hon. Mr. Hollett: St. John's, the capital, was the first capital on this side of the Atlantic, as far as I know. We are the oldest town. I was not born there but I know a lot about it.

In St. John's, the urban renewal scheme is being worked out for the Mundy Pond area. This particular area was built up in the past with absolutely no plans whatsoever, and could be called a sprawling area. The whole idea of this scheme is to improve housing conditions through a program of municipal works and services in this 300-acre suburban area of the capital city. In this case also the federal and provincial governments shared the planning costs.

A similar program of neighbourhood improvement was undertaken in what is known as the Blackhead Road area and in other suburban areas.

Mr. Fitzpatrick has informed me that the federal and provincial governments have now completed an investigation of the need for a program of 1,000 low rental housing units in St. John's and, as a result, over 200 of these housing units, costing more than $3,500,000, are to be built on 17 acres of the former Buckmaster's Field Military Base in the heart of downtown St. John's. I am sure every senator here has heard of the famous Buckmaster's Field, where so many of our men and of our Canadian boys trained for overseas. These units will offer all forms of housing accommodation for low income families in the city, with rents which are to be geared to the incomes of the tenants. The project costs are being shared—75 per cent by the federal Government and 25 per cent by the provincial government. It is to be noted that this federal-provincial housing development is the seventh such similar project to be undertaken in Newfoundland's capital.

Other land assembly projects are in process of development at Gander, which is known as the crossroads of the world, and in the Town of Harbour Grace, one of the oldest towns in the country.

I must admit that I am not the best critic in the world of this form of legislation, and particularly with regard to housing; but at the moment I must say that I approve of the amendments which have been made, because this will tend to give large areas all across Canada improved housing and university grants, and make it possible for many young people to secure reasonable loans to build for themselves dwellings which will be in keeping with the general prosperity of the nation.

Honourable senators, I pat the Government on the back for the amendments they have made here. I am quite sure that the result will redound to the betterment of thousands and thousands of our young people all across this wonderful Canada of ours.

Hon. G. Percival Burchill: Honourable senators, those of us who have been associated in any way with any Canadian university over the past ten years will commend the Government for bringing in an amendment to the act which will make available grants for students' residences. In that respect I can speak for one university in the Province of New Brunswick. As we were able to obtain money for residences, this resolved a very acute problem in the high demand for such residences.

Senator Connolly (Ottawa West) will support me, I am quite sure, because he visited the campus of the University of New Brunswick very recently and he no doubt saw those beautiful residences which have been erected there. Several have been completed and more are going up. This is to meet the demand for such residences, which has increased at that institution in the past few years. These residences are urgently needed to house the student population. We all commend the Government very much for this specific amendment.

The sponsor of the bill (Hon. Mr. Smith, Queens-Shelburne) referred to grants for housing elderly people. That reminded me that the Anglican Church in the Province of New Brunswick two years ago studied this problem and approved a scheme to build some residences for elderly citizens. The scheme which was put before the Synod envisaged a loan from the Central Mortgage and Housing Corporation. It was approved, and land was purchased in the Town of Sussex. Rather than build individual homes, it was decided to build a court of apartments for elderly couples. I remember there was a lot of debate and discussion on this point. The land was arranged for in the Town of Sussex at a suitable location. After the work had been started, it was found that the best proposition which the C.M.H.C. could put before them was totally inadequate, both from the point of view of valuation and of cost. They had to abandon the C.M.H.C. plan entirely and rely upon friends and citizens in the province. I am glad to say that that assistance was forthcoming and the scheme is going ahead, but it has had to be done by private investment.

I did not catch what the honourable sponsor said in relation to making available grants for apartments or housing for elderly

couples. I would be glad if, when he is replying to the debate, he would be good enough to say if there has been any change in that respect.

Hon. Jacques Flynn: Honourable senators, I wish to join with previous speakers in praising the provisions of this bill, which will permit loans to universities to build student residences. However, I am sure those honourable senators who praised the Government meant the former Government and not the present one.

Hon. Mr. Choquette: Hear, hear.

Hon. Mr. Flynn: I saw the residences at the University of New Brunswick; they are beautiful, as also are those on the Laval campus. Due to this legislation, this situation has changed entirely in recent years.

Hon. James Gladstone: Honourable senators, I should like to see my people included in whatever amendments are being made under the National Housing scheme. I think all honourable senators in this chamber realize how the Indian situation is in the matter of housing. My reserve has built houses and gravel roads, so that the people can bring their children to school, and so on, and they have done it without assistance from the federal Government. On the other hand, there are reserves which are not as fortunate as we are.

The need for housing is one of the biggest needs in all the reserves in Canada. I hope therefore, that the scheme which is being put through will include the Indians of Canada.

Hon. Allister Grosart: Honourable senators, I followed the sponsor of the bill (Hon. Mr. Smith, Queens-Shelburne) carefully and I did not catch the explanation, if he gave it, as to the rather unusual wording in clause 1. I refer to section 13 of the act, as we are asked to amend it, and in particular the words "have been issued under this Act". The new section 13 reads:

> Notwithstanding anything in this Act, the aggregate amount of all loans in respect of which insurance policies have been issued under this Act shall not exceed eight and one-half billion dollars.

I observe that in the explanatory notes the words used in respect of insurance are "may be issued", and the same word "may" is used in the explanatory notes to all other clauses. I would ask the honourable senator if by any chance this means that the spending to date has exceeded the $6 billion authorized in the act prior to amendment.

Hon. Mr. Smith (Queens-Shelburne): 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. Choquette: But not if he is answering questions. This is on the motion for second reading, and the bill is being sent to committee. There can be debate even on third reading.

The Hon. the Speaker: Senator Smith (Queens-Shelburne) has moved second reading of the bill. If he speaks now it will close the debate on second reading.

Hon. Mr. Choquette: I do not think it follows that that is the case. If he answers questions—and I know that certain senators have further questions to ask—that surely will not close the debate. I think Senator Lambert has a question.

The Hon. the Speaker: If he is only answering questions that have been asked, that will not close the debate. But if he speaks now it will have the effect of closing the debate on second reading.

Hon. Mr. Smith (Queens-Shelburne): On a point of order, may I point out that it would be much easier and more convenient for everybody if I refrain from answering questions at this stage until all those who wish to have spoken, and then I shall attempt to answer all the questions that have been asked.

Hon. Norman P. Lambert: Honourable senators, I have just a word or two to add to what has been said. Senator Smith (Queens-Shelburne) has given us in considerable detail the background to the legislation, but I think some points mentioned here in the course of presentation have met with considerable unquestioning acceptability, if I may use that word.

It came to my mind while my friend Senator Burchill was speaking about university residences that I should inquire as to when the point of resistance on the part of the committee of this house to the building of university residences for limited occupation had changed to this more generous and wholesale approval of spending millions of dollars on university residences for the occupation of students during certain limited months in the year.

When the bill was first introduced, if I remember correctly, Mr. Mansur was head of Central Mortgage and Housing and the project was limited very much to the idea of supplying housing required in urban centres and in developing parts of this country in adjoining areas through the co-operation of provincial governments. There was a limitation on the amount of capital that would be invested in the project, and I remember very clearly the late Senator Wall coming before this house and protesting vigorously that the committee had not approved the recommendations made to it by certain interests for the building of residences for university students.

I wonder if Senator Smith (Queens-Shelburne) could throw some light upon the change which has occurred in this trend, and just why the position taken earlier has been altered in favour of wholesale approval of extension of university residences. The demand for higher education, of course, has been given considerable momentum, and has possibly resulted in the provision here for the increase in the residence facilities at universities, but that is not the complete answer. We should be given more information on that point in committee.

Another question I wish to ask is this: What percentage of the housing being undertaken by the Government-sponsored Central Mortgage and Housing Corporation is occupied and what percentage is unoccupied? Is this a measure which has tended to benefit the contracting industry and the people building houses instead of the sound economic condition of the country? Is it simply a measure to provide employment for unemployed people? We should have a clear understanding of the measure from that point of view, and we should ascertain whether, rather than satisfying a so-called social need, it is economically and financially as sound as it should be.

In the past we have also asked in connection with this kind of legislation to what extent the mortgages on these new houses have been foreclosed. If I recall correctly the evidence given before the last committee meeting, a very small percentage have been foreclosed. However, with this rapid expansion and increase in capital devoted to this question, I think it is very important we should also know something about the solvency of the organization and the possibility of our overdoing the building in proportion to the ability to finance and pay for it. The extent to which this huge undertaking has expanded is certainly one of the definite and undeniable evidences that the state is one of the biggest factors in our whole economy in relation to the policy of building houses. And this trend is probably reflected in many other ways, identified with an ideology which many of us have not accepted as to the be-all and end-all of the purposes of government.

Hon. Donald Cameron: Honourable senators, I had not intended to participate in this debate, but I want to assure Senator Lambert on the basis of our experience at the University of Alberta, where we have spent $7 million on the Edmonton campus, and are in the process of spending $5 million on the Calgary campus, that the results have been very satisfactory. The percentage of occupancy during the year is very high in terms of the number of room days per year. Unfortunately, I do not have the exact figures with me. That is one very important factor, but a second important factor is as to whether or not the buildings are self-liquidating. There is no question about this on the basis of the fees charged.

Another important factor is the effect on the students' morale. I think the university today is much better than it was in the years before we had these residences. As a matter of fact, had it not been for the building of these residences, the situation as far as the housing of students in many university cities was concerned would have resulted in absolute chaos.

As far as I am concerned, this is a fine piece of legislation, and I am sure no one is questioning that. I think you need have no fears concerning the solvency of the project. It has been an excellent development, and despite the spectacular growth of university residences across Canada today, we are still going to be short of residential rooms to take care of the new enrolments in the universities.

The Hon. the Speaker: Are there any other questions? If the honourable Senator Smith (Queens-Shelburne) speaks now, it will have the effect of closing the debate.

Hon. Donald Smith: Honourable senators, I do not intend to take very much of your time. I am not entirely familiar with the operations of the act. Perhaps most of the questions that have been asked could very well be asked at the meeting of the Standing Committee on Banking and Commerce, which I understand may already have been arranged for tomorrow morning, subject to a motion which I shall make at a later stage.

I want to thank Senator Cameron for his participation in the debate to answer one of

the questions with regard to the university residence problem.

Senator Lambert's opportunity to have an adequate review of both the policies and operations of the Central Mortgage and Housing Corporation, and, indeed, of the National Housing Act, will be wide open at the meeting of the Banking and Commerce Committee. I do not think I would care to discuss, as it were, which comes first, the chicken or the egg.

There is the intention of providing homes for people who need assistance in obtaining homes; there is the very good intention also of facilitating the borrowing of money for those who want to provide their own homes; and the equally good intention of assisting in clearing out slum areas and redeveloping them. All this has a terrific economic effect on Canada as a whole. I suppose we could justify it on economic grounds alone. I think we could justify it on grounds that it is something which should be done, whether or not it is a good thing in so far as the stimulation of the housing and associated industries is concerned.

I understand the minister who is responsible for reporting on housing to Parliament will be present at the meeting tomorrow morning, and that is why I said matters of policy could be discussed then. Also officials of the Central Mortgage and Housing Corporation will be present to answer any questions about their operations.

Hon. Mr. Aseltine: Could I ask the honourable senator a question? Why should not this bill be referred to the Finance Committee?

Hon. Mr. Smith (Queens-Shelburne): It is going to be.

Hon. Mr. Aseltine: I thought you said the Banking and Commerce Committee.

Hon. Mr. Smith (Queens-Shelburne): I beg your pardon. The reason I suggested that it should go to the Banking and Commerce Committee was that this is the committee bills of this sort usually go to, and also I understand that the Finance Committee agenda is completely filled up for the next month. The agenda has been set for about four weeks ahead, and I doubt if that committeee would want to interrupt its agenda.

Hon. Mr. Aseltine: The reason I rose to mention this question was that I was responsible in 1958 for moving the motion to refer the report of the Central Mortgage and Housing Corporation to the Finance Committee for complete investigation. I think that is what Senator Lambert had in mind. It would be a good thing if this whole matter could again be investigated by the Finance Committee, just as it was in 1958.

Hon. Mr. Smith (Queens-Shelburne): Well, I do not really mind which committee it goes to. Actually, I would have some preference for it going to the Finance Committee too, in view of the history my friend has brought to our attention. However, as I said, the commitments and agenda of the Finance Committee are such that, without the chairman of that committee being present for an immediate consultation, I doubt whether at this late stage it would be practical to make any arrangement other than to refer it to the Banking and Commerce Committee. Of course, we are all in the hands of the Chamber and it would depend on what the majority wish to do. I would move whatever motion would appeal to most honourable senators.

Hon. Mr. Hugessen: May I suggest to my honourable friend opposite (Hon. Mr. Aseltine) that there is a good reason why this particular bill should go to the Banking and Commerce Committee. It is because that committee is sitting tomorrow morning to consider Bill S-8 which we considered a few days ago, and it could at the same meeting consider Bill C-104. It would seem only logical that these two bills should be considered by the same committee.

Hon. Mr. Smith (Queens-Shelburne): Senator Burchill raised the question of assistance for building homes for the elderly. I am not familiar with the particular project he mentioned, but I am wondering whether it was a project which commenced after the latest amendments to the Act which came into effect only last June, and whether or not the techniques which would be employed under the authority of those amendments of less than a year ago would have been developed to a point where they could fit into the particular project that he has in mind. But I am sure that all his questions can be answered at the meeting of the committee, whichever one it might be.

Honourable senators, I am not going to undertake to discuss the semantics or legal meanings of certain words in the sections which were pointed out to me by Senator Grosart. It is my understanding with regard to the first section of the bill that only those words which are underlined are new, the others being identical with the wording in

the present act. Ever since I have been in Ottawa, which is now some sixteen years, I have heard a seemingly never-ending discussion as to what "may" and "shall" mean, and I do not intend to get into that type of discussion tonight. These are good questions for the witnesses to answer in committee. I thank honourable senators for the extent of their interest in 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. Mr. Smith (Queens-Shelburne): Honourable senators, I move that the bill be referred to the Standing Committee on Banking and Commerce.

Hon. Mr. Aseltine: In view of the remarks of Senator Hugessen, I agree.

On motion of Hon. Mr. Smith (Queens-Shelburne), bill referred to the Standing Committee on Banking and Commerce.

DIVORCE

RESOLUTIONS ADOPTED

The Senate proceeded to consideration of Resolutions numbered 47 to 122 inclusive, which were presented on May 19.

Hon. William H. Taylor, for Hon. Mr. Roebuck, Chairman of the Standing Committee on Divorce, moved the adoption of the following resolutions:

Resolution 47, for the relief of Jane Harriet Takefman Birman.

Resolution 48, for the relief of Vida Adella Johnson Smith.

Resolution 49, for the relief of Beatrice Bridgman Moran.

Resolution 50, for the relief of Ingeborg Barbara Lehmann Knoble.

Resolution 51, for the relief of Veronika (Veronica) Sonnenfeld Kramer.

Resolution 52, for the relief of George Veres.

Resolution 53, for the relief of Janet Laura Wilson Morin.

Resolution 54, for the relief of Marie Madeleine Francoise Beaudet Blais.

Resolution 55, for the relief of Rose Koval Bockler.

Resolution 56, for the relief of Josephine Ciarlo Laviolette.

Resolution 57, for the relief of Maurine Pilkington Black.

Resolution 58, for the relief of Irene Florence Bird McIntyre.

Resolution 59, for the relief of Rose Geraldi Salconi.

Resolution 60, for the relief of Marie Huguette Desneiges Gaetane Brazeau Forward.

Resolution 61, for the relief of Fernand Herve Ouellette.

Resolution 62, for the relief of Rejeanne Veillet Beaucage.

Resolution 63, for the relief of Joseph Adolphe Jean de Rainville Laurendeau.

Resolution 64, for the relief of Gerald Ernest Hinds.

Resolution 65, for the relief of Margaret Yuill Menzies Boyne.

Resolution 66, for the relief of Albertine Theriault Guay.

Resolution 67, for the relief of Sandra Margaret Neilson Crotty.

Resolution 68, for the relief of Joyce Marie Blais Granie.

Resolution 69, for the relief of Lyndon Rees Groves.

Resolution 70, for the relief of Judith Sidney Browne Handel.

Resolution 71, for the relief of Rosanna Winnifred Bernard Hamilton.

Resolution 72, for the relief of Solange Scherzer Broder.

Resolution 73, for the relief of Marie Blanche Irene Mignonne Frenette Fournier.

Resolution 74, for the relief of Miroslavia Neville Linda Prozak Parsons.

Resolution 75, for the relief of Marguerite Mercier Sansoucy.

Resolution 76, for the relief of Mary Patricia Henley D'Aoust, otherwise known as Mary Patricia Henley Daoust.

Resolution 77, for the relief of Florian Riopel.

Resolution 78, for the relief of Germaine Tremblay Richer.

Resolution 79, for the relief of Joyce May Turcotte Kelly.

Resolution 80, for the relief of Marlene Shirley Helfgott Safe.

Resolution 81, for the relief of Donald Desilets.

Resolution 82, for the relief of Marie Clara Mercedes Jeanne Brossard Beaubien.

Resolution 83, for the relief of Heinrich Bernhard Altmeppen.

Resolution 84, for the relief of Marie Augustine Flora Methot Miville.

Resolution 85, for the relief of Lorraine Myrna Hollahan Quinton.

Resolution 86, for the relief of Gerassimos Stamatelatos.

Resolution 87, for the relief of Lucien Landry.

Resolution 88, for the relief of Margaret Louise Tomlin Marchant.

Resolution 89, for the relief of Eleanor Ann Rubin Labow.

Resolution 90, for the relief of Viktoria Zauner Wagner.

Resolution 91, for the relief of Claude Genet.

Resolution 92, for the relief of Elise Marie Lebon Zajac.

Resolution 93, for the relief of Bella Shain Shaffer.

Resolution 94, for the relief of Jean Paul Rovira.

Resolution 95, for the relief of Mary Ruth Girling Parent.

Resolution 96, for the relief of Joseph Marcel Andre Laforge.

Resolution 97, for the relief of Beverly Anne Martin McEllin.

Resolution 98, for the relief of William Joseph Padden.

Resolution 99, for the relief of Vincente Martin Latorre.

Resolution 100, for the relief of Judith Ann Ruel Nutt.

Resolution 101, for the relief of Michael Lysak.

Resolution 102, for the relief of Pawel Gerasimow.

Resolution 103, for the relief of Vinicio Pertout.

Resolution 104, for the relief of Herbert Ronald Pass.

Resolution 105, for the relief of Rolando Antonio Mordente.

Resolution 106, for the relief of Dora (Isidora) Lebalul Laufer.

Resolution 107, for the relief of Guy Raiche.

Resolution 108, for the relief of George Nueman.

Resolution 109, for the relief of Edward Dorosowsky.

Resolution 110, for the relief of Joseph Paul Rene Gervais.

Resolution 111, for the relief of James Joseph Condon.

Resolution 112, for the relief of Graham Glen Powers.

Resolution 113, for the relief of Nancy Vilner Regenstreif.

Resolution 114, for the relief of Marie Germaine Marguerite Gouin Cormier.

Resolution 115, for the relief of Theresa Rose Berger Dubin.

Resolution 116, for the relief of Phyllis Orr Buchanan Evans.

Resolution 117, for the relief of Janet Courtenay Fry Fortier.

Resolution 118, for the relief of Lionel Paul Chamelot.

Resolution 119, for the relief of Stephanie Zuperko Dudek.

Resolution 120, for the relief of Gilberte Rolande Belanger Fournier.

Resolution 121, for the relief of Joseph Louis George Bergeron.

Resolution 122, for the relief of Andre Jette Burstall.

Resolutions adopted, on division.

COMMONWEALTH RELATIONS

COMMITTEE EMPOWERED TO MAKE INQUIRY

The Senate resumed from Wednesday, May 19, the adjourned debate on the motion of Hon. Mr. Thorvaldson:

> 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; and
>
> That the Committee be instructed to report to the House from time to time.

Hon. John J. Connolly: Honourable senators, first I should say that we are all, as we should be, indebted to Senator Thorvaldson, the Chairman of the External Relations Committee of this house, for having brought this motion before us.

The motion proposes action which is more than debate. The House of Lords adopts a procedure somewhat similar to this when it moves for papers, and thus brings about a debate which usually lasts for all of one of

its sittings. Debates generated in this way deal with specific problems of current national importance. What Senator Thorvaldson wants is more than simply a debate of that kind. He is proposing a debate in the Senate, plus a study in depth by one of our standing committees; a study that involves the appearance of witnesses, the preparation of briefs and papers, the posing of questions by members of the committee and by other honourable senators who choose to attend the committee meetings. He hopes in this way to develop thoughts and suggestions which can be embodied in a useful report.

In this respect, the work proposed for this committee is similar to the work undertaken in another field by the Special Committee on Aging. Indeed, it resembles the work done by the Special Committee on Manpower and Employment a few years ago. The committee is likely to sit for some time. Of course, at one of its first meetings Senator Thorvaldson will be organizing a steering committee whose function it will be to direct the discussions.

I say this because I know from personal experience that Senator Thorvaldson, like all assiduous committee chairmen, has already done much work. He has had discussions and correspondence with officials of the Canadian Institute of International Affairs. There have been discussions with the minister, with officials of the Department of External Affairs, including the head of the Commonwealth Division. He has already been engaged in a great deal of other preparatory administrative work, but the bulk of the work, which is still to be faced, will be performed by the committee working with the material that is brought before it.

No one, and least of all Senator Thorvaldson, claims the committee is going to solve all the problems of the Commonwealth. That would be a task beyond the reach of any human group today. However, the committee will be able to bring many of the important problems into focus. For example, it may be able to answer such questions as: What is the position of the Commonwealth in the world of the West? What is the position of the Commonwealth in respect to blocs and groups which are developing, economically and otherwise, in various parts of the world? What is the position of Commonwealth members in respect to each other?

At this time it may be useful to recall some of the ideas that were suggested about the Commonwealth when it was established—as it really was established—at the time of the passing of the Statute of Westminster in 1931.

The report of the Inter-Imperial Relations Committee of 1926 spoke about self-governing communities composed of Great Britain and the dominions in these words:

> They are autonomous communities within the British Empire, equal in status, in no way subordinate one to another in any aspect of their domestic or internal affairs, though united by a common allegiance to the Crown, and freely associated as members of the British Commonwealth.

These phrases are familiar to all of us. That committee said, too, that the purpose of establishing the Commonwealth was to make mutual interference impossible, and mutual co-operation easy.

Indeed, the preamble to the Statute of Westminster reads—and I quote only a few words:

> ...as the Crown is the symbol of the free association of the members of the British Commonwealth of Nations, and as they are united by a common allegiance to the Crown...

Even Chapter 9 of the Statutes of 1952-53, which is the Canadian Act in respect of the Royal titles, has this to say:

> The assent of the Parliament of Canada is hereby given to the issue by Her Majesty of Her Royal Proclamation under the Great Seal of Canada establishing for Canada the following Royal Style and Titles, namely,
>
> "Elizabeth the Second, by the Grace of God of the United Kingdom, Canada and Her other Realms and Territories Queen, Head of the Commonwealth, Defender of the Faith."

Just last week a member of parliament from one of the new African countries was visiting Ottawa, and he said: "We do not recognize the Queen as the head of our state. The idea of a common allegiance to the Crown, in many respects, has been diluted. We recognize the Queen as the Head of the Commonwealth." That is one of the Royal titles, and perhaps that is the only one that that country recognizes. These developments have been going on apace for a little over two decades, and perhaps it is high time that we had an opportunity of considering what they can mean for the Commonwealth and for our own country.

I know there is deep interest in this subject. Senator Roebuck and Senator Grosart returned recently from the Commonwealth

Parliamentary Association meeting in Jamaica with some interesting things to tell us about Commonwealth affairs. Just a few years ago there was a meeting of the Commonwealth Bar Association here in Ottawa. The chief British delegate was the then Lord Chancellor, Lord Kilmuir. I had a good deal to do with the organization of that meeting, and thus had an opportunity to talk to Lord Kilmuir, who is one of the most experienced men in British public life. He has been the Attorney General, the Solicitor General and, of course, the Lord Chancellor. His concern about what direction the Commonwealth would take in the years ahead with the emergence of these new countries was very great, but he did not pretend to predict what might happen. These are matters, I submit, in respect of which the Senate, by providing a forum, can perform a national and perhaps a Commonwealth service.

Senator O'Leary (Carleton) is concerned about the committee indulging in an exercise in futility. His own speech, I think, indicates the range of the problems which confront us. For example, as he said we must know what it is, in respect of the Commonwealth, that we believe in. We must know what it is we are supporting. If Senator Thorvaldson through his committee can provide some answers along that line then he will be performing a service. These new countries are with us, and we want to know what they are and what their problems are. What about Ghana? What about Mr. Nkrumah? Just because we do not like him, or do not approve of the methods he employs, is no reason why we should not be associating with him. We associate in the United Nations with many people that we do not particularly like, but it is useful for them to be in association with us. In just the same way it may be helpful to the people of Ghana that Mr. Nkrumah should attend the meetings of Commonwealth Prime Ministers, and that Ghana itself should be a member of the Commonwealth.

Hon. Mr. Farris: When will be the termination of this committee's deliberations?

Hon. Mr. Connolly (Ottawa West): I was going to say, Senator Farris, that this committee is not a committee that can terminate its work within a matter of weeks. I envisage its work continuing with expedition until it is ready, in the opinion of its steering committee, to prepare a substantial report. Indeed, there may be recommendations for further study in specific areas which will develop as time goes on.

At this time I think it worth while to repeat something that Sir Winston Churchill said to the Council of Europe when it was being organized in 1950, because these words are applicable to the Commonwealth of today:

> In setting up the Council of Europe we are not making a machine, but growing a living plant.

A living plant in the ramifications of its growth can stretch out in various ways, depending upon where the sun is, depending upon where the rain comes from, and indeed upon which way the wind blows. These are things which I think this committee can do, and do very well.

Senator O'Leary (Carleton) also said that the terms of reference were too wide. Let me say, and I do not say so critically or harshly, that the terms of reference could have been considerably wider. At one time there was a device employed—and Senator Aseltine will remember it very well—by which certain segments of the Estimates were referred to various committees of this chamber. In this instance, had it been so decided, we could have referred the Estimates of the Department of External Affairs to this committee. That would have given a wide open opportunity to discuss the Commonwealth and almost anything that might engage the attention of that department.

I do not think the terms of reference are as wide as those already given to the Finance Committee, because that committee has before it the entire Estimates of the Government for the current fiscal year.

In effect, what will happen is that the chairman of the External Relations Committee, and his steering committee, will sit down and organize a program for the initial work of the committee. They will set the areas for study and for consultation with persons with whom they can consult within the department, and perhaps the Canadian Institute of International Affairs and other organizations which will have an interest. They can arrange for briefs and papers, deal with witnesses, and choose the topics of greatest value.

May I say one other thing to Senator O'Leary (Carleton)—and I am sorry he had to leave the chamber—that I think no one in this house has had a more unrivalled opportunity to observe the development of international affairs than has he. His experience goes back, as he said in his speech, to the days of Senator Meighen. In this respect,

perhaps his background is unsurpassed in this house, and I hope, for the benefit of us all, that his advice and his attendance will be available to this committee.

There is one other matter I should like to deal with because it affects perhaps the privileges of all honourable senators. It is the reference in Senator O'Leary's speech to questions asked of me by Senator White on various supply bills in the last session of Parliament. I want to relate to the Senate that I followed the time-honoured practice of getting the answers which were not available at the time. Every honourable senator will understand that it is impossible to have answers available on every detail of a financial bill on the evening that the bill is before us. These supply bills have to be passed, and we just do not adjourn the debate in order to get answers to questions. However, when the questions are asked, the leader customarily undertakes to provide the questioner with the answers at the earliest opportunity.

Senator White's questions dealt particularly with the peace-keeping operations Canada is conducting in various parts of the world. I followed the practice that has been generally observed, although I do say that Senator Aseltine, when answers were made available to the leader, tabled them on occasion. However, I believe the general practice has been to give the written answers to the senator who asked the questions. This I did with Senator White. Subsequently, he followed up with supplementary questions, and again I provided the information.

Senator White, if he had wished to do so, could have put the answers on *Hansard*, or asked me to table them. However, I want to say that I also spoke to Senator White, before Senator O'Leary raised the question, about whether or not there should be wider communication of the answers to the questions he asked. I said to him, as I say now to all honourable senators, we have all the estimates before the Finance Committe. The answers can be elicited at that committee, if it is so desired.

I spoke to Senator Thorvaldson weeks ago, when we were discussing the subject matter of this very motion, and I suggested that he might consider devoting a sitting or two of his committee to consideration of the peace-keeping operations about which Senator White was concerned.

Therefore, honourable senators, perhaps through the External Relations Committee or through the Finance Committee, both of which are now ready to go to work, the answers to these questions which Senator White was seeking could not only be supplied again to the entire committee, but might afford an opportunity for further discussion, if any honourable senators wish to discuss any of them.

Honourable senators, I have detained you too long. In concluding, I want to commend Senator Thorvaldson for the work he proposes to do in this study. He does not intend to write an encyclopedia on what the Commonwealth means, and what it will do for all time, but by setting up the committee in the manner in which he proposes to study this particular problem, I think he is doing a service to Parliament and to the country, and it may very well turn out to be a service to the Commonwealth as well.

Hon. Gunnar S. Thorvaldson: Honourable senators—

The Hon. the Speaker: Honourable senators, may I remind the house that if the honourable Senator Thorvaldson speaks now, it will have the effect of closing the debate.

Hon. Mr. Thorvaldson: Honourable senators, I propose to make just a few remarks in regard to the resolution we are discussing. Indeed, it had been my intention to summarize in some fashion the proposals that will be presented to this committee upon which a study is to be made. However, that is really unnecessary now because the honourable leader of the Government (Hon. Mr. Connolly) has already done so in his customary and capable manner.

I thank the honourable leader particularly for the highly constructive and co-operative manner in which he has dealt with the work that is proposed to be done by this committee. I also wish to thank honourable senators who have spoken on the resolution, including Senator Roebuck and Senator O'Leary of Carleton. Their contributions have been very constructive.

In reference to the considerable newspaper comment that has appeared throughout Canada in connection with this resolution, I think I can say that all of it has been cautiously friendly to the study. I shall quote just one sentence from an editorial appearing in the Winnipeg *Tribune* a few days ago. The editorial concluded with these words:

> A study of this kind could perform a very useful function not only in making accurate information available but also

in refocusing attention on the values the Commonwealth embodies.

Generally speaking, the comments of the press have been in this vein.

As the honourable leader of this house (Hon. Mr. Connolly) indicated, it is not proposed to do anything revolutionary in this study. The fact remains, however, that apart from our peculiarly close association with the United States as our next-door neighbour and as our biggest trading partner, Canada's closest international association is with the nations of the Commonwealth. Consequently, it appealed to me as well as to others that a study of this kind could be useful.

It was suggested, by both Senator Roebuck and Senator O'Leary (Carleton), that perhaps the terms of reference contained in the resolution were too broad. That may be so, but they were intentionally made broad in others that a study of this kind could be duly restricted.

On the other hand, Senator Roebuck was most useful in pinpointing some of the spheres where the committee might begin. He emphasized, for instance, trade within the Commonwealth, and financial, medical and educational aid.

As we all know, Canada is spending large amounts of money today in aid to Commonwealth countries, as well as to other countries, under the Colombo Plan and other aid plans.

Senator Roebuck referred to immigration. I thank him for pointing these items out as subjects of discussion for the committee.

Senator O'Leary (Carleton), too, agreed that we should take a "good, fresh look" at the Commonwealth.

As the honourable Leader of the Government has just said, the basis of the present Commonwealth is the Statute of Westminster passed in 1931, resulting from conferences held in the years 1921 and 1926. Then, there was another fresh look at the Commonwealth in 1946 when there was a changed status in respect of India and Pakistan, resulting in separate Statutes of the Imperial Parliament in regard to those countries' entry into the Commonwealth, similar to the Statute of Westminster.

For instance, Senator O'Leary (Carleton) asked what the Commonwealth is as of today. That is a pertinent question indeed. At the moment I find it difficult to answer it, but I trust that as a result of the work of this committee we may come closer to an answer as to what the Commonwealth is and consists of and where it is going.

Senator O'Leary posed another question when he asked what the qualifications or tests are for membership. He also asked about the nature of the secretariat which is being established.

Honourable senators, this morning on the C.B.C. commentary after the eight o'clock news, a speaker commented on the coming Prime Ministers' Commonwealth Conference which is to be held in London and which will, of course, be attended by our own Prime Minister as one of the main actors at that conference. The commentator posed this question: What is this Commonwealth secretariat which it is proposed to establish at the coming meeting? He mentioned the fact that we have had a certain type of secretariat for many years, but that secretariat had in fact been the British Commonwealth Relations Office in London. It has done the work of a secretariat, but it has been entirely under the guidance of the British Government, and other Commonwealth countries have had very little to do with the guidance issued from that office.

Senator O'Leary (Carleton) also asked, as the honourable Leader of the Government mentioned a few moments ago, what about countries like Ghana, Rhodesia and Kenya and what are or should be their relations to the Commonwealth.

Honourable senators, both Senator Roebuck and Senator O'Leary (Carleton) have performed a most useful service for the committee by defining some of the items with which it must come to grips. I hope that all honourable senators will co-operate in the work of the committee, in order that the result of its effort will be of some value to both Canada and the Commonwealth.

Motion agreed to.

PRIVATE BILL

EVANGELISTIC TABERNACLE INCORPORATED —SECOND READING

Hon. Gunnar S. Thorvaldson moved the second reading of Bill S-11, to incorporate Evangelistic Tabernacle Incorporated.

He said: Honourable senators, this bill is prepared in standard form. It asks for the incorporation of a religious body in a manner similar to many previous bills of this kind that have been presented here.

The petitioners for incorporation named in clause 1 are five persons whose homes are in the City of Winnipeg. The religious body

with which they are concerned is not old, but these people already have a missionary outside Canada, namely, in the Philippines. There are also ministers associated with this group in the United States, as well as in other parts of western Canada. This body does not own any property at the present time but expects to acquire property for its purposes in due course. It is their purpose also to continue to spread the Gospel of Christianity in the manner in which they preach it. It is a group similar to scores of others interested in the spread of the Christian Gospel.

Honourable senators, the proposed incorporators will appear before the Miscellaneous Private Bills Committee, if the bill reaches that committee, and they will be prepared there to give further information.

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.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, May 26, 1965

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

Prayers.

CENTRAL MORTGAGE AND HOUSING CORPORATION ACT NATIONAL HOUSING ACT, 1954

BILLS TO AMEND—AUTHORITY TO PRINT COMMITTEE PROCEEDINGS

Hon. Paul H. Bouffard, Acting Chairman of the Standing Committee on Banking and Commerce, presented the following report of the committee on Bill S-8, to amend the Central Mortgage and Housing Corporation Act, and Bill C-104, to amend the National Housing Act, 1954:

> 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 bills.

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

Hon. Mr. Bouffard: I move, with leave of the Senate, that the report be adopted now.

Report adopted.

REPORT OF COMMITTEE ADOPTED

Hon. Mr. Bouffard, Acting Chairman of the Standing Committee on Banking and Commerce reported that the committee had considered Bill S-8, to amend the Central Mortgage and Housing Corporation Act, and had directed that the bill be reported without amendment.

Report adopted.

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.

REPORT OF COMMITTEE ADOPTED

Hon. Mr. Bouffard, Acting Chairman of the Standing Committee on Banking and Commerce, reported that the committee had considered Bill C-104, to amend the National Housing Act, 1954, and had directed that the bill be reported without amendment.

Report adopted.

THIRD READING

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

Mr. Smith (Queens-Shelburne): With leave, I move that the bill be read the third time now.

Motion agreed to and bill read third time and passed.

AMPLIFICATION IN SENATE CHAMBER

The Hon. the Speaker: Honourable senators, before we proceed with other business, may I say that you have no doubt heard the noise which has just emanated from the loudspeaker system.

You will recall that on May 19, Senator Vien said to honourable senators that he had some difficulty hearing what was said in the chamber because not enough volume was given to the amplification system. I inquired about this matter and I have received a report from the Assistant Gentleman Usher of the Black Rod, which is as follows:

> The volume is presently at the highest possible pitch. Should the volume be increased, the sound will reverberate on the side walls and be distorted and cause feed-back.

You have heard this unpleasant distortion this afternoon. The report continues:

> The construction of the Senate chamber, without side galleries, makes the acoustics most difficult to control. Our present system, I am told, is the best available at the moment.

Honourable senators, I am no expert and I do not know what else can be done. If some honourable senators have difficulty in hearing, I suggest they use the earphone. I am told by the Assistant Usher of the Black Rod, and he was told by the engineers, that the acoustics of the Senate chamber are such that no other arrangement could be made.

I am sorry Senator Vien is not here, but I am sure he will have an opportunity to read these remarks in *Hansard.*

Hon. Mr. Cameron: I think the difficulty must be because of poor equipment, for half the time at this end of the chamber we cannot hear what is being said.

The Hon. the Speaker: I repeat, I am no expert, but this is the report I have received. It would seem that the cause of the poor acoustics is that we have no side galleries. Perhaps we shall have to talk to the Internal Economy Committee about building side galleries.

Hon. Mr. Paterson: I depend on the earphone to hear what is being said, and I find it splendid. However, if the speakers do not speak toward the microphone, of course one cannot hear what is being said. If they do speak towards the microphone, there is no problem.

The Hon. the Speaker: Senator Molson.

Hon. Mr. Molson: That is my point.

The Hon. the Speaker: I have taken notice of all the points that have been made.

PRIVATE BILL

PRINCIPAL LIFE INSURANCE COMPANY OF CANADA—REPORT OF COMMITTEE ADOPTED

Hon. Paul H. Bouffard, Acting Chairman of the Standing Committee on Banking and Commerce, reported that the committee had considered Bill S-9, to incorporate Principal Life Insurance Company of Canada, and had directed that the bill be reported with the following amendment:

> 1. Lines 15 and 16: Strike out "Compagnie d'Assurance-Vie Principale du Canada" and substitute therefor "La Principale du Canada, Compagnie d'Assurance-Vie,".

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

Hon. Mr. Bouffard: Honourable senators, the only amendment that was made to the bill was the change in the translation of the name. The committee thought the new name in French was better than the one which was suggested in the bill and, as no one had any objection to it, the amendment was adopted. Instead of being called, in French, "Compagnie d'Assurance-Vie Principale du Canada" it will be called, "La Principale du Canada, Compagnie d'Assurance-Vie." That is all the amendment seeks to do.

On motion of Hon. Mr. Bouffard, report adopted.

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

Hon. Donald Cameron moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

NATIONAL HOUSING ACT, 1954

BILL TO AMEND—CORRECTION OF STATEMENT

Hon. G. Percival Burchill: Honourable senators, before the Orders of the Day are called, I would like to have the indulgence of the Senate to make a correction in the remarks I made last night.

Today, on reading what I said in *Hansard,* it appears that I may have misinformed the Senate by giving the impression that the Central Mortgage and Housing Corporation did not invest any money in the apartment project for elderly people which is being erected in Sussex. That is not the case. The corporation did invest money in the project. A grant was made. It was not of the size that had been planned or hoped for originally, but C.M.H.C. money did go into the project.

I want to make that correction.

PRIVATE BILL

BANK OF BRITISH COLUMBIA—SECOND READING

Hon. J. W. de B. Farris moved the second reading of Bill S-13, to incorporate Bank of British Columbia.

He said: Honourable senators, I promised yesterday that I would be brief in the speech I would make on this motion. I have no doubt that this house feels that that promise was necessary. Mr. MacNeill, Clerk of the Senate, has been good enough to give me the references in the *Debates of the Senate* where I spoke on this matter before. I find that I moved the second reading of this bill in the last session on May 13, 1964. If any honourable senator is really interested in what I said on the matter on previous occasions I would refer him to Mr. MacNeill who will give him the references.

The reason I am not being consistent in committing the crime I am usually guilty of in this house is that I have already spoken on the principles involved in this bill not once, not twice, but three times. As I have told you, I moved second reading about a year ago. I spoke on the bill again at a later date, and then I spoke on it at some length before the committee.

An unusual situation developed. The Senate referred the bill to the Standing Committee

on Banking and Commerce. I do not know whether it was because of my speech, or notwithstanding my speech, but the committee in its wisdom did not see fit to pass the preamble, which is a painless way of killing the bill. However, the committee's report that it had failed to pass the preamble of the bill was not accepted by this house and, by a large majority supported by the honourable Leader of the Government and the honourable Leader of the Opposition, the bill was referred back to committee. By the end of the session the committee had not carried out the suggestions of this house. I do not know why or how it happened, but the bill just stayed in the committee, and if the last session was still alive I suppose it would still be there. The bill died at the close of the last session with the almost unanimous injunction of this house, supported by the leaders, not carried out.

I think all I need add at this time is that in view of what I have said, the prolonged discussions which have taken place, the fact that the previous bill went to committee, that it came back from committee and this house by almost unanimous vote sent it back to committee, and no action was taken, it seems that the consistent and logical thing to do now, without prolonging the agony further, is to give the bill second reading.

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. Farris: I move that the bill be placed on the Order Paper for third reading tomorrow.

Hon. Mr. Choquette: Oh, no. It has to be referred to a committee.

Hon. Mr. Connolly (Ottawa West): May I draw to the attention of Senator Farris the fact that our rules require that every private bill must be referred to a committee. Under the circumstances, perhaps he would withdraw his motion and refer the bill to committee in accordance with the rules.

Hon. Mr. Farris: I am sorry, I have not been here long enough to know the rules. I accept my honourable friend's suggestion. However, I do not know what sense there is in referring the bill back to that committee.

Hon. Mr. Choquette: Excuse me. You said there was almost unanimous consent, but you did not say the purpose for which that consent was given. If I recall our discussion correctly, the Senate was almost unanimous that the bill be referred back to committee for further study.

Hon. Mr. Farris: And what did they do? They did nothing.

Hon. Mr. Choquette: But we have to refer it to committee now.

The Hon. the Speaker: Is the honourable Senator Farris moving to refer the bill to committee?

Hon. Mr. Farris: I move that the bill be referred to the Standing Committee on Banking and Commerce.

The Hon. the Speaker: It has been moved by the honourable Senator Farris, seconded by the honourable Senator Beaubien (Provencher) that this bill be referred to the Standing Committee on Banking and Commerce. Is it your pleasure, honourable senators, to adopt the motion?

Hon. Mr. Pouliot: Before the motion is put, I submit that the honourable gentleman should withdraw his first motion, and then move the second one.

The Hon. the Speaker: I understood that the honourable Senator Farris had withdrawn his first motion and had agreed to move that this bill be referred to the Standing Committee on Banking and Commerce.

Hon. Mr. Pouliot: With due deference, I did not hear him withdraw.

Hon. Mr. Flynn: Yes, he said "I accept."

Hon. Mr. Aseltine: Put on your hearing aid.

Hon. Mr. Pouliot: He must withdraw the first motion, and withdraw it with the consent of the Senate. I may object to giving consent. We will have to wait. I am not sure what I will do yet—probably I will not object.

Hon. Mr. Connolly (Ottawa West): I think the position is this, Senator Pouliot, that Senator Farris started to make a motion. He had no seconder, and the motion was not put. I assume therefore, that Senator Farris followed the suggestion which was made and the other discussion fell by the board. The appropriate motion was the one to refer the bill to committee. This was moved, seconded, and put by His Honour the Speaker. I think we are within the rules.

Hon. Mr. Pouliot: He has withdrawn it by implication.

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

Motion agreed to.

RETIREMENT OF SENATORS BILL

SECOND READING—DEBATE CONTINUED

The Senate resumed from Thursday, May 20, the adjourned debate on the motion of Hon. John J. Connolly for the second reading of Bill C-98, to make provision for the retirement of members of the Senate.

Hon. Jacques Flynn: Honourable senators, in order—

The Hon. the Speaker: Order. I understand that the debate was adjourned by the honourable Senator Macdonald (Cape Breton). I assume that the honourable Senator Flynn has leave to proceed.

Hon. Senators: Agreed.

Hon. Mr. Flynn: Honourable senators, in order to fully experiment with our system of amplification and our system of translation, I am going to speak in French on this bill.

[*Translation*]

The Government Leader is entitled to our thanks and our congratulations for the manner in which he recited the clauses of Bill C-98, an Act to make provision for the retirement of members of the Senate. His explanations were short and to the point, perhaps shorter than usual, but that could be because he wanted to be quite objective, which is no easy matter for senators discussing a bill making provision for their own retirement. I noticed that the Government Leader refrained from making any comments. His statement was so dry as to be almost disarming. It was probably his intention to disarm members of the Senate faced with this legislation.

[*Text*]

Hon. Mr. Connolly (Ottawa West): As long as you are not imputing motives.

Hon. Mr. Flynn: Not wrong motives.

[*Translation*]

The principle of this bill obviously is nothing new; indeed, when the Parliament of Canada decided to force the judges to retire at 75, it was unavoidable that the same rule would be applied sooner or later to the Senate.

Therefore, Bill C-98 proposes, in the first place, that a senator summoned to the Senate after the coming into force of this act will stay in office until he reaches 75 years of age. This is the prime rule, the basic principle of this bill.

Two accessory or secondary principles apply to senators who were appointed before this act comes into force, that is, the present senators appointed under a provision which states that a senator shall hold his appointment in the Senate for life. It had to be decided if those senators should retire at age 75, and then under what conditions should a person appointed for life continue, or cease, to hold his seat in the Senate? The act had to stipulate the system, as it were, and the specific conditions applying to a senator appointed under the provisions of the new act and who must retire at the age of 75, or to those who were appointed before the coming into force of this act and who were not compelled, when they were appointed, to retire at that age.

I do not think the basic principle of retirement at 75 for senators will meet with much opposition. The main problem raised by this bill lies in the conditions attached to the retirement of senators.

As for those who will be appointed after the coming into force of the act, I do not see any problem since it has been mentioned that the Members of Parliament Retiring Allowances Act will also apply to them. This act provides for an annual contribution of 6 per cent of the indemnity, or $720 per year, which, after three parliaments, entitles or will entitle members of parliament and senators to an annuity equal to 5½ times their contribution, or $300 for each year of service. In principle, since there might be three parliaments in three years' time, it could happen that a senator or a member of parliament would get a $900 annuity.

But, in practice, and in the normal order of things, three parliaments usually last 9 or 10 years.

Therefore, there is nothing to say against the pension scheme provided for senators appointed after the coming into force of this new legislation.

As I say, the problem is in connection with the terms proposed, or suggested, by this legislation in regard to the present members of this Chamber.

Before making any comments on them, I would like to say that, in my opinion, the bill has very little to do with what is called the reform of the Senate. There is nothing surprising of course in the fact that the other place as well as the press and public opinion in general took this opportunity to start a

debate on this so-called reform of the Senate or on certain changes in the part played by the Senate. However, as far as I am concerned, it seems that this matter has nothing whatever to do with the bill we are considering today. I think it would be more advantageous for the Senate, and therefore for the country, to discuss that matter on another occasion when we have all the time in the world to go to the heart of it.

A second preliminary remark I wish to make on this bill with regard to the principle of retirement at age 75 is that clause 2 of the bill involves an amendment to the BNA Act, that is, an amendment to the Constitution. I think that the legal advisers of the Government were right to advise it as I presume they did, to the effect that the 1949 amendment to subsection 1 of section 91 permits that change in the Constitution without the formal agreement of the provinces. At any rate, as the provinces have voiced no objection, I think that the debate would be very academic as to whether, in order to pass this amendment to the Constitution, it is necessary to obtain the consent of the provinces and the assent of the British Parliament. In view of all the circumstances, I am sure that the Parliament of Canada can legislate in that respect without the authorization of the provincial legislatures or that of the Parliament of Westminster.

A while ago, I mentioned the conditions under which senators appointed after the coming into force of this bill will be allowed to retire. As far as present senators are concerned, I should like to remind my honourable colleagues that the first draft or the first bill, if you prefer, the one which was read a first time in the other place, provided for a rather simple method, one which was much simpler than the method outlined in this legislation.

First of all, unless I am mistaken, present incumbents would not have been free to choose whether or not they should take advantage of the Members of Parliament Retiring Allowances Act.

Secondly, there was no question of paying a contribution of 6 per cent of the indemnity and the reasoning was merely that the senators reaching the age of 75 or the senators suffering from some disability that would prevent them from fulfilling their normal duties will be able to resign. Then, the Governor in Council will pay them an annuity equal to two-thirds of their allowance, namely $8,000. Moreover, upon the death of the senator to whom an allowance was paid, the widow will be entitled to one-third of this annuity, namely $2,666 per year. No time limit was set as regards the decision concerning the retirement at age 75. The grudge one could have against this formula or against these conditions, as written in the first bill, was that those conditions were exclusively intended to urge them to retire as soon as possible.

The fundamental error or, if you wish, the main argument in favour of retirement was and is, as pointed out by the Leader of the Government when he introduced his bill, that there were no survival benefits at that time and that there is no question of having any now. But, on the other hand, according to the original version, senators were not to contribute. It was rather difficult for a senator to complain that no pension or indemnity were provided for the wife in case of death, except after retiring at 75 years or for reasons of invalidity, as he did not contribute.

We know that amendments were made to the effect that, first, the Members of Parliament Retiring Allowances Act would apply and, second, that a senator choosing to come under Part 3 of the act would pay an annual contribution of $720 or 6 per cent of his indemnity. Furthermore, the senator would only have one year after the coming into force of the act, if he is already 75 years of age, or one year from the date he reaches his 75th anniversary, to decide whether or not to retire with an annual pension of $8,000.

Now, considering these terms as amended in the other place, we realize that the prospects of present senators must be divided in two, the prospects of senators 65 years or more and of those who are less than 65 years of age. I would then subdivide in two the prospects of those who are 65 years or more: those who have already reached 75 years of age and those who have not yet reached 75 but who have nevertheless attained 65 years. The reason is that I think the right to avail ourselves of the Members of Parliament Retiring Allowances Act cannot offer any advantage to senators aged 65 and over. As I indicated a while ago, in order to obtain an annuity under the act now in force in the other place and which will apply to the senators appointed after this bill comes into force, and in order to receive an annuity under that legislation, one must have contributed during three parliaments. It is clear that under normal circumstances, the member of this chamber who is 70 cannot anticipate contributing during three parliaments.

The senator who is 65 might do it, but what will the Members of Parliament Retiring Allowances Act give him then? That act will give him a $3,000 annuity, while if he chooses to remain under Part III and if he lives until he is 75 or until he becomes handicapped—that is stupid, but that is what is proposed by the legislation—he will receive $8,000 and after his death his wife will receive $2,666 annually. Therefore, as far as senators aged 65 and over are concerned, the option to come under the Members of Parliament Retiring Allowances Act should not be considered. As for senators aged 65 or less, they may consider it, but I will say that the choice is quite impossible and I will show why.

For those aged 65 and over, the problem as stated is one which can only give them concern precisely resulting from the fact that if they die before reaching 75 years of age or before becoming disabled and offering their resignation, they will receive nothing in spite of the fact that they will have contributed for 10, 15 or 20 years at the rate of $720 per year. How can a senator already appointed decide what is more beneficial to him or whether he has more chances to become disabled than to die? Such is the problem raised by this bill. Moreover, it is so obvious that I am convinced those amendments were not thoroughly thought out, that they were improvised and that when we have the opportunity to study them, to consider them in committee, the Government will want to bring in a remedy. However, remedies are rather easy to find.

However, I come back to the case of senators aged 75 or over or who will reach that age soon. If they should die before taking a decision, there would be nothing for the widow, nothing at all for the estate, as there will not be any refund of the contributions they will make in the meantime. Evidently, there is there a very strong suggestion: Do not delay! And if the words are not suggestive enough, I am sure that the wife, in most cases, will make a definite suggestion. In my opinion, the present members of the Senate should not be faced with such a situation.

Now, I take the case of senators who decide to stay. Very well, since you decide not to retire, says the bill, you will have to pay $720 a year and you will have nothing in return—unless you become disabled. In fact, one of the present incumbents who elects to stay will pay, after reaching 75 years or until he leaves, $720 a year, and he will not be entitled to a refund, to survival benefits for his wife or to a refund for his estate. Such is the position of those who are 65 and over. That is a fact. They would all be in the same situation. But it is even worse because, normally, they could remain until they reach the age of 74 years and 11 months, contribute $720 a year during all the time, up to a month before reaching the age of 75 and, if they were to die then, there would be no annuity, no survival benefits, no refund. There you have the conditions offered to present senators of 65 and over, conditions which are absolutely unfair and such as to fill them with anxiety rather than serenity. And yet, they have no choice, to all practical purposes; they do not have the choice that senators of 65 or less can have and to which I should now like to refer.

As an introduction, I should like to say that it is rather unusual to allow senators 65 or less to take advantage of the Members of Parliament Retiring Allowances Act but not to contribute for years of past service in the House of Commons. I know of a few such members here, and a detailed analysis of their cases would show the absurdity of the situation of those senators who have served nearly thirty years in the other place. I am not speaking for myself because, as you well know, my stay in the other place was rather brief; in fact, I passed like a shooting star there! Be that as it may, it is unfair to deny present senators the right to contribute for years of past service in the lower house. Senators appointed after this bill comes into force will be allowed to contribute for years of service both in the House of Commons and in the Senate.

What practical choice is offered senators who are 65 or under? If you contribute for 10 years under the Retiring Allowances Act, you can count on receiving, as I said, an annual pension of $3,000, your widow would receive $1,800, or if, at your death, there is no one to receive the annual pension, your contributions will be refunded, without interest. On the other hand, if you take the other option, which is to remain under part 3 of the bill, and if you live to 75, a period of ten years or more, you will then have an annual pension of $8,000 and if subsequently you retire, your widow will have a pension of $2,666, but not before. However, if you die before that time, all your contributions will have been made for nothing and your widow or your estate will not get anything.

Therefore, this comparison shows that it is more profitable for a senator able to remain

20 years in the Senate to take advantage of the Retiring Allowances Act. Yet, he does not know what might happen to him. If a senator aged 41, becomes disabled, the following year he will be entitled to an annual pension of $8,000, under Part III, whereas if he took advantage of the Retiring Allowances Act, thinking that at 41, he might expect to live another twenty years, he will not get any pension. His contributions will be refunded, nothing else. Of course, these are extreme cases I am putting forward. But it will be realized that faced with this option, some senators, for reasons entirely beyond their control, will not know whether it would actually be a reasonable or logical decision to take advantage of this Retiring Allowances Act or to remain under Part III of this bill.

I say once more that the major shortcomings of this bill lie in the fact that it contains no provision for a surviving widow's benefits for present senators as there is for those who will join us after this bill has come into force.

I am sure that if you submit the pension conditions put forward here to an actuary for analysis, you would have the same reaction as I had to the effect that this is not a plan that makes sense; the plan does not make any sense at all. I do not think we can demand exorbitant conditions.

I am simply asking for logical and reasonable conditions which would put us in a situation where we could decide advisedly what to do. In fact, the contribution which was imposed upon us by way of an amendment becomes simply a tax since the present senators have not, with regard to that contribution, what is called a "vested interest" in the fund it will create.

I could read into the record a great number of cases but I will emphasize simply this: under the third part of the bill, you can contribute for a maximum of 26⅔ years at the rate of $720 a year, that is $19,000, but in the event of your death before electing to go on pension you lose the whole amount, without any survivor's right to your spouse, any refund to your estate. I say that this is completely illogical.

I do not doubt that the Leader of the Government, when this bill is considered in committee, will find a fair solution so the present senators may retire with dignity and that no disgraceful pressure will be brought upon them to compel them to resign under impossible circumstances for most of them.

I do not believe that anyone will object to the principle of this bill; but if the incidentals are such as to pervert the principle, then it is very difficult for the senators to pass an objective opinion on this bill.

Hon. Mr. Dupuis: Can my honourable colleague make any suggestions in order to orient the discussion?

Hon. Mr. Flynn: Yes, I will make some in committee; I do not wish to waste them!

[*Text*]

Hon. Jean-François Pouliot: Honourable senators, I have listened with great attention to the speech of our colleague Senator Flynn, and I have come to the conclusion that if his two grandfathers and his father were alive today they would be proud of him.

Hon. Senators: Hear, hear.

Hon. Mr. Pouliot: His paternal grandfather was Premier of the Province of Quebec and was one of the best professors of Roman law that we had at the university; and his maternal grandfather was a distinguished lawyer of St. Hyacinthe. His father was a brilliant lawyer whom we used to meet quite often. I knew his family very well.

Believe it or not, it is a strange phenomenon, but Senator Flynn has said many things that I wanted to say and which I need not now repeat. When I read this piece of legislation I found many difficulties that would arise from it.

Most journalists do not know the Senate. Of course there are some laudable exceptions, but in general they speak of the reform of the Senate without knowing what it really is. It is very easy to be acquainted with each one of us. One has only to look at the Canadian Parliamentary Guide and he will see the biography of each senator. The Senate is "an exclusive club" if you wish, but the Senate is not as well known as it should be; it is not given as much publicity as the House of Commons. When important matters are discussed in committee the press is not always represented there.

The Senate can accomplish a lot. There are two kinds of reform that could be made: one would be the physical reform of the Senate, and this has mostly been done; the other is the spiritual reform, which is the more important.

What is the physical reform? When I was appointed to the Senate the air was so thick and heavy in this chamber that it was impossible to breathe. Then someone suggested that there should be some ventilation provided. The walls were scraped and cleaned; the panels were removed to be polished and

the opportunity was taken to install a ventilation system. Now we can breathe in the Senate.

Secondly, not only were we unable to breathe, but we could not see in the daytime as the windows were covered with dark brown paint. It had to be explained that if new sheets of glass were put in the windows the light could come through and we would have more light in the daytime. At night the electric bulbs were very weak. With stronger bulbs we had more light at night. Therefore, it was possible to have more light in the daytime and at night.

Then, it was almost impossible to hear what was said. The acoustics were very bad, as we were reminded just a few minutes ago. Not only did we not see the speaker, but we could not hear what was being said. Therefore, we had loudspeakers installed and special apparatus was given to us to give us better sound. Now we can breathe, we can see and we can hear what is being said in the Senate.

That is not all. The red rug in the Senate was all worn out; there were holes in it and it seemed impossible to have it changed. Then it was mentioned that Her Majesty the Queen, who was to come here, could trip on one of those holes and injure herself. Then it was decided to buy a new rug, which now adorns this chamber.

Other suggestions have been made as well. There have been some complaints about the paintings, but this is a matter of taste: some like them; others do not. Let us leave it aside for a moment.

There was another constructive suggestion made by Senator Roebuck: it was to have galleries installed on both sides of the Senate chamber. There were plans for them but, unfortunately, it was difficult to have the plans executed. Later on Senator Roebuck was ridiculed by the most influential journalist of the time, who said it was nonsense to have galleries in the Senate. The galleries would help to give us better sound. They would have been a great improvement. Not only do we now have loudspeakers but we also have simultaneous translation, which has permitted our English-speaking colleagues to follow very well the speech made by Senator Flynn in French.

So, the physical reform of the Senate is under way and it has made great progress. The new senators have no idea what conditions were ten years ago. How was this accomplished? By good understanding between all parties; the senators have accomplished it because we have a common interest in better living conditions in this chamber.

I have particular thanks to express to Senator Ross Macdonald, to Senator Dessureault, to Senator Connolly (Ottawa West) who was then a private senator, to Senator Horner who changed his mind about certain things, and especially to my good friend Senator Aseltine who agreed to those reforms.

Now we have to discuss the bill concerning the retirement of senators at 75. Senator Flynn has shown the difficulties that exist in this bill. I have a very easy solution, not a complicated one. It is to pay to senators who have reached the age of 75, and who desire to resign, a pension equal to their indemnity less travelling expenses. This would mean that a senator who has reached the age of 75 years could retire on a pension of $12,000 a year, and his widow, if he dies, would be entitled to a pension of one-half that amount, or $6,000.

All of us have been appointed for life. If the Government decides to make changes, how is it that it can change the amount to be paid to us? We are entitled by law to receive an indemnity of $12,000 for a lifetime. There are some honourable senators who are unfortunately ill, and when they do not attend the sittings of the Senate—mind you, they are very few and it is known that they are ill—they receive the same indemnity as those of us who do attend. Is this not a precedent to consider?

I have another point that I wish to bring to your attention. Who will decide about the disability? What is the disability referred to in the bill? How many doctors will have to decide that a senator is unable to act as such on account of his incapacity? It is important to note this.

I appreciate the explanation given by our leader (Hon. Mr. Connolly, Ottawa West) who has spoken objectively, as he always does. He deserves the tribute that was paid him this afternoon. On the other hand, there are many loopholes in this bill. I shall not begin enumerating them, but it will not be necessary to use a magnifying glass to find quite a number. They will be referred to, no doubt, when the bill is before the committee.

Honourable colleagues, I must protest the propaganda that has been directed against the Senate. Some of those who have criticized the Senate during the last two or three years do not know of the kind of work or the difficulty and importance of the work that is being done here. While we are speaking of reform, I would point out that the

Standing Committee on Banking and Commerce does not need to be reformed. It is a very active and excellent committee. It is non-partisan. Very often important suggestions are made there; that committee performs a useful function.

Let us look at the Standing Committee on Finance, which had been mostly inactive since the death of the late Senator Charles Hawkins, whose name was mentioned so apropos yesterday. Senator Leonard has worked tremendously hard to the end that the Finance Committee should serve its purpose. It informed the Senate of what is going on concerning procedure in the Government when it investigated, for instance, the Glassco Commission's report. This session Senator Leonard will continue his good work.

We did not hear of the Standing Committee on External Relations for a long time, but Senator Thorvaldson has succeeded in resuscitating it. I appreciate the fact that that was probably at the suggestion of the honourable Leader of the Government.

I appreciate also the fact that the sponsoring of legislation is distributed among us. Who sponsors a bill better than Senator Smith (Queens-Shelburne) sponsored the bill to amend the National Housing Act last evening? Senator Baird has sponsored many bills, as has Senator Cook. Senator Fergusson, our lady colleague and confrere, and many others, have sponsored many bills, thus relieving the honourable Leader of the Government of much of this work.

Honourable senators, when I was appointed to the Senate a friend of mine, whose name I shall not mention, wrote me a very nice letter, in which he said: "You will be a good senator if you want to." I cannot tell you the same thing. It is not a matter of reproach; it is because I have the highest respect for all of you. I know that you can accomplish much. Although you are much less numerous than the members of the House of Commons, you can accomplish much more than they can, provided that you want to. At the present time the work of the Senate is considered very important, and it is so acknowledged by those who are familiar with it.

You cannot ask a man on the street, who does not know what the Senate is, to give a fair judgment on it. You should be proud of being a senator. You can show the Senate *Hansard*, which will demonstrate that the speeches of senators are always well prepared and to the point. In this respect, I think of Senator Hollett who rose impromptu yesterday to speak on behalf of his leader. He made an excellent speech, and I can say the same of all of you. It is because you have a long preparation and an excellent formation that gives you the ability to formulate your thoughts in a manner that is worthy of this chamber.

There are many occasions on which you give the lead to legislation, and not only to legislation but to reform. How many people speak of reform without knowing what the word means? How many people use that great word without any intention of accomplishing anything in the way of reform?

I am in a good mood today, and I shall not dot the "i's" nor cross the "t's", but I know very well that if the Senate took action it could be all-powerful in the practising of reform in many departments, and in seeing to it that the incapable ones went at once. That is a pretty arduous thing to do because when we hear that somebody has done anything wrong the answer we get is that he is a newcomer, that he is ill, or that he must be given a chance, and other silly excuses like that.

At the present time there is a bill before us for the superannuation of senators. I have the greatest respect for my seniors, for the oldest members of the Senate, whose wisdom is unchallenged.

There are those who are ill but who, when they were appointed to the Senate, were in very good health. It is not their fault that they became ill. They must be given the opportunity to retire and, to use the words of Senator Flynn, they should be able to retire with dignity on an adequate pension.

When we see someone who suffers from an infirmity of any kind, or has a physical or mental impediment, if we ask him, "Where are you from, sir?" and he answers, "I am a senator of Canada," do you not think that our fellow citizens will barely understand that those men who have rendered great service to the state have not the opportunity to have a decent pension to live at home?

That being said, we shall not be afraid to speak of matters that concern us, because the judgment of the people may be quite different from what you expect it to be.

I do not see why there should be any difference between the treatment afforded to judges and their widows and that afforded to senators and their widows.

Not so long ago senators were ahead of the judges in the Order of Precedence. It was

a mistake to change it. In my view, the senators of Canada are at least the equals of judges. Therefore, I do not see why there should be a different treatment for the judges on the one hand, and for the senators on the other hand. I do not see why there should be a different treatment for the widows of judges, on the one hand, and for the widows of senators on the other hand. Fairness should be the rule.

I leave it to you, honourable colleagues. We should practise reform by improving this bill so that the Senate is worthy and proud of its task.

Hon. Mr. Choquette: Hear, hear.

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

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY—DEBATE CONTINUED

The Senate resumed from Wednesday, May 19, consideration of His Excellency the Governor General's speech at the opening of the session, and the motion of Hon. Mr. Bourque, seconded by Hon. Mr. Aird, for an address in reply thereto.

[*Translation*]

Hon. Cyrille Vaillancourt): Honourable senators, today will be a day where just as much French as English will be spoken in this house, since I intend to speak French.

First, and this I have always done ever since I have been a member of the Senate, —that is for 21 years—each time I had the opportunity to speak during the debate on the Address in reply to the Speech from the Throne, I have paid my respects to our gracious and revered Queen of Canada, and this afternoon, I do not wish to fail observing this habit I have acquired, and I wish to pay my deepest respects immediately, not only because she is our Queen, but also because she is dignified and, with her great dignity and courtesy, she can serve as an example for all the mothers and wives at home, as well as in all the British Empire. Last year, in this house, I said:

> When our Queen comes to Canada, we ...shall receive her with...dignity.

She came and we received her in Quebec. Despite the propaganda from a fifth column of anarchists, when the people of Quebec could meet her they gave her a welcome that was worthy of a queen.

I take the liberty to pay my respects to our distinguished Governor General of Canada, His Excellency Georges Vanier, gallant soldier and great diplomat who has brought honour on his country. I want to pay my respects as well to his distinguished and valiant wife.

I hope to be forgiven for my personal liking for the Speaker of this house. First of all, he comes from my small town, I have always known him and we live nearly side by side. He is a man who does us honour. More than 40 years ago, when I was employed by the Department of Agriculture of Quebec, I used to take the ferry at 9 o'clock every morning and there I used to meet our Speaker's father. Quite often he would talk to me about his son, Maurice, already resourceful, who, no doubt, would do well for himself. His father was not blinded by his son's successes, but he knew the young man would go far in life. This is how, at that early stage, I started to know young Maurice Bourget.

Hon. Mr. Connolly (Ottawa West): He is still young.

Hon. Mr. Vaillancourt: Yes, he is still young. You will not be surprised if I also pay tribute to my leader. Senator Connolly (Ottawa West) is not only leader in this house, his reputation extends from coast to coast. As a matter of fact, he gives lectures here and there not only on politics but also on matters concerning the nation as a whole. In cultural centres, for instance, where he gives his lectures, or among people eager to get wise instruction which will serve as a guide for young people tomorrow, Senator Connolly, a dedicated advocate of all social problems, is a good adviser for all.

I regret that an accident befell the leader of the other side of the house. I wish him prompt and complete recovery. I always appreciate the wisdom with which he talked about political problems, without acting in a blind partisan spirit, but bringing forward constructive, sensible arguments. I pay him tribute and wish again to Senator Brooks a long and happy life.

The mover and the seconder of the Address in reply to the Speech from the Throne also deserve congratulations. Their speeches were clear, precise and without ambiguities of any kind. It is in this way indeed that all the bills sent to us to be approved are discussed in the Senate. To discuss in a clear, precise and positive way, that is how legislators can do something really worthwhile and constructive.

Now, I shall touch on a somewhat delicate matter. After what happened on Monday in Montreal, people have asked me: "Are

you a separatist?" No, I am not a separatist. Very few people in my region are separatists. But there are some madmen who have been bought by foreigners and by a fifth column organized in our information media, in our newspapers, radio and TV. There is a fifth column that is paid to preach discord. I shall prove it to you in a moment.

Anarchists can do anything without any regard for the freedom of honest people. At the present time, all over the world like in our own country, attempts are being made to create that climate in order to destroy every authority.

If you look through yesterday's newspapers concerning events that took place in Montreal last Monday, we can see in the photographs young people of 15, 16 or 18 years of age; in Quebec, it is the same thing. They were all children. When the Queen arrived in Quebec City, last fall, those who were shouting and mobbing were also children. They had been given $2 or $3 to shout; they were directed by leaders, one of whom was from Toronto, another from the State of New York and the third, a Montreal boxer.

Let us consider also what took place during the Queen's visit. If the radio, the television and the newspapers had not given as much publicity, for weeks in advance, saying that there would be acts of terrorism, nothing at all would have happened. They did everything to try and increase the disorder that some people would have liked to create. They tried to frighten people by telling them not to go out, that it was dangerous for their lives.

When one analyses the facts, one realizes that last Monday in Montreal, as last fall, there was a handful of youths in action.

I saw that fifth column in action last June in Montreal. On June 24, the St. Jean Baptiste Society had organized as usual its great parade of floats.

At a certain spot on Sherbrooke Street, a special stand had been erected where the Governor General with his party were to take their places, as well as his lordship the Mayor of Montreal and other dignitaries. On the other side of the street there were about 100 young people, boys and girls, who stood there shouting and insulting people. Chief Robert of the Montreal police had placed his men, and himself, beside that mob. The CBC's television cameras were also set up there to cover the arrival of the Governor General and his party, and also the parade. Then, the Governor General came to take his place on the platform, and the mob started to shout and yell. Immediately, the police came over and said: "Please!" Then, instead of covering the arrival of the Governor General, TV cameras were turned on that mob. Chief Robert went over to Mr. Baldwin and told him: "There, I am giving you names." Chief Robert himself gave them to me and Chief Robert told Mr. Baldwin, representing the CBC: "Cover the arrival of the Governor General." But Mr. Baldwin replied: "I am doing this because those are the orders I received from Toronto." Now, if you tell me that there is no fifth column somewhere, I wonder where it is?

Now, about separatists. You know there are rather strange things happening in all countries of the world. There are people who always have something to say. During the election campaign in Great Britain last fall there were 50 separatist candidates divided as follows: the Welsh Nationalist Party had 23 candidates; the Irish Republican Party, 12 candidates; the Scottish Nationalist Party, 15 candidates. The Welsh party wanted Gaelic to be recognized as the official language. The Irish Republican party wanted Northern Ireland to secede from the United Kingdom and to join the Republic of Ireland. Finally, the Scotch Nationalist party refused to recognize the Queen as sovereign of Scotland. None of these candidates were elected; nevertheless, they were candidates and we did not hear anything about them. Furthermore, I got this information from a good Scotsman from England.

Quebec is now undergoing a renewal. People start to realize that there are French-speaking Canadians able and willing to take action. Besides, in the past, English-speaking Canadians have perhaps been more separatist than we have, because very few French Canadians could hold key positions in any business organization. Three or four years ago, for instance, in the committee room across the way, we heard the president of the Canadian National Railways tell us that there were no French Canadians in key positions because they were not qualified. That is to say, it was not a matter of nationality but of qualifications. Since then, two French-Canadian vice-presidents have been appointed and they are doing a marvelous job. Mr. Gordon himself told me that he was not only satisfied but more than satisfied.

In the past, with regard to power, for instance, within the Montreal Light Heat and Power, the Shawinigan, the Gatineau Power, etc., French-speaking engineers could not expect to rise higher than a certain level. Power

companies have been nationalized for some time. Today, a French Canadian is president of Quebec Hydro, as are most of its engineers. It must be recognized that tremendous work is being carried out there.

So, people are beginning to realize that they can accomplish worthy things and a certain fulfilment is taking place, not against the others, but with them. We want Quebec to develop along with the others and all French-Canadian people to work in a spirit of co-operation, and not of destruction. We want to work with others and thus participate more actively in our country's economic expansion. I would like this to be well understood. It is not destruction but co-operation that we want to achieve.

Moreover, as you know, all my life I worked to promote that principle of co-operation. Co-operation is not destruction. When you want to co-operate, you work with, not against, someone. That is the principle I have always followed and will keep on advocating.

A few weeks ago, a group of women from our part of the country went to see the Prime Minister and asked him to intervene to prevent those media, especially radio and television, from harming the morals of our homes by the presentation of programs where the audience is taught how to steal, kill, rape, set up a matrimonial group of four or five, and what not. Some people will say that if we are not satisfied with what is shown on the screen, we just have to shut off the television set. That is more easily said than done.

I remember that when I was young, the mother of one of my school companions had crossed out in the dictionary a word that offended her. My companion had looked into the dictionary of his neighbour to see which word had been crossed out. As young people are always impressed by television pictures, this is unfortunately what happens, and it creates a problem the solution of which is far from easy. The thing to do is to educate people so as to have them act rightly rather than wrongly.

It seems to me that the authorities could do something in order to put a stop to this, otherwise, we are doomed to complete failure. A moral failure is worse than a monetary one, for the whole nation suffers from it. As we heard on television the other day, even the existence of God is denied. God does no longer exist. We are told that life comes from matter, nobody denies that, but, in reading the Bible, one sees that the Creator took a little earth and blew on it to make man. But who created matter, that is another thing. Nobody will make me believe that two pebbles side by side can become a mountain after a century. When pride is involved, the world is running to its doom and downfall. We then behave like wild animals in the jungle devouring each other, the powerful getting the better of the weak.

This is perhaps my last appeal in this House, as I am seriously ill. However, one does not know what God holds in store. I trust in God. I believe in Him. The Lord's will be done. If these are to be the last words I am to utter in this house, I would want them to be of comfort, of co-operation and of love for all men. In closing these remarks, I want to put in concrete form my thoughts in respect of my country by saying: Long live Canada, my country, my love!

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

[*Text*]

PRIVATE BILL

THE TRUSTEE BOARD OF THE PRESBYTERIAN CHURCH IN CANADA—SECOND READING DEBATE ADJOURNED

Hon. Muriel McQ. Fergusson moved the second reading of Bill S-10, respecting The Trustee Board of The Presbyterian Church in Canada.

She said: Honourable senators, I am sure you will all understand why I feel it is somewhat difficult to speak immediately after the last speaker. I have always admired Senator Vaillancourt greatly. He is really my idea of a fine Christian gentleman. I am sure all honourable senators were moved as deeply as I was by what he said.

Coming now to Bill S-10, I would like to give you some information as to its purpose. As you can see from the explanatory notes facing page 1, the purpose is to modernize and bring into line with modern practice the organization and administration of The Trustee Board of The Presbyterian Church in Canada.

Honourable senators may remember that in 1924-25 an effort was made to bring about union among the Methodist, Presbyterian and Congregational Churches in Canada. This resulted in the formation of the United Church of Canada by the Church Union Bill of that year. The passage of that bill appeared to take from the Presbyterian Church the right to use the term "Presbyterian Church in Canada". Nevertheless, very many distinguished persons were determined that in Canada the Presbyterian Church should not become a thing of the past, and many ad-

herents throughout Canada continued to worship as Presbyterians in spite of the Church Union Act.

Many honourable senators will recall that the Honourable Cairine Wilson, who contributed so much to the work of the Senate and to the status of women members in the Senate, and whose passing is so deeply regretted by many of us, was among those referred to as "continuing Presbyterians."

Although I am not a member of the Presbyterian Church myself, my father-in-law and my husband's family were also numbered among the continuing Presbyterians. The existence of this group made for some misunderstandings between the adherents of the two churches, and finally an agreement was reached and an act was passed by the Parliament of Canada in 1939 which permitted congregations, members and adherents of the Presbyterian Church in Canada, who did not in 1925 become part of the United Church of Canada, and those who joined them later, to use the name "The Presbyterian Church in Canada". In the same year, 1939, on petition of The Presbyterian Church in Canada, The Trustee Board of The Presbyterian Church in Canada was incorporated to acquire, take, hold and deal with real and personal property belonging to the church. This board was incorporated by chapter 64 of the Statutes of Canada, 1939.

This act provides that the board shall consist of seven members. Since, through gifts and bequests in wills to the church, the amount of property over which the trustee board has control and responsibility for administration has increased, the work of the board has correspondingly increased since 1939, and since it is expected that it will continue to increase in the future, it is desired to make provision for enlarging the number of members of the board to a maximum of fifteen, by inserting a new section 2A while retaining the original number of seven as a minimum.

At the present time it is proposed to increase this number only to eight, but the higher maximum is proposed so that it will not be necessary to seek a further amendment when the expected increase in responsibilities and the work of the board takes place in the future.

Although it has been the practice to appoint the Chairman of the Administrative Council and the Treasurer of the church as members of the Board of Trustees, it is now felt that mandatory appointment to the board of the Chairman of the Administrative Council, and of the Treasurer of the church as long as he is not a paid official, will ensure more efficient and smoother operation of the board. If the position of treasurer should become a paid position or should cease to exist, there is a proviso in the bill that the Chairman of the Finance Committee of the Administrative Council, as long as he too is not a paid official, shall be appointed to the board in lieu of the treasurer.

There are two new paragraphs which it is proposed to incorporate into the act, one of which will empower the board to combine and consolidate all money and investments under its administration that are not specifically directed to be administered separately. It is expected that a substantial increase in income may be realized by this combination and consolidation. The second paragraph empowers the board to retain the services of investment and other professional advisers, which is a customary practice when people are dealing with large amounts of money.

Section 21 of the original act of 1939, which sets out the power of the General Assembly of the Presbyterian Church in Canada to make, amend and repeal by-laws, resolutions, rules and regulations for the government and control of the Trustee Board, will be repealed by the passage of this bill and a new section consisting of two subsections is proposed, the purpose of which is to co-ordinate the language of the section with the proposed amendments as to membership and tenure of office of the board as set out in subsections 1 and 2 of the proposed section 2A which I explained earlier. The effect will be that while the General Assembly may make, amend and repeal by-laws, rules and regulations as is provided by the present section, the General Assembly is still bound by the proposed section 2A as to the minimum and maximum membership of the boards and the mandatory appointments to the board of the Chairman of the Administrative Council and the Treasurer. The proposed amendment also refers to the regulations passed by the General Council in 1964 as to the government and control of the board, whereas the present section 21 reads that until the General Assembly passes such regulations the board shall be subject to the government and control of the Board of Administration.

In addition, the proposed subsection 2 of section 21 empowers the General Assembly to delegate all or any of its powers and jurisdiction over the board to the Administrative

Council or its Executive, and it also empowers the General Assembly to revoke such delegation.

Since the General Assembly meets only once a year, such power of delegation is essential so that the problems relating to the work of the board arising during the year may be dealt with effectively. In any case, under the present section 21 which is in the original act of 1939, the General Assembly now has this power of delegation. However, the provisions of the present act do not provide for revocation of such delegation, which is just as important as having the power to make the delegation.

It may be of interest to honourable senators to know that among the members of the Trustee Board at the present time are men such as the Honourable Lieutenant-Colonel Keiller Mackay, former Lieutenant Governor of Ontario, the Honourable George A. McGillivray, Justice of the Court of Appeal of Ontario, Dr. Leslie King of Galt, a noted retired surgeon, and other distinguished Canadians.

If the Senate gives second reading to this bill, I propose to move that it be referred to the Standing Committee on Miscellaneous Private Bills. If the bill is referred to committee the Rev. Dr. E. A. Thomson of Toronto, Secretary of the Administrative Council and the highest permanent official of the church in Canada, will appear to explain the bill and answer any questions that may arise in committee.

Hon. Mr. Hugessen: Perhaps my honourable friend can answer a question which rather interests me, but if she cannot answer it, no doubt it can be answered when the bill goes to committee. She referred to the General Assembly of the Presbyterian Church in Canada. Can she tell me whether women are eligible for election to the General Assembly of the Presbyterian Church in Canada?

Hon. Mrs. Fergusson: I am extremely embarrassed to say that of my own knowledge I do not know. Senator Inman has just told me that recently they have been, but I do not know of my own knowledge. I will be glad to find this out from Dr. Thomson.

Hon. Mr. Hugessen: I only ask that question because, as a matter of topical interest, in our own Anglican Synod of the Diocese of Montreal last month for the first time we enacted provisions making women eligible for election, and I hoped the Presbyterians were keeping up with us.

On motion of Hon. Mrs. Inman, for Hon. Mr. Kinley, debate adjourned.

EXTERNAL RELATIONS COMMITTEE

NOTICE OF MEETING

Hon. Gunnar S. Thorvaldson: Honourable senators, before the Senate adjourns today may I inform the members of the Standing Committee on External Relations that there will be a meeting of this committee for organizational purposes at 11 o'clock tomorrow morning in room 356-S. I thought the notices would have been here before we adjourned, but they will be delivered to your offices very shortly.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, May 27, 1965

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

Prayers.

DOCUMENTS TABLED

Hon. John J. Connolly tabled:

Final communiqué issued following the Ministerial Meeting of the North Atlantic Council in London, May 11 and 12, 1965. (English text).

Capital Budget of the Farm Credit Corporation for the fiscal year ending March 31, 1966, 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. 1965-689, dated April 14, 1965, approving same. (English text).

Order in Council P.C. 1965-787, dated April 29, 1965, authorizing under section 21 of the Export Credits Insurance Act, contracts of insurance by the Export Credits Insurance Corporation for shipment of 210,000 metric tons of wheat to the Czechoslovak Socialist Republic, pursuant to section 21B of the said Act, chapter 105, R.S.C., 1952, as amended 1960-61. (English text).

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 recommend that authority be granted for the printing of 800 copies in English and 300 copies in French of their proceedings on the said Estimates.

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.

Hon. Jean-François Pouliot: Honourable senators, before the report is adopted I want to tell you about some things that were said in committee this morning by an important witness, the Secretary of the Treasury Board. First, may I congratulate the Chairman of the Standing Committee on Finance, Senator Leonard, for the excellent work he has suggested that the committee should perform.

The witness this morning was Dr. George Davidson, Secretary of the Treasury Board. The Treasury Board is considered by most of us as an abstraction, a spiritual thing of which we know very little. This morning we learned much more about it. We were told that the chairman is the Minister of Finance—this we knew beforehand. But we learned that the vice-chairman is the President of the Privy Council, and that there are four other members of the board. The decisions are made not by a single member of the board, which is composed of ministers, but can only be arrived at by at least three members of the board. All recommendations sent to the board are from cabinet ministers. Some recommendations are turned down, but the minister concerned or those who have made the recommendation are not always notified when there is an adverse decision from the board. That is my first point.

My second point is that most of the officers of the Treasury Board are self-taught. Some of them are university graduates with up to a B.A. degree, but there are very few professional men on the board. This is in conflict with the requirements of the Civil Service Commission, as to academic degrees for all candidates who compete in examinations. I find it illogical that when every candidate is required to have a long list of academic letters after his name, the officers of the Treasury Board who perform such an important function are just men who have been there for many years. They may be very honourable gentlemen, but are without any university training or have only elementary university training.

The work that is performed at the present time by the Finance Committee is the most important work that is being done by any committee of the Senate, because we are learning something about the business of government, thanks to the chairman and to my colleagues.

Hon. T. D'Arcy Leonard: Honourable senators, I think I should add a few words to what Senator Pouliot has said.

First of all, as to the matter of recommendations from Cabinet ministers that were turned down and the notification to such ministers of adverse decisions, I think the explanation Dr.

Davidson gave was that in all major matters the minister would be notified of the decision turning down a request, but it might happen that in minor matters no actual notification would be given.

On the question of the qualifications of the members of the staff of the Treasury Board, I do not think that Dr. Davidson would agree with the interpretation that has been given by Senator Pouliot. In so far as the requirements for the Treasury Board purposes are concerned, I think Dr. Davidson's point was that all members of his staff are extremely well qualified. The expression "self-taught" would not be an appropriate designation for them.

It is true that the Treasury Board may be dealing with matters of construction or engineering, and the officials of the board do not themselves possess degrees from universities in engineering or architecture, but in his description of them Dr. Davidson said they were men who did have university training, and for the purposes for which the board requires them they are well qualified.

The proceedings are being printed, and if I have been inaccurate in my interpretation of the evidence given by Dr. Davidson, I can correct it.

Hon. Mr. Pouliot: In a spirit of conciliation, I will substitute the words "self-made men" for "self-taught men".

Hon. Mr. Leonard: I still do not think Dr. Davidson would agree with that description.

Motion agreed to.

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 recommend 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. Thorvaldson: I move, with leave of the Senate that the report be adopted now.

Report adopted.

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 next, May 31, at 8 o'clock in the evening.

I should explain that Monday is the last day of the month of May, and there is likely to be an interim supply bill before Parliament at that time. It is desirable that the Senate be sitting so that that bill can be dealt with, should the occasion arise.

Hon. Mr. Flynn: Is next Monday the last day for the passing of this bill?

Hon. Mr. Connolly (Ottawa West): Supply runs out on May 31.

Hon. Mr. Flynn: It should not be sent to us at the last hour.

Motion agreed to.

CENTRAL MORTGAGE AND HOUSING CORPORATION ACT

BILL TO AMEND—THIRD READING

Hon. A. B. Baird moved the third reading of Bill S-8, to amend the Central Mortgage and Housing Corporation Act.

Motion agreed to and bill read third time and passed.

PRIVATE BILL

PRINCIPAL LIFE INSURANCE COMPANY OF CANADA—THIRD READING

Hon. Donald Cameron moved the third reading of Bill S-9, to incorporate Principal Life Insurance Company of Canada.

Motion agreed to and bill read third time and passed.

RETIREMENT OF SENATORS BILL

SECOND READING

The Senate resumed from yesterday, the adjourned debate on the motion of Hon. John J. Connolly for the second reading of Bill C-98, to make provision for the retirement of members of the Senate.

Hon. Gunnar S. Thorvaldson: Honourable senators, my purpose in speaking to this bill is to support the point of view of my col-

league Senator Flynn, as presented in his splendid contribution to the debate on this bill yesterday afternoon.

This bill is of very great importance to members of the Senate. It also makes a fundamental amendment to the provisions of the British North America Act respecting the Senate, at least with respect to future appointments to the Senate.

As regards present members of the Senate, the proposed constitutional amendment does not in any way alter their constitutional status as lifetime senators.

In the few remarks that I will make on the bill, I propose to deal only with Part III, namely, the provisions applicable to persons summoned to the Senate before the coming into force of this act. Section 14 of the bill, being the second section in Part III, provides that such a senator may resign when he has attained the age of 75 years.

I am in agreement with the principle of such an amendment, and as far as I am aware all my colleagues on this side of the house are in agreement with it. I personally am not in agreement with any view to the effect that this constitutes a reform of the Senate. Rather than a reform measure, it is an amendment which appears to be in accord with the mood of the times in which we live.

One aspect of this is that it has become a customary line of thought in this day and age that people should have more leisure time after they reach their seventies. It has also become customary to believe that one's physical and mental powers begin to deteriorate at or near this age, and that consequently people in official positions should be relieved of some of their burdens and responsibilities at this period of life. Whether this point of view is accurate or not, I shall not comment. Nevertheless, this point of view has been accepted for many years in regard to judges in this country, who formerly were appointed to hold office for life. However, all that has since been changed, and judges are required to retire from office at the age of 75 years.

Consequently, as I said before, my colleagues on this side and I are in agreement with the principle of the constitutional amendment providing for the retirement at age 75 of future appointees to the Senate. We are also in agreement with the principle of a legislative provision giving to present senators an opportunity to retire upon achieving the age of 75.

There is, however, a further provision—the wisdom of which I personally question—that requires a senator who has attained the age of 75 years of age at the time of the passage of this act, to elect within one year whether the act should apply to him or not. My question is: why should there be any restriction whatsoever of this kind, namely, fixing a time limit within which this election has to be made? If the purpose is to act as sort of bait to present senators to retire almost forthwith because of some motives in regard to aspects of pension provisions, then I believe that such provision is entirely unworthy of acceptance by this body.

In any event, as far as I know there has been no explanation whatsoever as to the reason why a senator may not make his election at any time he desires after having reached the prescribed age.

This provision was not, as I understand it, Government policy when the original bill was presented in the other place. I have this original bill before me now and I would like to read clause 14 of it.

Hon. Mr. Smith (Queens-Shelburne): Which bill is that, may I ask?

Hon. Mr. Flynn: The first reading.

Hon. Mr. Thorvaldson: This is the bill which was presented for first reading and is dated April 27, 1965. Clause 14 of that bill reads as follows:

> The Governor in Council may grant to a Senator
>
> (a) who has attained the age of seventy-five years, or
>
> (b) who has become afflicted with some permanent infirmity disabling him from the due performance of his duties in the Senate,
>
> if he resigns his place in the Senate, an annuity equal to two-thirds of his sessional indemnity, to commence at the time his resignation takes effect and to continue during his natural life.

That was section 14 as it read in the original bill. There was nothing in that bill in regard to election or limitation of time regarding an election, within which time a senator must resign or he would not be able to do so at all. Consequently, I want to emphasize that the bill we have before us was not Government policy at the time of the introduction of the bill in the other place.

Hon. Mr. Leonard: May I ask the honourable senator a question? Is not clause 14 as he read it still in the bill?

Hon. Mr. Flynn: No.

Hon. Mr. Thorvaldson: It is still in the bill, yes, but the whole effect of this part of the bill is changed in the manner I have described.

Hon. Mr. Leonard: This is still Government policy, but an additional provision has been put in.

Hon. Mr. Thorvaldson: Yes, that is right in respect of the original clause. I want to remind my honourable friend, however, that what I am speaking of is the basic difference. I am in agreement with the former clause 14, but I question the amendment that was made in the other house in regard to this matter.

I will not pursue this question any further now, but I wish to say that this will be one of the matters in the bill which I believe a committee of the Senate should consider seriously on its merits and without any partisan motives whatsoever.

As to sections 15 and 16, namely, the provisions regarding the pension payable to a senator who retires under Part III, and the provision in regard to a senator becoming afflicted with some permanent infirmity, which prevents him from the due performance of his duties in the Senate, these seem to be reasonable and fair considering the circumstances that present senators were appointed under a constitutional provision which made the appointment permanent for their lifetimes. Furthermore, let us also keep in mind the fact that, as a result of their entry into the Senate, many, if not most, senators have altered their business and professional arrangements to the extent of entailing huge reductions in their personal incomes, as well as sacrificing advancement in their commercial and professional avocations.

I wish now to deal briefly with section 17, which refers to a contribution to be made by senators to the Consolidated Revenue Fund of 6 per cent of the amount payable to them by way of sessional indemnity.

In the first place I wish to make it clear that neither I nor, do I believe, my colleagues have any objection whatsoever to a contribution to a proper pension fund. However, nothing in this legislation indicates that the proposed deduction from the sessional indemnity has any relationship whatsoever to a pension fund, vested or otherwise. There is no suggestion in the bill that any specific benefit is eventually to be received either by the senator personally or by his heirs as a result of this deduction.

Let me repeat that it would appear that the proposed payment into the consolidated revenue fund has no relationship whatsoever to any future benefit to be received by a senator or his widow or other heirs. Consequently, one cannot help but wonder under what principle this deduction is required to be made. What are the motives behind the legislation? Is the legislation motivated by the thought, for instance, that this deduction will tend to speed up voluntary retirements of senators who have reached the age of 75 years? If so, this provision is not worthy of contemplation here. Also, let me remind you that this provision did not appear in the original bill. There was no section 17 in it. It was not then Government policy.

I want it clearly understood, however, that the purpose of these remarks is to get an answer to the question as to what, if any, relationship there is between the proposed payment into the Consolidated Revenue Fund and any benefit to be received therefrom. If there is no such principle involved, then it would appear to me that this is merely a gratuitous deduction made without any reason and for no purpose.

I do not propose to go any further with this question at the moment, but it appears to me that an improvement in these features of the legislation should be made in committee and later agreed to by this house.

In conclusion, I wish to re-emphasize that I am in agreement with the principle of retirement of senators at or after the age of 75, but I question the two details of this legislation referred to in these remarks, namely, (a) the compulsion to elect to retire within one year after attaining the age of 75, and (b) the payment of a contribution to the Consolidated Revenue Fund, which has no relationship whatsoever to any future pension or benefit to be received by a senator or his widow.

Honourable senators, there are many other matters that could be said in regard to the debate on this bill in the other place. However, there is no great purpose to be served in becoming provocative here concerning those things. Let me make it clear, however, that the matters I have specifically dealt with in these remarks were not Government policy at the time of the introduction of the bill in the other place, but to my mind they resulted from a hodge-podge of ill-advised amendments offered in that place.

Consequently, I trust that these matters will receive thorough study and consideration both here and in whatever committee this bill is eventually referred to.

Hon. John J. Connolly: Honourable senators—

The Hon. the Acting Speaker (Hon. Mr. Gershaw): May I remind honourable senators that if the sponsor of the bill speaks now, it will have the effect of closing the debate.

Hon. Mr. Connolly (Ottawa West): Honourable senators, in the first place I should like to thank Senator Flynn and Senator Thorvaldson for their contributions to this debate. As I said, or intended to say, in my opening remarks, no one pretends that this bill is perfect in every respect.

If I may paraphrase what Senator Flynn has said, he believes my opening speech was in a relatively low key. I can say to him and to the Senate that this was not unintentional. The purpose of my speech then was primarily to get the bare bones of the explanation on the record before the weekend, so that senators would have an opportunity to examine the proposed legislation, without having to examine the legislation antecedent to this particular bill.

Honourable senators, if second reading of this bill is approved today, I will move that it be sent to the Standing Committee on Banking and Commerce, where officials will be prepared to answer questions by honourable senators.

There are two or three matters that bear repetition and perhaps some comment. I am sure honourable senators will realize that I am not taking a partisan stand any more than they did when they spoke. Honourable Senator Thorvaldson, speaking today, was a little concerned about the impropriety of having a one-year limitation placed on the exercise of the option by senators who have now attained the age of 75 years or by those now in the house when they reach that age. In this regard I would inform honourable senators that this proposal was placed in the legislation as a result of sincere suggestions made by honourable members of this chamber who were not seeking any special advantage, but who felt that this was a proposal that should be in the bill.

Senator Thorvaldson speaks about the pressure put on senators over 75 who without monetary benefit will have to contribute $720 a year. In this case also the idea of a contribution by honourable senators was raised originally by members of this house, not by members of the other place, who felt—and I say this in tribute to them—that a pension to which they had made no contribution whatever was not a good thing.

Hon. Mr. Thorvaldson: May I ask the honourable senator not to misrepresent my stand in the matter. I tried to make it clear that I was not opposed to a contribution by senators, but that I felt there should be some basic principle governing such contributions.

Hon. Mr. Connolly (Ottawa West): I am sorry if it was not clear; there was some noise in the chamber and perhaps I was not clearly understood. I agree that honourable Senator Thorvaldson did not suggest there should be no contributions, and I accept the explanation he gives of what he said. But some members of this honourable chamber felt that it would be helpful to the Senate as a whole if contributions were made by senators, even those who are appointed for life. I think that position would be generally applauded in the country at large.

I do not say there is any actuarial basis for this kind of payment. It is not suggested in the legislation that there should be, but it is felt that a contribution to this fund by senators who may eventually take a benefit therefrom was the least that they could do. I would remind honourable senators that in 1963 there was an increase in the indemnity to honourable senators and, I would add, none too soon. At that time the indemnity to honourable senators was increased from $8,000 to $12,000 per year, and the allowance to meet the expenses of senators in the course of their duties was increased from $2,000 to $3,000 a year. More important still, that $3,000 was put on the basis of a tax-free allowance, as it should be. In addition, certain new travelling benefits were established. I should add that the contribution of $720 will be deductible for income tax purposes, so that generally speaking the net contribution will not be anywhere near that sum.

I say these things because I feel they should be said, and I think the position of the Senate in the eyes of the public is enhanced by doing so.

Senator Thorvaldson complains about the impropriety of the election and the necessity to make it within one year. What I am about to say is not meant unkindly, but the bill proposed on two occasions by the party

which he supported gave no election whatever. It provided that senators would be retired at 75 regardless of the effect of such retirement.

Hon. Mr. Thorvaldson: Such a bill would never have passed this Senate.

Hon. Mr. Connolly (Ottawa West): The bill was proposed, and who knows but honourable senators opposite might have had to support it. But I say in respect of this present bill that the patent is honoured. The commitment is recognized, and no honourable senator will be in any worse position by virtue of the passing of this bill.

I have had representations made to me by a number of senators about the desirability of providing survivor benefits for widows of senators. This may be done in either of two ways under the bill. I do not deny that some senators may have a difficult decision to make. But at least they will have a choice, and, I would add, these benefits for widows have not been available heretofore.

The clause enabling an honourable senator to retire on account of disability is also very important for every member of this house, not only now but hereafter. In answer to my honourable friend, Senator Pouliot, let me say that the kind of medical certificate required will be the type normally required in circumstances of this kind, and if an honourable senator is found to be unable to discharge his duties because of disability, then medical evidence to that effect will be accepted for the purpose of his resignation.

Hon. Mr. Hollett: Would the honourable leader permit a question? Two alternative methods for the provision of widows' allowances have been mentioned. Would he outline them to the house?

Hon. Mr. Connolly (Ottawa West): Yes. If a senator desires to stay under Part III of the bill and retire at 75, and should he die following retirement, leaving a widow, there is a pension payable to that surviving widow which has a present value of $2,666 a year. But if instead a senator desires to come under Part II of the bill, and to come under the provisions of the Members of Parliament Retirement Allowances Act, the contributions made will build up an entitlement to a pension for the retiring senator, when he does retire, at the rate of $300 a year. I take Senator Flynn's example. In 10 years the accumulated contributions would provide a senator with a pension of $3,000 a year. If he should die, there would be an entitlement to his widow of $1,800 a year. These are the alternatives. I had it impressed upon me many times before this bill came here that it would be very desirable that the bill provide survival benefits for widows of senators. For that reason I am glad that such a provision is now included.

My only hope is that the decision that honourable senators may have to take will not be too hard a decision for any one of them. Maybe there will be the element of gamble. I suppose you do this in connection with life insurance—as you get on in years you surrender policies because the risk or the requirement for protection is not as great in later years as it is in earlier years.

I do think that it is a beneficial bill, and that as a result of the suggestions made by honourable senators it is the kind of bill that does credit to this chamber.

In view of the difficulties that some older senators have found arising out of ill health and the impossibility of attendance, and considering the dependence of such persons upon their indemnity, it is really a wonderful thing that a life-term senator should have an opportunity to retire in dignity and with an adequate pension. If the bill achieved nothing more than that, it would be a providential and beneficial bill for the Senate and for Parliament.

Hon. Senators: Hear, hear.

Hon. Mr. Connolly (Ottawa West): Honourable senators, I do not intend to take up the time of the house at any greater length. I believe a committee hearing will clear up difficulties of interpretation and perhaps even afford explanations of individual cases which would be harder to give here than in committee. It will provide an opportunity for senators who have special problems to get detailed answers from the expert witnesses who will be available.

I commend the bill to the chamber.

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.

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY—ORDER FOR RESUMING DEBATE STANDS

On the Order:

Resuming the debate on the motion of the Honourable Senator Bourque, sec-

onded by the Honourable Senator Aird, for an Address to His Excellency the Governor General in reply to his speech at the opening of the session—(Honourable Senator Monette).

Hon. Gustave Monette: Honourable senators, yesterday when the debate was adjourned I proposed that it be adjourned indefinitely. It now appears, contrary to my intention, that it was adjourned until today. I am now in a position to set a date, and I would appreciate if, with the leave of the Senate, the debate could be adjourned until Wednesday next.

Hon. Senators: Agreed.

Order stands.

The Senate adjourned until Monday, May 31, at 8 p.m.

THE SENATE

Monday, May 31, 1965

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

Prayers.

APPROPRIATION BILL NO. 3, 1965

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-110, 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

Hon. John J. Connolly, with leave of the Senate, moved the second reading of the bill.

He said: Honourable senators, Bill C-110 is a bill of interim supply. Copies have been placed on the files of honourable senators, and in addition, as has become the custom in explaining supply bills, I have provided a memorandum which summarizes the financial aspects of the bill. This memorandum is being distributed now, and I hope that all members will have a copy.

This is a bill to provide one month's supply. It provides, in the first instance, one-twelfth of the items to be voted in the main Estimates, as the memorandum indicates and as appears in section 2(a) of the bill, in the amount of $365,219,237. In addition to that amount, there are percentages of certain items in the Estimates of certain departments, all of which are set out in the schedules to the bill. The memorandum, as I have indicated, is a summary only of the provisions of the bill.

The total amount to be voted by this bill is $380,770,370.34. The money to be voted will meet all the necessary requirements of the public service up to June 30, 1965. In no instance is any one of the items in the general Estimates being released.

The bill is in the usual form of bills of interim supply, with which honourable senators are very familiar. I give the usual undertaking that the passage of the bill will not in any way prejudice the rights and privileges of honourable senators to criticize or deal with any item of the Estimates when it comes up for consideration in other supply bills. These rights and privileges will be completely respected.

If I may, I shall deal now with the schedules. Schedule A provides an additional $400,000 to be voted, which is eight-twelfths of Item 70 in the Estimates of the Department of Mines and Technical Surveys. This item covers subventions in respect of eastern coal under agreements entered into pursuant to the Atlantic Provinces Power Development Act. These payments are designed to enable maritime thermal power plants to obtain coal at the same B.T.U. cost as is paid by thermal plants in central Canada. The additional amount is required because there are certain outstanding accounts that have been received from power commissions for coal shipped during the period December 1, 1964 to March 31, 1965.

Schedule B asks for an additional $2,221,-666.67, which is four-twelfths of item 5 in the Estimates of the Department of Northern Affairs and National Resources. This has to do with the Roads to Resources program, with which all honourable senators are familiar. It provides for payments to provinces under agreements for the construction of these roads. The additional money required in this instance is to meet accounts from the provinces for work done under the program in 1964-65.

I direct attention to Schedule C of the bill which requests an additional $12,929,466.67, being one-twelfth of several items under various departments, particulars of which are given in the schedule.

Perhaps I can help honourable senators by describing the items briefly and indicating the reason why the additional amount is required.

Under the Department of Finance, item 15 of the general Estimates deals with contingencies: paylist accounts, miscellaneous, minor or unforeseen expenses, and awards under the Public Service Inventions Act. The general amount provided here is $6 million. The amount required to be voted tonight under this item would be approximately $500,000. This item in the Estimates operates in many respects as a revolving fund, and items financed from this are later included in supplementary and in final Estimates. The funds which are financed out of this item now will then be reimbursed. At this early stage in the year no reimbursement is possible because supplementaries have not yet been tabled. Therefore, the total payments against this vote are heavier than they will be later in the year.

Under the Department of Fisheries, item 5, there is a requirement for an additional one-twelfth, which is a little under $1¼ million. This vote provides for the bulk of the field program of the department for industrial development, conservation, fisheries inspection, Newfoundland bait service, administration of the Fisheries Price Supports Act and Canada's share of the expenses of seven international commissions.

The additional money is required because much of the actual expenditure is incurred at this time of the year.

Under the Department of Fisheries, item 20—Fisheries Research Board of Canada—an additional one-twelfth of $6,906,000 is required. This vote provides for the headquarters and field costs of biological, technological and oceanographic research carried out by the board in coastal and inland waters. Again, at this time of the year the additional amount is requested to finance the heightened field research activity which takes place on the mainland.

Under the Department of Forestry, one-twelfth of item 15 is required for the work that is done in research in connection with the use of forest products. Again, the activity during the summer months is very high.

Under the Department of Labour, item 15, the Estimates call for the payment to the provinces for capital assistance and technical and vocational training. The total amount provided in this year's Estimates is $116,988,000. An additional one-twelfth of that amount is now requested for the reason that some additional billings have been received from the provinces in respect of these programs, and this amount should be provided to meet these claims.

Under the Department of Northern Affairs and National Resources, item 1, the administration and general section, the amount required for the year will be $1,817,000. One-twelfth of that vote is requested to provide for headquarters and administration for the expense of northern co-ordination work. The payments in June of the grants of northern scientific research expeditions will be coming forward.

Honourable senators, I turn now to the bill itself, Bill C-110, which is known as Appropriation Act No. 3. Section 2 sets out the particulars of the financial requirements which are contained in the memorandum which has been distributed.

Section 3 provides, as is customary in bills of this kind, that the amount authorized by this act to be paid in any item shall be paid or applied only for the purposes specified in the item and subject to the terms and conditions of the item.

Section 4 provides that where an authority to enter into a commitment is authorized, the commitment may be entered into only under the terms provided in the item, and the Comptroller of the Treasury must certify that this has been done before the money is released.

Section 5 provides for the accounting of the expenditure of the money.

If honourable senators have questions to ask on any of the details, I shall be glad to provide any further information I can.

Hon. Lionel Choquette: Honourable senators, I am sure we are all grateful to the Leader of the Senate for the clear explanaiton he has given us. I do not propose to speak at length or hold up interim supply on this occasion. Indeed, I was for some time doubtful whether I should add my voice to those of many distinguished senators—perhaps I should single out Senators Crerar, Pouliot, Ross Macdonald and Grattan O'Leary—who have in the past criticized this type of sudden procedure whereby senators are required to proceed with undue haste to consider interim supply. I have decided to add my voice, not because it is so strong but because the constitutional rights of the Senate are affected.

Hon. Mr. Connolly (Ottawa West): And the company is good.

Hon. Mr. Choquette: Or, what is perhaps worse, they appear to be affected. On such occasions as this, the operation of the Senate does indeed look like an undignified job of rubber stamping decisions already made elsewhere.

We cannot in conscience, nor should we, hold up interim supply unduly, since under positive guarantee it has been undertaken that we will have an opportunity to discuss the main Estimates in full at a later date. I do not want to comment at great length on this understatement, but we know that, although we are given the promise and the undertaking that we will be able to ask questions and discuss in detail the Estimates when they come to us, they probably will come to us at as late a date as this interim supply is coming to us—we know that. The same fault is committed under any party, under any government. I will let honourable senators judge the practical value of such undertakings, but at least they have been made.

In this instance, the Senate has met at an early opportunity. I cannot find fault with that, nor do I believe that I can really change the ancient custom in this regard. Long established customs, whatever their intrinsic merit, or lack thereof, have a strange tenacity and a tendency to perpetuate themselves. At the present moment, I am not quite sure how imminent is the necessity for interim supply, but it has always been "imminent" in the past.

At this stage I will content myself with this mild protest.

Hon. Mr. Croll: Honourable senators, I have one question. I should like to call the attention of the Leader of the Government to schedule B, containing the item, "Northern Affairs and National Resources: Administration and General." In schedule C there is an item, "Northern Affairs and National Resources: Administration and General." What is the significance of those?

Hon. Mr. Connolly (Ottawa West): The difference is the amount which is required. In schedule B, the amount required is $2,221,-666.67, which is four-twelfths of the total of an item of $6,665,000 authorizing contributions to the provinces in respect of the Roads to Resources program; this is vote No. 5 of the Department of Northern Affairs and National Resources. In schedule C the item is vote No. 1 of the general Estimates of that department. This covers departmental administration, and an additional one-twelfth of that item is required.

Hon. Mr. Isnor: Would the Leader of the Government be good enough to enlarge on the purposes of vote No. 20, in schedule C? He referred to the fact that it deals with the Great Lakes or inside fisheries and also with the coast. Does that mean the east and west coasts and, if so, what would be the division?

Hon. Mr. Connolly (Ottawa West): I am sorry I cannot give the division as between the east and west coasts, but I will get that information for the honourable senator. I would think that a good deal more research is done on the east coast than on the west coast. The item itself reads:

> Administration, operation and maintenance including an amount of $100,000 for grants for Fisheries Research and for Scholarships and authority to make recoverable advances of amounts not exceeding in the aggregate the amount of the share of the International Great Lakes Fishery Commission of the cost of work on lamprey control and lamprey research.

Honourable senators will remember the very informative speech made by Senator Paterson some years ago on this interesting subject of lamprey control. In fact, he has given further explanation of the development of the program since then. The only other information available to me is that the vote provides for the headquarters and field costs of the biological, technological and oceanographic research carried out by the board in coastal and inland waters. I will try to get a breakdown of the amount estimated to be spent on the east coast, the west coast and inland waters. When I have this information I shall supply it to honourable senators.

Hon. Mr. Hollett: Honourable senators, under vote 15, financial contingencies, (c) "awards under the Public Servants Inventions Act," could the honourable leader explain what that entails and what awards are to be made.

Hon. Mr. Connolly (Ottawa West): I am afraid I cannot give many details on this. As honourable senators know, an invention developed by a public servant in the course of his duties becomes the property of the Crown, and for a long time no recognition was given to public servants who invented something worthy of a patent. For this reason more than for any other, an item was included in the Estimates to provide for the granting of awards to public servants in this category. I do not know if it will be possible to provide information on the awards expected to be made in the coming year, but it might be more interesting to honourable senators if I were to obtain information on the persons who have received awards in recent years and the nature of the awards granted.

Hon. Mr. Hollett: I would also refer to Vote 20, Fisheries Research Board of Canada, where there is mention of an amount for fisheries research and for scholarships. Would it be possible at some time to supply a list of the scholarships that have been awarded under that particular vote?

Hon. Mr. Connolly (Ottawa West): Yes. But perhaps the honourable senator would be good enough to allow me some discretion as to how far back the research for this information should go. If it goes too far back, the task could well be enormous. However, I shall make inquiries and endeavour to get a reasonable answer.

Hon. Arthur W. Roebuck: Honourable senators, 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 (Hon. Mr. Connolly, Ottawa West) 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.

I have another point to make. I have not joined in the protests constantly voiced over the many years that I have been here about the late hour at which the interim supply bills and the general supply bill reach the Senate. It does seem to me that we are masters of our own procedure. No one can hurry us. If any member thinks that we can gain anything in public interest by delaying these bills and inquiring into the matters involved, there is nothing to stop us adjourning the debate, and there is nothing to prevent the Senate from taking all the time necessary to inquire into all details. We do not do so, not because of any pressure put upon us by the Government, no matter which party is in power or which administration sends the Estimates to us, but simply because it would be an exercise in futility. The Estimates are in the same form and are dealt with in the same manner year after year.

I do not see where we have any ground for protest. We are masters of our house, and, as I have said, if there is any member here who thinks that delaying the vote will help in any way, then he is in a position to do so. I have never joined in these protests, and I am not doing so now.

Hon. Mr. Connolly (Ottawa West): Honourable senators—

The Hon. the Speaker: Honourable senators, I must inform the Senate that if the honourable Senator Connolly speaks now it will have the effect of closing the debate.

Hon. Mr. Connolly (Ottawa West): Honourable senators, referring first to the point made by honourable Senator Roebuck with regard to the elm trees, I am sure this is a matter of concern to all honourable senators. The elm is indeed a most beautiful tree. There were three beautiful elms in front of my own house here in Ottawa; they must have been at least 75 years old. Five years after I moved into the house they had to be removed, and, honourable senators, I felt it was like taking a rib from my side. Unfortunately, the loss of elms has happened in many parts of the national capital. I thank Senator Roebuck for his suggestion. I am sure we will be able to get some information from the National Capital Commission, from the Department of Agriculture and from the Department of Forestry. I shall seek information from all possible sources.

Honourable senators, it is now 20 minutes to nine and this house has been engaged in discussing interim supply—which is really only authority for releasing one month's supply of money—since this sitting commenced. I understand that in the other place these matters were dealt with in 10 or 15 minutes. Obviously the Senate has spent more time on these items than did the other place. I feel that is worthy of comment.

I want to say to Senator Choquette—and I am sure he will concur in this—that the undertaking given in respect of this and all supply bills is a serious one, which I think has serious consequences for honourable senators who may want to investigate in detail items in the Estimates.

I would also remind the Senate that we have in this session, as in past sessions, referred the Estimates to the Standing Committee on Finance. The third meeting of that committee is scheduled for Thursday of this week. I shall endeavour to get written answers to the questions that have been asked here, and in addition I shall have copies of these answers prepared and placed in the hands of the Chairman of the Committee on Finance so that any honourable senator who wishes further information can seek it from the witnesses who can be called before that committee.

I think the situation in the other place will be different in the future after their rule changes are approved, if they are approved. We can provide ourselves with very useful information about the Estimates, perhaps, in a more methodical way than can be done in the other place. I think it would be appropriate, for example, for senators to take advantage of the sittings of the Finance Com-

mittee to obtain answers to these and other questions relating to the general items of the financial Estimates.

Hon. Mr. Roebuck: I cannot see why these answers cannot be made in this chamber where the questions are asked. It should be borne in mind that since the Estimates are dealt with monthly, it will be a comparatively few days before the Government again asks for supply; so the answers given and the questions that arise therefrom can be considered again in one month's time. In the meantime, if any honourable senators question any item, they will have one full month for inquiry and investigation. So, why can we not have the answers to these questions tabled in the house?

Hon. Mr. Connolly (Ottawa West): I will undertake to do that.

Hon. Muriel Fergusson: Honourable senators, I may be out of order, but I do not know when I may have another opportunity to make the comment I wish to make. May I have your permission to take this opportunity?

The Hon. the Speaker: Is unanimous consent given?

Hon. Senators: Agreed.

Hon. Mrs. Fergusson: I would merely like to remind the honourable Leader (Honourable Mr. Connolly, Ottawa West) that the problem of the Dutch elm disease is not limited to the national capital.

Hon. Mr. Connolly (Ottawa West): I do not suggest that it is.

Hon. Mrs. Fergusson: You did say you would investigate it and, as I understood your comments, your reference was only to the national capital.

Hon. Mr. Connolly (Ottawa West): No. This is a national problem.

Hon. Mrs. Fergusson: My city is known as the "City of Elms," and the disease is a serious problem with us. I hope the information which we receive will cover all of Canada.

Hon. Mr. Connolly (Ottawa West): It will.

Hon. Mr. Leonard: May I ask permission also to make one remark apropos of this discussion?

The Hon. the Speaker: I am afraid I may have to give general permission to everyone. Is it agreed?

Hon. Senators: Agreed.

Hon. Mr. Leonard: I wish simply to say that the experiment to which Senator Roebuck referred is going on in Toronto at the present time. I am watching the trees to see the effect the injections are having on them, and perhaps I may have some further information in due course too.

Motion agreed to and bill read second 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.

PRIVATE BILL

THE PACIFIC COAST FIRE INSURANCE COMPANY—FIRST READING

Hon. Gunnar S. Thorvaldson presented Bill S-14, 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 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. 126 to 145, inclusive, and moved that the said reports be taken into consideration at the next sitting.

Motion agreed to, on division.

EXTERNAL RELATIONS COMMITTEE

CHANGE IN MEMBERSHIP

Hon. Arthur L. Beaubien, with leave of the Senate, moved:

> That the names of the honourable Senators Cameron, Cook and Roebuck be substituted for the names of the honourable Senators Power, Bradley and Beaubien (Provencher) respectively on the list of senators serving on the Standing Committee on External Relations.

Motion agreed to.

FINANCE COMMITTEE

CHANGE IN MEMBERSHIP

Hon. Arthur L. Beaubien, with leave of the Senate, moved:

> That the name of the honourable Senator Aird be substituted for the name

of the honourable Senator Grant on the list of senators serving on the Standing Committee on Finance.

Motion agreed to.

PRIVATE BILL

THE TRUSTEE BOARD OF THE PRESBYTERIAN CHURCH IN CANADA—SECOND READING

The Senate resumed from Wednesday, May 26, the adjourned debate on the motion of Hon. Mrs. Fergusson for the second reading of Bill S-10, respecting The Trustee Board of The Presbyterian Church in Canada.

Hon. John J. Kinley: Honourable senators, I want to thank the honourable Senator Inman for securing an adjournment to the debate on this motion, in my absence. I am interested in this bill, and I was seeking information, some of which I have already received. However, as the General Assembly of the Presbyterian Church will shortly be in session in the City of Toronto, it might be opportune and salutary for them to look at this bill before it becomes law. I hope that opportunity will be granted.

In my view the bill should go to committee, because anything I have to say about it can very well be said in committee.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mrs. Fergusson, bill referred to the Standing Committee on Miscellaneous Private Bills.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Tuesday, June 1, 1965

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. 1965-940, dated May 20, 1965, authorizing under section 21 of the Export Credits Insurance Act, long-term financing by the Export Credits Insurance Corporation for the sale by RCA Victor Company Ltd., Montreal, Quebec, of microwave, radio and television broadcasting and communication equipment and associated technical services to the General Egyptian Organization for Cinema and Broadcast Engineering, Cairo, Egypt, pursuant to section 21B of the said Act, chapter 105, R.S.C., 1952, as amended 1960-61. (English text).

Capital Budget of the Northern Canada Power 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, together with copy of Order in Council P.C. 1965-857, dated May 13, 1965, approving same. (English text).

Report of the Master of the Royal Canadian Mint for the year ended December 31, 1964, pursuant to section 21 of the Currency, Mint and Exchange Fund Act, chapter 315, R.S.C., 1952. (English and French texts).

Statutory Orders and Regulations published in the *Canada Gazette*, Part II, of Wednesday, May 26, 1965, pursuant to section 7 of the Regulations Act, chapter 235, R.S.C., 1952. (English and French texts).

HON. MAURICE BOURGET

FELICITATIONS ON HONORARY LIFE MEMBERSHIP IN THE ENGINEERING INSTITUTE OF CANADA

Hon. John J. Connolly: Honourable senators, we are all aware of our distinguished colleague who occupies the Chair in this house, and all of us appreciate fully the able manner in which he presides over our deliberations. Speaking personally and for a certain number of my colleagues, I may say that he presides in this Chamber as admirably as a lawyer, indeed as admirably as a judge. The fact, however, is that he is neither a lawyer nor a judge, but is, perhaps for his sins, an engineer.

I am sure all honourable senators are particularly glad to know that in his own profession, as well as in another, Mr. Speaker has distinguished himself. He has been recognized by the Engineering Institute of Canada by the conferral upon him of an honorary life membership in the association.

On behalf of all honourable senators, I should like to extend to His Honour the Speaker our congratulations.

The Hon. the Speaker: Thank you very much.

RETIREMENT OF SENATORS BILL

AUTHORITY TO PRINT COMMITTEE PROCEEDINGS

Hon. T. D'Arcy Leonard, Acting Chairman of the Standing Committee on Banking and Commerce, presented the following report of the committee on Bill C-98, to make provision for the retirement of members of the Senate.

> 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. Leonard: I move, with leave of the Senate, that the report be adopted now.

Report adopted.

REPORT OF COMMITTEE ADOPTED

Hon. Mr. Leonard, Acting Chairman of the Standing Committee on Banking and Commerce, reported that the committee had considered Bill C-98, to make provision for the retirement of members of the Senate, and had directed that the bill be reported without amendment.

Report adopted.

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.

NORTHUMBERLAND STRAIT

TRANSPORTATION SERVICES—INQUIRY ANSWERED

Hon. Orville H. Phillips inquired of the Government, pursuant to notice:

1. Has the Government given consideration to operating a Hovercraft service for passenger and automobile traffic across the Northumberland Strait, and maintaining the C.N.R. car ferries for rail traffic?

2. What is the number of Hovercraft required, the initial cost, and the annual maintenance cost of the Hovercraft for the above service?

3. What is the cost of the Northumberland Strait Causeway with rail facilities, and annual maintenance cost?

Hon. John J. Connolly: The answer to the honourable senator's inquiry is as follows:

1. Developments in Hovercraft are being followed but have not reached a stage where this type of transport could be considered a feasible alternative to either the present ferry system or a causeway.

2. Work on a Hovercraft type of a size that might be suitable has not gone beyond the planning stage, and data on such factors as capital and operating costs, operating performance and service life are insufficient to draw firm conclusions.

3. Cost figures will not be available until the present studies have been completed.

INTERPARLIAMENTARY UNION

FIFTY-THIRD ANNUAL CONFERENCE AT COPENHAGEN—DEBATE ADJOURNED

Hon. J.-M. Dessureault rose pursuant to notice:

That he will call the attention of the Senate to the Fifty-third Annual Conference of the Interparliamentary Union held at Copenhagen, Denmark, in August 1964, to the Spring meetings of the Union held in Dublin, Ireland, in April 1965, and to the progress made to date on arrangements for the Fifty-fourth Annual Conference of the Interparliamentary Union to be held in Ottawa, from 8th to 17th September 1965.

He said: Honourable senators, I would like to take this opportunity to report not only on the Interparliamentary Conference which took place last August in Copenhagen, Denmark, and the recent spring meetings in Dublin, but also to summarize the progress made to date on arrangements for the fifty-fourth Interparliamentary Conference which will take place in Ottawa next fall from September 8 to 17.

It may seem late to make this report, but the delay is understandable in view of the many unexpected and unforeseen adjournments in the previous session.

The Fifty-third Annual Interparliamentary Conference took place in Copenhagen from August 20 to 28, 1964. This meeting was a milestone in the history of the Interparliamentary Union. For the first time since its founding in 1889, the number of participants in the conference exceeded 1,000, including more than 500 parliamentarians representing 66 nations of the world. To be exact, there were 537 delegates, 195 advisers and secretaries, and 315 members of families. A number of important international organizations were represented at the Copenhagen sessions, such as UNESCO, which was represented by its Director-General, Mr. Rene Maheu, the World Health Organization, Food and Agriculture Organization, General Agreement on Tariffs and Trade, Council of Europe, European Parliament and the Commonwealth Parliamentary Association.

The following groups sent delegations: Albania, United States of America, Argentina, Australia, Austria, Belgium, Brazil, Bulgaria, Cameroon, Canada, Central African Republic, Ceylon, Chile, Czechoslovakia, Dahomey, Denmark, Ethiopia, Finland, France, Federal Republic of Germany, Ghana, Great Britain, Greece, Hungary, Iceland, India, Indonesia, Iran, Ireland, Israel, Italy, Japan, Jordan Republic of Korea, Kuwait, Laos, Lebanon, Liberia, Libya, Luxembourg, Monaco, Mongolia, Morocco, Netherlands, New Zealand, Nigeria, Norway, Pakistan, Panama, Peru, Philippines, Poland, Rumania, Senegal, Sierra Leone, Somalia, Spain, Sweden, Switzerland, Thailand, Tunisia, Turkey, United Arab Republic, Union of Soviet Socialist Republics, Venezuela, Yugoslavia.

Honourable senators, I am pleased to report that our own Canadian delegation was particularly well selected, being one of the best with which I have been associated. I am happy to say that the members of our own delegation never once lost sight of the fact that they were all Canadians, and together they were able to form a strong Canadian team.

Thanks to the Prime Minister and to my distinguished leader, I had the honour of

being chosen to lead this outstanding delegation, which included honourable Senators Arthur L. Beaubien and Jacques Flynn, and also the following members of the House of Commons: Mr. Russell C. Honey, Mr. Bryce Mackasey, Mr. Raymond Rock, Mr. Eric Winkler, Mr. Eldon Woolliams, Mr. Colin Cameron, Mr. G. Chapdelaine and Mr. Gilles Grégoire, Mr. Alcide Paquette served as Secretary to the delegation, and Mr. Ian Imrie, Co-ordinating Secretary for Parliamentary Associations, accompanied the delegation as an observer.

Honourable senators, I would like to say at this time how very much I, as leader of the delegation and as President of the Canadian Interparliamentary Group, valued the services of Mr. Alcide Paquette, who has been associated with the Canadian Interparliamentary Group since Canada joined the Interparliamentary Union in 1960. He has contributed greatly of his time, energy and experience to the affairs of the Canadian Interparliamentary Group as its Executive Secretary-Treasurer until last March; and, as Secretary to the delegation, he served with characteristic competence, judgment and willingness.

Hon. Senators: Hear, hear.

Hon. Mr. Dessureault: The Canadian delegation left Ottawa on the afternoon of August 17 on the R.C.A.F. Transport Command service flight to Trenton, Ontario, and Marville, France. At both these well-run stations we were welcomed with warmth and hospitality by the commanding officers and their staff, and during the intervals in the flight we were thus able to spend time usefully and enjoyably in conversations with our fine service personnel.

The delegation was taken from Marville to Copenhagen by R.C.A.F., arriving there on the evening of August 18. We were met at Copenhagen Airport by the Chargé d'Affaires of our Canadian Embassy there, Mr. Konrad Nyenhuis, and by a Danish member of Parliament, Mr. Viggo Hauch who, I was sorry to hear, lost his parliamentary mandate in the election held in Denmark last September, following the conference. Through the assistance of these gentlemen, we were quickly cleared through customs and sped on our way to a most comfortable, modern hotel in the beautiful, thriving City of Copenhagen.

I would be remiss if I did not say a very special word of praise for the warm hospitality of our hosts, the Danish Interparliamentary Group, and of the Danish people generally. This beautiful northern country must certainly be a pleasant place to live, as evidenced by the unfailing good nature of the Danes and their willingness to be of assistance to strangers.

The Danish group spared no effort to make our stay a pleasant one. In addition to the reception given on the opening day of the conference by the City of Copenhagen, the Danish group organized on the free Sunday afternoon and evening a most interesting excursion for all participants in the conference through the beautiful countryside of North Zealand to the baroque castle of Fredericksborg and to the famous Kronborg Castle at Elsinore, traditionally associated with Shakespeare's *Hamlet*. Experienced guides were provided for the tour and a superbly arranged dinner was served for more than 1,000 people at the excellent Marienlyst Restaurant at Elsinore. In spite of the large number of guests, a printed seating arrangement had been prepared in advance which had the advantage of mingling the members of the various delegations and providing several members of the host group at each table.

I mention this to underline the high degree of participation by Danish parliamentarians in the various hospitality arrangements. This was a characteristic of the Copenhagen Conference that I think we should bear closely in mind in planning for the coming September conference, at which Canada will be the host group. Success or failure to project ourselves as a hospitable nation will, I believe, depend to a very large extent on how fully our own parliamentarians are prepared to participate in the reception and hospitality arrangements set up for the visiting delegations.

Following the special state dinner at Elsinore, a midnight cruise was arranged to take the delegates back to Copenhagen. The hour was late but the night was perfect, and the cruise provided a fitting climax to a most enjoyable excursion. On another day the heads of delegations and their wives were invited to the summer palace of the Royal Family where they were presented to Their Majesties and the three Royal Princesses. The youngest, the beautiful Princess Anne-Marie, was soon to leave for her wedding with the young King of Greece.

In addition, a gala performance was provided by the Royal Danish Ballet for the delegates to the conference. The Royal Opera House was reopened specially for this brilliant event which was honoured by the presence of

Their Majesties and members of the Danish Royal Family. Or another evening, the international committee of the Students Club of the University of Copenhagen—one of the largest students clubs in the world—invited all participants in the conference to attend a panel discussion on current events. This was an intellectually stimulating evening, and the dance that followed the discussions proved most entertaining.

Any description of the hospitality arrangements at the Copenhagen conference would not be complete in any sense without special mention of the fine program arranged for the ladies attending the conference. Copenhagen is one of the fashion capitals of the world and activities highlighted this fact, with special emphasis on Denmark's famous fur industry. Danish porcelains, furniture and rugs were also placed on display for the ladies; in addition, there were visits to museums, art galleries, hospitals, and educational and welfare institutions. The Danish group offered its program to the largest number of wives that have attended an Interparliamentary Conference—more than 300—but the arrangements were exemplary for their efficiency and sustained interest.

On the evening before the opening of the conference, the Canadian delegation gave a reception jointly with the Canadian Chargé d'Affaires at the residence of the ambassador, at which we received members of the international executive of the Interparliamentary Union and its international secretariat, as well as the members of the Danish Executive Committee, the Danish delegation to the conference, the heads of the national delegations and the diplomatic corps in Copenhagen.

The inaugural ceremony took place on the morning of August 20 at the City Hall of Copenhagen, where the delegates were welcomed by His Majesty King Frederick, Prime Minister Jens Otto Krag, the chairman of the Danish Interparliamentary Group, Mr. Poul Hansen, the chairman of the City Council, Mr. Henry Stjernqvist, and the president of the Interparliamentary Union, Mr. Ranieri Mazzilli of Brazil. It was a stirring ceremony, at which His Majesty and the other speakers took advantage of the occasion to underline that this was the 75th anniversary of the founding of the Interparliamentary Union. In 1889, the Union was founded through the initiative of nine nations: Great Britain, France, United States, Belgium, Hungary, Italy, Liberia, Spain and Denmark.

Delegation heads from these nine founding countries most appropriately took the opportunity to address a special message of rededication to all national groups of the union represented at the conference. This message, which I will not undertake to read, is, I think, one that will be of interest also to honourable senators. I ask leave to include it in the record.

The Hon. the Speaker: Honourable senators, is it agreed?

Hon. Senators: Agreed.

(*The message follows*):

A Message on the Occasion
Of the 75th Anniversary
Of the Interparliamentary Union

The elected representatives of the nine countries which, in 1889, came together to form the Inter-parliamentary Union,

Are happy to be able to celebrate together the 75th Anniversary of this event in the capital of Denmark, whose Parliament was represented in Paris at the first Interparliamentary Conference together with those of the United States of America, Belgium, France, Great Britain, Hungary, Italy, Liberia and Spain,

Have unanimously decided to address the following message to the national groups of the union:

For three-quarters of a century, the Interparliamentary Union, which by reason of the upheavals caused by two world wars has passed through some difficult periods, has nevertheless pursued its endeavours for peace and understanding among peoples with unswerving fidelity to the ideals of its founders as well as with an exemplary continuity of principle and direction.

On the occasion of this anniversary, grateful homage must be paid to those two statesmen, Sir William Randal Cremer of Great Britain and Mr. Frederic Passy of France, who first conceived the union, as well as to those presidents and secretaries general whose devotion has ensured its continuous advancement.

The nine founding countries have grown to seventy-five, and it is significant that one of the first concerns of peoples who achieve independence is to demonstrate their attachment to democracy and to representative institutions by seeking admission to the union which offers them and all its members a forum from which,

speaking in an atmosphere of freedom, reciprocal tolerance and friendship, their voice can be heard throughout the world.

In the course of years, the ideals of the union have influenced the policy of governments in a practical manner, and some of the initial objectives of the organization have been achieved, particularly with regard to the setting up of a universal organization of states, first the League of Nations and today the United Nations.

Similarly, the ideal of settling international disputes by all peaceful means—including arbitration which, from its early days, the Union has constantly advocated—is today accepted by all countries.

It has to be recognized, however, that in spite of all efforts peace is not yet established on a firm basis and that use of force has not been eliminated in international relations. Further, in face of the increasing power exercised by governments and their administrative services, many parliaments have difficulty in maintaining their full prerogatives.

For these reasons, the present representatives of the founding members of the Union address an urgent appeal to national groups inviting them to:

—fight in their own countries for maintaining the authority of Parliament so that it can fully discharge its duties on behalf of the people;

—use their influence so that their governments follow a policy of peace and disarmament, abstain from recourse to force in their relations with other states and settle around the conference table, and not on the field of battle, any differences which may occur.

This 75th anniversary offers parliamentarians of today the opportunity of solemnly renewing their faith in those principles which remain the foundations of the Interparliamentary Union.

Signed on August 28, 1964, on the occasion of the 53rd Interparliamentary Conference.

Poul Hansen
(Denmark)
President of the 53rd Interparliamentary Conference

Katharine St. George (United States of America)	Carlos De Baeck (Belgium)
Gregoric Maranon (Spain)	Marius Moutet (France)
Herbert Butcher (Great Britain)	Eric Molnar (Hungary)
Giuseppe Codacci-Pisanelli (Italy)	Frank Tolbert (Liberia)

Hon. Mr. Dessureault: The conference opened on the afternoon of August 20 in the Danish Folketing, or Parliament, in the Palace of Christiansborg. During the conference the five standing committees of the Interparliamentary Union met to consider amendments to draft resolutions under their study, worked out their 1965 programs and adopted recommendations for presentation to the executive committee. In plenary session, five days of the conference were spent in general debate on the report of the secretary-general and on the following particular subjects:

The fight against disparities in world economy.

Adaptation of the United Nations Charter to the requirements of an enlarged international society.

The problem of education and the fight against illiteracy.

The role of members of Parliament as intermediaries between the citizens and their government. Eight resolutions were adopted on the following subjects:

Possible steps toward general disarmament.

International protection of human rights.

The implementation of the United Nations declaration on colonialism.

Two resolutions on the fight against disparities in world economy.

The problem of education and the fight against illiteracy.

A three-part resolution on the adaption of the United Nations Charter to the needs of an enlarged international society.

Finally, a resolution expressing the grief of the conference at the death of the late Prime Minister Nehru of India.

During the conference the executive committee adopted two resolutions, one admitting the Republic of Korea (South Korea) to membership, the other postponing consideration of the question of the membership of the People's Democratic Republic of Korea

(North Korea) until its relations with the United Nations have become regularized.

In meetings of the Interparliamentary Council on August 19 and 26, the following matters of interest were dealt with on the agenda:

The filling of four vacant seats on the executive council by Mr. Senanayeke of Ceylon, Mr. Vilfan of Yugoslavia, Mr. Mbu of Nigeria and Mr. Hacohen of Israel.

The fixing of Interparliamentary Council sessions at Dublin in 1965.

The choice of Moscow as the site for the 55th Annual Conference in 1966. This, however, was changed to Teheran at the recent spring meetings in Dublin.

And, finally, the organizing of the 54th conference in Ottawa next September 8 to 17.

The annual spring meetings of the Interparliamentary Council were held this year in Dublin, Ireland, from April 19 to 25, 1965. As a member of the Interparliamentary Council and chairman of the Canadian group, I had the privilege of leading another exceptionally fine delegation of eleven parliamentarians. From the Senate, in addition to myself, there were honourable Senator Brooks and honourable Senator Leonard. Our delegation also included eight members of Parliament: Messrs. Herman M. Batten, Bernard Pilon and J. J. Greene from the Liberal Party; Messrs. Winkler and Robert C. Coates from the Progressive Conservative Party; and, in addition, Messrs. Colin Cameron, Maurice Côté and Antoine Bélanger.

They were all assigned to the five different committees of the council meetings, and all distinguished themselves in the discussions as well as in the important task of making friends for Canada.

Mr. Alcide Paquette, a member of the Association of Secretaries General of Parliaments, and Mr. Ian Imrie, Executive Secretary Treasurer of the Canadian group, also accompanied the delegation.

Our delegation received the best attention possible from the Department of National Defence in travelling to the Dublin meetings. We were taken from Uplands Airport in Ottawa direct to Shannon Airport in Ireland aboard one of the fine 60-passenger Yukons.

Our delegation arrived at Shannon Airport early on Saturday morning, April 17, and journeyed to Dublin by bus in order to see as much as possible of Ireland's beautiful countryside. In Dublin we were treated to the warm hospitality of our Ambassador Mr. Evan W. T. Gill, his charming wife and the fine members of his staff. The attention we received from all members of our embassy staff was exemplary, and with that in mind perhaps I should not attempt to single out any one individual for commendation for services rendered to our delegation. However, if I did, I would want to mention the unfailing co-operation and assistance of Mr. John Sharpe, our First Secretary in Dublin, who devoted so much of his time to our welfare.

The spring meetings were largely taken up with sessions of the five Standing Study Committees of the Interparliamentary Union. As a result of their work, a number of draft resolutions were presented to the Interparliamentary Council.

The Political Committee, although not adopting any precise draft resolution, proposed to council that the following subject be debated by the 54th conference in Ottawa next September, namely: United Nations, Instrument of International Co-operation for Peace and Disarmament.

The Parliamentary and Juridical Committee also did not adopt any specific draft resolution, but recommended that a subject on the strengthening of all parliamentary institutions be included on the conference agenda, and four rapporteurs were nominated.

The Economic and Social Committee adopted two draft resolutions; the first on the population problem, and the second on new prospects for economic relations.

The Fourth Committee, concerned with cultural matters, approved a draft text on relations between UNESCO and the Interparliamentary Union, and also two draft resolutions on the use of television for educational purposes, and science and its application in the service of economic development.

Finally, the Committee on Non-Self-Governing Territories an Ethnic Questions adopted an appeal to the United Nations Committee on Apartheid and a draft resolution on the same subject.

The Interparliamentary Council met on Saturday, April 24, to consider the above resolutions. In addition to approving the appeal to the United Nations on apartheid, the council adopted the following subjects for the agenda of the Ottawa conference:

1. The topic provisionally proposed by the Political Committee on the United Nations,

with the understanding that all matters pertaining to UN activity would be discussed.

2. The question adopted by the Parliamentary Committee on means of strengthening the effectiveness of Parliament.

3. The Economic Committee item on New Prospects for Economic Relations.

The council also decided that certain of the draft resolutions adopted by the committees would be referred to the conference for adoption without debate. They were resolutions on the population problem, relations between UNESCO and the Interparliamentary Union, and use of television in the education of children and adults, and the text on the problem of apartheid.

I think I can truly say that the Dublin meetings have been the liveliest in recent years. There was an exceptionally large attendance from member nations, and the standard of debate was very high indeed. All of this augurs well for our September conference.

All parliamentarians attending the union's session in Dublin were unanimous in their appreciation for the efforts made by the Irish Parliamentary Association in arranging the excellent facilities which led to such successful debates.

Honourable senators, if I may be permitted now to turn from this account of the 53rd Interparliamentary Conference, I should like to say a few words about the 54th conference which Canada will have the honour of arranging next September. This will not be only the first conference of this esteemed and venerable international parliamentary body to be held in Canada but, also, it will be the largest parliamentary conference that we have ever undertaken. I am sure all honourable senators will support me when I say that, with the eyes of 75 nations upon us, we must ensure that this event shall be a memorable one for all participants. Canada is known in the world as a friendly country, actively interested in world affairs, and with a will to improve communication and understanding among nations. This is our image and we must make every effort to live up to it.

As a parliamentary affair, the responsibility for organizing this important conference naturally falls on the shoulders of Canadian parliamentarians—both honourable senators and honourable members of the other place—rather than on the Government itself. Much work in arranging the conference must be done by members of our fine parliamentary staff.

Honourable senators will be interested to know that special arrangements have been set up to ensure the effective organizing of the conference. First of all, a joint parliamentary executive committee has been set up under the joint chairmanship of our Speaker, the honourable Senator Bourget, and the Speaker of the other place, the Honourable Mr. Macnaughton. I am acting as vice-chairman of the executive committee. The Honourable Senator Thorvaldson, whose long experience in the activities of the Interparliamentary Union is well known, is a member of this committee. Other members of this committee are the following members of the House of Commons. Mr. Herman M. Batten, Mr. Alexis Caron, Mr. Rosaire Gendron, Mr. R. C. Honey, Mr. Gerald Regan, the Honourable Léon Balcer, Mr. George Chatterton, Mrs. Jean Wadds, Mr. Eric Winkler, Mr. Colin Cameron, Mr. Maurice Côté and Mr. Gilles Grégoire. Also on this executive committee in an ex officio capacity are the Secretary of State for External Affairs, the Minister of Trade and Commerce, the President of the Privy Council, the Minister of Public Works, and the Associate Minister of National Defence.

There is also an advisory committee on arrangements that has been set up under the expert chairmanship of Mr. H. M. Batten, M.P., to take on the highly important task of planning all aspects of the conference. Honourable Senator Thorvaldsion is lending his experience to this committee also as its deputy chairman. The members of this committee are officials of Parliament and carefully selected specialists from various Government departments in certain aspects of the conference arrangements.

A special conference secretariat has been set up under the executive committee, headed by Mr. Ian Imrie who is co-ordinating secretary for parliamentary associations. The secretariat will be directly responsible for implementing the planning carried out by the arrangements committee. Over the next few months the secretariat will be drawing in a team of bilingual specialists to work full-time on the conference arrangements in such areas as press and public relations, protocol, transportation, etc., the two official languages of the interparliamentary union being English and French.

[*Translation*]

To conclude, honourable senators, I may say that organizations such as the Interparliamentary Union enable us to hope that international understanding will improve constantly. It seems to me that the obvious thing to do is to quote Mr. André de Blonay,

secretary general of the Interparliamentary Union. Here is what he said concerning the 53rd Interparliamentary Conference:

> The Interparliamentary Union is in no way a world government, but these conferences bring together politicians from all over the world. We do not boast of being able to solve problems as those of Cyprus, South Vietnam or the Congo, but we seek to create a peaceful atmosphere likely to facilitate the settlement of these problems. We hope to contribute to the establishment of a climate of confidence... by means of personal contacts and mutual understanding.

Honourable senators, I am convinced that, to reach this objective, Canada will do its utmost to welcome the 54th Interparliamentary Conference in September.

[*Text*]

Hon. John J. Connolly: Honourable senators, before the debate is adjourned, I should like to say that we are very indebted to Senator Dessureault for the comprehensive explanation he has given us of the work of the last meeting of the Interparliamentary Union in the City of Copenhagen. The city itself must have been a fascinating place to visit, quite apart from the interesting people one meets, and the topics that were discussed at that meeting. We are very fortunate in having a person of Senator Dessureault's capacities so wholeheartedly devoted to this work. I know that the Senate feels he does it an honour in what he is doing for this organization.

Senator Dessureault is following in the footsteps of another distinguished member of this body, namely, Senator Thorvaldson, who was chairman of the Canadian group for some time and who performed with equal competence.

I can understand that Copenhagen is an interesting place but, speaking for myself, I thought it unnecessary to say that it was also very interesting for the executive committee to meet in Dublin. That must have been a most satisfactory experience for all members. I am sorry that Senator Brooks is not in his seat today, because he spoke to me about that meeting, telling me how much he enjoyed it and how interested he was in the work of the executive committee there in preparation for the very large meeting that is to be held in Ottawa next September.

We should remind ourselves that this is by no means a fly-by-night organization. It has been in existence for over 50 years. Its 54th annual meeting will be held here next September when some 75 nations, as I understood Senator Dessureault, will be taking part. That is an honour for Canada, as it is an honour for this group. It will provide an opportunity for Canadian parliamentarians to meet representatives from parliaments of other countries, and to understand their points of view and to do something about clarifying the Canadian position on many important international matters.

Before concluding I should like to make one observation which might be a little off the subject matter of this conference.

Just a week or so ago we were highly honoured in this chamber in having a distinguished delegation of senators and of members of the House of Representatives from the United States. I think we paid due tribute to them when they were with us. Today I wish to say a particular word of appreciation, in which I am sure all honourable senators share, to the members of this chamber who were members of that delegation, under the joint chairmanship of our Speaker, the Honourable Maurice Bourget. I have heard and I know that the work of that group of honourable senators was a very distinguished contribution indeed. I personally was proud of what they did.

Honourable senators, let me add that while I think the delegation from the Congress of the United States was a highly distinguished group, I also think that the delegation from the Senate of Canada was most distinguished indeed.

In conclusion, may I say that I hope that as many honourable senators as can will take part in the organization and in the actual work that is to be done at the meeting in September. I think it is a matter that deserves the attention of members of the Senate. Moreover, they will do the Senate honour and Parliament a service if they cooperate as completely as possible with the various committees which have been set up to conduct the proceedings in September.

Hon. Lionel Choquette: Honourable senators, I understand that Senator Brooks would like to speak on this subject. On his behalf, I would adjourn the debate until June 14.

On motion of Hon. Mr. Choquette (for Hon. Mr. Brooks), debate adjourned until June 14 next.

APPROPRIATION BILL No. 3, 1965

THIRD READING

Hon. John J. Connolly moved third reading of Bill C-110, 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.

DIVORCE

REPORTS OF COMMITTEE ADOPTED

The Senate proceeded to consideration of reports of the Standing Committee on Divorce Nos. 126 to 145, inclusive, which were presented on May 31.

On motion of Hon. Mr. Roebuck, Chairman of the Standing Committee on Divorce, reports adopted on division.

RESOLUTIONS PRESENTED

Hon. Mr. Roebuck, Chairman of the Standing Committee on Divorce, presented the following resolutions:

Resolution 123, for the relief of Cleo Maureen Suzanne Nelson Levie.

Resolution 124, for the relief of Jean Muir Edwards Rabchuk.

Resolution 125, for the relief of Marjorie Anita Hill Walker.

Resolution 126, for the relief of Marie Victoria Henriette Renee Simard Dever.

Resolution 127, for the relief of Noel Mongeon.

Resolution 128, for the relief of Barbara Grace Stevens Gaudioso.

Resolution 129, for the relief of Elsie Pauline Pain Taylor.

Resolution 130, for the relief of Nancy Sybil Lerner Atcovitch.

Resolution 131, for the relief of Henriette Szabo Binette.

Resolution 132, for the relief of Majella van Steensel James.

Resolution 133, for the relief of William Whiteford Bogle.

Resolution 134, for the relief of Gordon Stanley Capon.

Resolution 135, for the relief of Elizabeth Ann Doig Ender.

Resolution 136, for the relief of Victoria Nassou Topousoglou.

Resolution 137, for the relief of Edward Holway Higgins.

Resolution 138, for the relief of Marie Bertha Dorothee Menard Bourassa.

Resolution 139, for the relief of Jeannette Gaucher Lemieux.

Resolution 140, for the relief of Katherine Leptich Gaal.

Resolution 141, for the relief of Shirley Ann Margaret Pearson Grant.

Resolution 142, for the relief of Simone Beaucage Legare.

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.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, June 2, 1965

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

Prayers.

DOCUMENTS TABLED

Hon. John J. Connolly tabled:

Capital Budget of the National Capital 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).

Capital Budget of the Canadian Overseas Telecommunication Corporation for the fiscal year ending 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. 1965-957, dated May 25, 1965, approving same. (English text).

Report on the Operations of the Exchange Fund Account for the year ended December 31, 1964, 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).

HON. NORMAN McL. PATERSON

FELICITATIONS ON GOLDEN WEDDING ANNIVERSARY

Hon. John J. Connolly: Honourable senators will be pleased to learn that our colleague the Honourable Norman Paterson and Mrs. Paterson are today celebrating their Golden Wedding Anniversary. I am sure all honourable senators will join me in recording a message of congratulations to Senator Paterson and Mrs. Paterson upon this significant anniversary.

Senator Paterson has long brought honour and dignity to this chamber. In addition he has been a great influence in the development of certain industrial aspects of this country. I am sure that we are all very happy for both of them today.

Hon. Lionel Choquette: Honourable senators, I wish to add my congratulations and compliments to the honourable Senator Paterson, whom I have known since I first came to the Senate, and who is practically a neighbour of mine.

HON. JOSEPH A. SULLIVAN

HONOURED BY AMERICAN OTOLOGICAL SOCIETY

Hon. Mr. Choquette: Honourable senators, while we are extending congratulations, I think this is an appropriate occasion to announce to the Senate that one of our honourable senators was honoured recently. Senator Sullivan was guest of honour at the American Otological Society at Colorado Springs last week. This is the society of which he was president two years ago.

RETIREMENT OF SENATORS BILL

THIRD READING

Hon. John J. Connolly moved third reading of Bill C-98, to make provision for the retirement of members of the Senate.

Hon. M. Wallace McCutcheon: Honourable senators, I shall not delay you long. My remarks will be very brief because I can adopt what was said on second reading of this bill by Senator Flynn, Senator Thorvaldson and Senator Pouliot.

I had hoped to express before the Standing Committee on Banking and Commerce, when this bill was considered there, the views that I am now going to express; but circumstances, the reasons for which I am unaware, resulted in the bill being considered in committee somewhat earlier than I had assumed.

I have in my hand a copy of Bill C-98, "An Act to make provision for the retirement of members of the Senate, First reading, April 27, 1965—The Prime Minister." With that bill I would have had no quarrel at all.

I also have in my hand a copy of Bill C-98, "An Act to make provision for the retirement of members of the Senate, as passed by the House of Commons, 18th May 1965." That happens to be my birthday.

Something happened between April 27 and May 18. If I were in another place I might suggest what I think happened, but in this place, of course, those partisan suggestions would be completely out of place. So I shall make no suggestions: I shall just say that there was a change. The bill, which I and some of my colleagues on this side of the house and, I suspect, some of my colleagues opposite, would have supported, and which was introduced on April 27 has had its char-

acter completely changed in so far as it deals with the rights and privileges of present members of this house.

As I say, I do not know why the change was made. I could have supported the other bill. I would not have spoken, had it not been changed. If it be a matter of Government policy to retire new senators at age 75 —notwithstanding the fact that, looking around this chamber, I see many senators who have passed the age of 75 and who are making a great contribution to this chamber and to their country—I was prepared to accept it.

While I was prepared to accept Part III of the bill as first introduced, I am not prepared to accept it as it now stands. My honourable friends, Senators Flynn, Thorvaldson and Pouliot, traversed this ground already, and all I want to do is to say very shortly that Part III as originally introduced provided that honourable senators who were, at the date of coming into effect of the bill, entitled to retire at their option, would receive a pension, and that upon their death their widows would receive a portion of that pension.

Now, honourable senators, I do not wish to use strong language. I have no idea who influenced the Government in this change—sometimes we think the Government is influenced by people who sit on the opposite side of the chamber in the other place, but I say that merely because of what I read in the newspapers; I would have no idea otherwise—but we now have before us what I would call a blackmailing bill, which says, in effect: You do this or your widow loses her pension; you take your chances. I do not like that.

Then we come to a further point, as contained in section 15 of the bill. If this section is passed—if the Senate is supine enough to pass it—then it means that next year the Government can cause a bill to be passed providing that honourable senators shall be paid $1 per session. I say this because section 17, while it is camouflaged as a contribution to a pension, bears no relationship whatever to a pension. It is a contribution to the Consolidated Revenue Fund. The resulting situation is that we give with one hand and we take away with the other. Does an honourable senator's pension depend upon how many years he has paid into that fund? Does the pension his widow receives depend on how many years he has paid into that fund? In the event of his untimely death, is there a refund of contributions? The answer to all these questions is "No." If section 17 of this bill is passed, then it is open to the Government next year to bring in a bill to say that we shall contribute $1,500, and the following year $3,000, and a year or two later $10,000 or $12,000. This is a situation where it seems to me that there are some matters of principle involved.

I accepted an appointment to this chamber, and I was very proud to do so because I felt that while there must be partisanship in anything we do in this world, that partisanship was not the most important factor in the decisions made here.

I have been very proud of what I have seen done in our committees. I resent, and I expressed resentment on a public platform, the suggestions that the Senate is a useless, anachronistic body. In fact, I had a charming young woman come up to me in Cobourg on Monday night, who said that she had some second-hand relationship to Senator Roebuck. I would have been polite to her anyway, but this made it more important. She asked me what I thought of this question, and I told her, though not quite as forcefully as I am saying it now. She asked, "Senator McCutcheon, does this reform the Senate?" I replied, "Did the retirement age of 75 reform the Bench? In an age when medical science is making us all live longer, did the rules which I took exception to when I was in industry, that people must retire at 65, reform business? This is a bill for the retirement of senators, and it has nothing to do with Senate reform at all." Then she asked, "What do you say about Senate reform?" Well, as it was late and I had to get into a motor car and come down here, I had time only to reply, "That is too long a chapter."

That is not what we are discussing this afternoon, because this is not a bill for Senate reform. If anybody claims it is, then that is just another façade, of which we have had quite a few from the present Government.

Honourable senators, I am not going to take any more of your time. As I say, I underline and adopt what Senator Flynn said, what Senator Thorvaldson said, and what Senator Pouliot said.

I now move in amendment, seconded by Senator Flynn, that this bill be not now read the third time, but that it be amended as follows:

Pages 4 and 5: Strike out Part III and substitute therefor the following:

PART III

PROVISIONS APPLICABLE TO PERSONS SUMMONED TO SENATE BEFORE COMMENCEMENT OF ACT.

13. In this Part, "Senator" means a person who was summoned to the Senate before the coming into force of this Act.

14. The Governor in Council may grant to a Senator

(a) who has attained the age of seventy-five years, or

(b) who has become afflicted with some permanent infirmity disabling him from the due performance of his duties in the Senate, if he resigns his place in the Senate, an annuity equal to two-thirds of his sessional indemnity, to commence at the time his resignation takes effect and to continue during his natural life.

15. (1) Where a person who was granted an annuity under section 14 dies, the Governor in Council may grant to his widow an annuity equal to one-third of the annuity granted to him, to commence immediately after his death and to continue during her natural life.

(2) An annuity granted to a widow under this section shall cease on her remarriage.

(3) No annuity shall be granted under this section to the widow of a person who was granted an annuity under section 14 if the widow married such person after he resigned his place in the Senate.

I might interject here that I am not in complete accord with these restrictions on the rights of women to marry from time to time, but for the purposes of this debate I accept them.

16. All annuities payable under this Part shall be paid out of the Consolidated Revenue Fund.

The Hon. the Speaker: It is moved by honourable Senator Connolly (Ottawa West), seconded by honourable Senator Hugessen, that this bill be now read the third time.

In amendment, it is moved by honourable Senator McCutcheon, seconded by honourable Senator Flynn, that this bill be not now read the third time, but that it be amended as follows—

Hon. Mr. McCutcheon: Dispense.

The Hon. the Speaker: Honourable senators, is it your pleasure to adopt—

Hon. Mr. Croll: No. This strikes me as being entirely out of order. I should like to hear it again.

The Hon. the Speaker: In amendment, it is moved by honourable Senator McCutcheon, seconded by honourable Senator Flynn, that this bill be not now read the third time but that it be amended as follows:

Pages 4 and 5: Strike out Part III and substitute therefor the following:

PART III.

PROVISIONS APPLICABLE TO PERSONS—

Hon. Mr. Connolly (Ottawa West): Honourable senators, may I interrupt His Honour the Speaker for just a moment?

Perhaps it might be desirable to dispense with a full reading of the motion. If honourable senators wish to hear the full terms of the amendment, then I have no objection to it being read. But, as I understand it, the provisions of the amendment are identical to those that were in Part III of the bill as it was originally introduced in the other place. I think we all agree on that one point.

It may well be that to move an amendment to various sections en bloc, as is proposed here, would be considered out of order. However, I do not rise on that point at the moment. It might be as satisfactory to the Senate to deal with the matter on its merits in that way, and in that sense it might be appropriate for me to say a few words in connection with the speech Senator McCutcheon has made in support of his amendment. Then perhaps we should vote on the amendment as moved. Is that satisfactory to honourable senators?

The Hon. the Speaker: Is it agreed?

Hon. Senators: Agreed.

Hon. Mr. Choquette: What about those who wish to speak on the motion for third reading?

Hon. Mr. Connolly (Ottawa West): They can speak later.

Hon. Mr. Choquette: After the vote?

Hon. Mr. Connolly (Ottawa West): Yes. We shall revert to the motion for third reading, and if there are other amendments then we shall be free to speak to them as well.

I shall not take up much of the time of honourable senators. Senator McCutcheon used the word "blackmail" in connection with certain aspects of this bill. As I understand the implication it is that there are certain options given to senators in respect of retire-

ment, some of which involve the taking of hard decisions or hard choices.

I point out again—and I think this is the third time I have done so—that in this bill there is no compulsory retirement. The Patent that was granted still runs, and honourable senators are free to remain in the Senate, regardless of age, on the same conditions on which they are now in the Senate, and have been since their appointments. That applies so far as tenure of office is concerned. There are choices, but the essential respect for the Commission as granted is one of the fundamental principles of the bill.

In the second place, Senator McCutcheon said it would be supine for the Senate to agree to the provisions of clause 17 of the bill, which calls for the payment of contributions into a fund.

Hon. Mr. McCutcheon: Into the Consolidated Revenue Fund.

Hon. Mr. Connolly (Ottawa West): Into the Consolidated Revenue Fund, yes. We had a debate about this earlier. We have talked about it both here and in the committee. I hope I have made it clear that this contribution is not intended to be, nor is it in fact, based upon any actuarial calculation. What I have said, and what I now repeat, is that so far as I can ascertain, the majority of the members of this chamber, in approaching the matter of retirement for senators and the payment of annuities or pensions, feel they should make contributions at the same rate as in the other place.

Hon. Senators: Hear, hear.

Hon. Mr. Connolly (Ottawa West): Yesterday in committee I filed a letter from the Minister of National Revenue to the effect that these contributions, generally speaking, are deductible from income in the year in which they are made. That will be of some help to some and perhaps to all honourable senators.

Hon. Mr. McCutcheon: With respect to other contributions, because these are contributions to the Consolidated Revenue Fund.

Hon. Mr. Thorvaldson: And they are not the same contributions as are made under Part II.

Hon. Mr. Connolly (Ottawa West): I quite appreciate the point that was made by both Senator Thorvaldson and Senator McCutcheon. I do not justify these payments on the ground that they are paid into a fund with a view to building up a sufficient corpus in it to provide for the payment of the annuity or pension. But, I say that the majority of honourable senators desire to make a contribution at the same rate as is made in the other place. For that reason I ask the Senate to vote against this amendment.

Hon. Jacques Flynn: Honourable senators, I should like to reply to some of the arguments of the honourable Leader of the Senate. He has said that there is no compulsion in this bill on present members of this house to retire.

It is evident to all, I think, that there are penalties for those who do not retire within a year if they are already 75, or within a year after they reach that age. Those penalties are, on the one hand, in the fact that if they do not retire they risk losing an annuity for their widows, and, on the other hand, as long as they remain members of this chamber they will have to pay a tax of $720 to the Consolidated Revenue Fund, which amount will not in any manner be refunded to them if they die in office. If a senator has not exercised the option of retiring at 75, or within a year of reaching that age, then it is only possible for him to receive an annuity under clause 15(b), that is, by claiming disability. There may be no direct compulsion, but there are penalties, and if the word "blackmail" alone is too strong, I will say that there is at least "subtle blackmail" in this bill.

My second point is that the honourable Leader of the Senate has insinuated that in opposing Part III as it stands, and in supporting the amendment that Senator McCutcheon has moved, we are in some way refusing to pay the contribution of 6 per cent provided by clause 17 of the bill. I hope that the honourable leader is not insinuating that this is the real motive for this amendment. It is not that at all, and I want to put clearly on the record that I do not know of anybody on this side of the house who objects to that contribution. We are not opposing the contribution, but we do want it to be on a logical basis.

As I have said before, it is not a contribution to a pension fund at all, and this has been admitted by the honourable Leader of the Government himself. He has said that Part III does not provide a real pension scheme. Therefore, when this contribution is made, it is made to no avail. It is not a contribution to a pension fund. This is a matter of principle, as has been indicated by Senator McCutcheon.

Hon. Mr. Connolly (Ottawa West): I do not wish to interrupt the honourable gentleman's trend of thought, but one thing that must be taken into consideration is the fact that there must be consideration passing. When a man gives up a life appointment for the purpose of retiring, I think that is a factor.

Hon. Mr. Flynn: Now the honourable Leader of the Government is changing his tune entirely.

Hon. Mr. Connolly (Ottawa West): Not a bit. I am adding to it.

Hon. Mr. Flynn: On that basis we are in full agreement. If this equity is compensation for a member of this chamber who has been appointed for life and who retires at 75, very well.

Hon. Mr. McCutcheon: Or who retires at 80.

Hon. Mr. Flynn: Or at 80, yes. But that is a different basis. The honourable Leader of the Government knows quite well that this contribution has no actuarial basis, and that in many cases it does not represent a contribution to a pension. It is a mere tax. It would be a tax for those senators who are already 75, and who do not within a year decide to resign from their place in the Senate. It is not a contribution to a pension. There is no objection in the amendment to the idea of the contribution, but there is objection to the principle involved in Part III as it is now proposed, because it is wrong.

That is the only point that is sought to be made by this amendment at this stage of the debate.

Hon. L. P. Beaubien: Honourable senators, I think in a way that this bill is a very personal matter. It is difficult for a senator of a certain age to look at a senator of another age and determine how the bill would affect him. From my own point of view, I cannot help thinking that the day the bill becomes law my position will be greatly enhanced. I shall have the option in a dozen years or so, if I do not feel well, of retiring from the Senate on a very good pension. I have not that option now, but if I became incapacitated, or were run over by a motor car, and therefore unable to attend here, I would get a pension. Having obtained that pension, if I die my wife gets a pension.

How much I should pay for those privileges, I do not know; but I cannot think that I should sit here and accept something and not be expected to pay something for the privileges which I do not have now. Therefore, for a person who is capable of working, $60 a month is not too much. For a person in my position, at least, I find it difficult to argue that I should take this for nothing.

Some Hon. Senators: Hear, hear.

Hon. David A. Croll: Honourable senators, may I just enlighten the honourable member to say that for that amount of $720—and I shall not go into the background—there are two advantages. First, there is the advantage to the widow, which she does not now possess. Secondly, there is the disability pension advantage, which not one member of the Senate who is over 60 years of age can buy for any price from any insurance company. Has that not got some value? There may be some who are under 60 years of age who are able to buy a disability pension at an almost prohibitive price on a yearly basis. The pension benefit at a cost of $720 a year is the best bargain since the Americans bought Manhattan Island from the Indians.

Hon. Mr. Flynn: We did not ask for that bargain.

Hon. Mr. Beaubien (Bedford): The honourable member is missing the point entirely.

Some Hon. Senators: Question!

The Hon. the Speaker: It is moved by the honourable Senator Connolly, (Ottawa West), seconded by the honourable Senator Hugessen that—

Hon. Mr. Connolly (Ottawa West): Dispense.

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.

Hon. Mr. Sullivan: Honourable senators—

The Hon. the Speaker: Call in the senators.

Amendment of Hon. Mr. McCutcheon negatived on the following division:

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The Hon. the Speaker: I declare the amendment lost.

Hon. L. P. Beaubien: Honourable senators, I did not vote. I was paired with Senator Bouffard.

Hon. Arthur L. Beaubien: Honourable senators, I was paired with the Leader of the Opposition, Senator Brooks. If I had voted, I would have voted against the amendment.

The Hon. the Speaker: Honourable senators, the question now is on the motion for third reading. It is moved by the honourable Senator Connolly (Ottawa West), seconded by the honourable Senator Hugessen, that this bill be read the third time. Is it your pleasure, honourable senators, to adopt the motion?

Hon. Joseph A. Sullivan: Honourable senators, I ask the indulgence of the house to speak briefly on this particular bill. It was my intention to speak last week, but I was unavoidably absent.

I would first take this opportunity to thank Senator Choquette for his kind remarks this afternoon pertaining to myself.

On reviewing *Hansard,* I find that my esteemed colleague, patient and friend, Senator Thorvaldson, made this remark on May 27, 1965:

> It has also become customary to believe that one's physical and mental powers begin to deteriorate at or near this age, and that consequently people in official positions should be relieved of some of their burdens and responsibilities at this period of life.

I intend to speak in an entirely different vein.

Hon. Mr. Thorvaldson: Read the balance of what I said.

Hon. Mr. Sullivan: After you have heard me you will realize that, with the great advance in medical science, some of the pronouncements in the press in regard to the aging brain do not hold weight—it certainly holds more than water.

"Youth will be served," we are told. Young blood makes a fine leaven in politics. But how old is youth? More than one young political genius has gone up like a rocket and come down like a burned-out stick by 40. Like good wines, some of the best politicians and statesmen mature late and still sparkle with youthful vivacity when well past their threescore and ten. One of the most eminent neurophysiologists in the history of the world, the late Sir Charles Sherrington, made this statement, a byword in physiology:

> The brain is . . . an enchanged loom where millions of flashing shuttles weave a dissolving pattern, always a meaningful pattern though never an abiding one.

Through the ages the human brain's unique ability to examine itself wove a changing pattern that mirrored the very cultures it created. Early man regarded his brain as a mysterious cave of demons; Greek philosophers viewed it as a vaulted temple of reason; medieval theologians theorized that its ventricles cloistered the soul.

In warring 16th century France, Jean Fernel named it the fortress of the sentient soul;

at the start of the scientific age, Swedenborg called it an illustrious chemical laboratory. It was dubbed a garden of trees by Roman Y Cajal in agricultural Spain; a great ravelled knot, by Sherrington in textile-minded Britain. In the electronics era when brains compare themselves to giant computers, these robots attempt to do the brain's work. What an exercise in complete futility!

Throughout the whole of recorded history, old age and senescence have been recognized as the fate of man, and the Psalmist pointed out that there is nothing but grief and sorrow for those who exceed the allotted threescore years and ten. Meanwhile much thought and effort have been expended upon an attempt to rejuvenate or at least to stop the progress of senescence. Yet in spite of this, we have remarkably little knowledge of the pathogenesis of old age. There are two quite distinct possibilities. On the one hand, aging can be considered as a fundamental biological phenomenon that is characteristic of all living organisms; that is inevitable and should be considered physiological. The other proposition is that aging is in itself a disease or perhaps the response to a disease process. If this is so, and if all disease could be prevented, then theoretically an individual could live indefinitely.

There is considerable evidence to support each of these theories, and at the present time there is no means of establishing which is correct. In the present state of our knowledge it would seem reasonable to take a middle course, that is, to accept the view that there is a self-limiting senescence factor in every organism, but that disease processes hasten the degeneration.

In any series of autopsies of elderly patients, in 8 per cent to 10 per cent the pathologist is unable to determine the cause of death; and, like the one hoss shay described by Oliver Wendell Holmes, that showed

> A general flavour of mild decay,
> But nothing local, as one may say,

which

> Went to pieces all at once,
> All at once and nothing first,
> Just as bubbles do when they burst,

most individuals retain their full mental capacity well beyond the normal period of senescence.

It is generally believed that an individual is born with his full complement of nerve cells, and that none of his ten thousand million nerve cells is capable of reproducing itself. During the first two decades of life the neurones mature and reach their peak efficiency. At this time the individual has reached his maximum intelligence and mental activity, but Dr. John Scott, Professor of Physiology at the University of Toronto, has pointed out that after the age of 20 about 50,000 neurones are destroyed daily. I do not think you need be too upset by this because, if you calculate it, it will take approximately 400 years to abolish all the neurones.

Hon. Mr. Connolly (Ottawa West): In one body?

Hon. Mr. Sullivan: The reason for this degeneration is not known; trauma certainly plays a part. The upright posture is at best unstable, and with the modern tendency to leave an automobile through the windshield, trauma undoubtedly contributes.

For years, intelligence is maintained in spite of the decreasing number of neurones. Authentic research studies show that the genius retains his advantage in spite of this atrophy.

In spite of this vast array of pathological material, there is very little known of the physiology of the senile brain. It seems not unreasonable to assume that with cortical atrophy there will be reduced cerebral function. The amazing thing is the degree of cortical atrophy that can be associated with relatively normal vigorous mental behaviour. The late Sir Winston Churchill is no exception.

Sir William Osler once said:

> A very large proportion of the evils (of the world) may be traced to the sexagenarians—nearly all of the great mistakes politically and socially, all the worst poems, most of the bad pictures, a majority of the bad novels, not a few of the bad sermons and speeches.

The internationally renowned world authority, Dr. Wilder Penfield, for all his admiration for Sir William, expressed in so many ways, disagrees with this idea. Indeed, he has written an essay explaining his disagreement with the whole thesis of the uselessness of sexagenarians as expressed by Osler in "The Fixed Period". And well may he disagree—for he epitomizes the sexagenarians, octogenarians and even nonagenarians who continue to contribute to the world in spite of, or in ignorance of, Osler's dictum.

Penfield's personal solution to this question is contained in the title essay of his recently published book, *The Second Career*. This book, incidentally, is dedicated to Osler.

> ...this, it seems to me, is certain: every year from birth to death has its purpose and should have its use...The

> time of retirement should be reorganized and renamed. It is the time for embarking on a new career, perhaps the last career, but not necessarily a less enjoyable one; not, perhaps, a less useful one to society ...A second career can quite well begin at the age of sixty. It should start by then at the latest, even if formal retirement takes place at sixty-five or later. His preparation for a second career should be undertaken long before that...

The inevitable question is: What will be Dr. Penfield's next contribution? There can be no regrets at finding Osler wrong on this subject. We owe much to our sexagenarians, and it is well to keep this fact in mind.

This Senate, this essential branch of our bicameral, constitutional, monarchial system has been unnecessarily and wantonly insulted. For my part, this Senate certainly needs no defence from such guttersnipe tactics. I consider the source from which it came. You know what these self-styled intellectuals are. They are those who are chiefly characterized by the wrinkled brow and the ponderous voice and who grind out the meanderings of their minds and newspaper writings in an agonized tone. They are those whose mental agitation inevitably results in the trend of the time-motion without progress and with intellectual *non sequitur,* but they seldom produce intelligent applications. Indulgence in a type of mental acrobatics has also become identified as intellectualism. In addition to being able to stand reason on its head and leave it in the corner, many pseudo-intellectuals come to the point where they refine the reasoning process to a point where it becomes utterly useless—a refinement without any constructive contribution. Too many of these so-called intellectuals have simply been educated beyond their intelligence.

Some Hon. Senators: Hear, hear.

Hon. Mr. Sullivan: We must all live private lives, laymen and scientists alike. We must run our course before an answer can come from science, and every thinking man must adopt for himself a faith to live by. He may take the best from man's ancient faiths. He must make the assumptions he considers reasonable as to the creation of the world and of mankind.

In the summer of 1960 in London, at the 300th anniversary of the founding of the Royal Society, the oldest scientific body in the world, President Sir Cyril Hinshelwood made this statement:

> The men of science themselves, as far as can be judged, have numbered about the same proportion of religious believers as the generality of people. Nor have they been conspicuously less well endowed with kindness or morality.

Finally, there is within us, each of us, the greatest wonder of all, the human brain. It holds a mirror up to the mind of man, so man may see the stars and look into the future. With its help he may turn, as here and now, to examine the civilization he has himself created. And finally, using the brain to study the brain, man may succeed in the discovery of the nature of his own mind, and perhaps the purposes of God. So states Penfield.

So, honourable senators, that brain in the comparatively healthy individual, supported by his competent medical adviser, functions just as well at 75 as it does at 25, only with greater experience, greater wisdom, more sound judgment, and reliable, steadfast purpose.

I support this legislation in the main, but with some reservations as it applies to all my colleagues of the age under discussion in the bill.

Hon. Jean-François Pouliot: Honourable senators, I felt rather depressed this afternoon until I heard our most honoured colleague, that learned medical man, Senator Sullivan, tell us that according to his good judgment, and the authority that he has quoted, we have all retained our mental capacity. It was a relief for me to hear such a learned authority say that.

I did not vote on the amendment for a very good reason. It is that when I spoke in the first place on this bill I suggested that the amount of the pension should be the same as that of the indemnity, $1,000 a month, and that the widows should receive half of it, or $500 a month. Afterwards I heard somebody say that it was undignified for us senators to ask for personal advantages from any piece of legislation. I cannot accept that idea. It is not a question of asking for more than we have. It is a question of holding our own, of keeping what we already have instead of having a change made to it by anyone. It seems to me very definite.

I have two objections. I find it most unfair to compare the Senate to the House of Commons with regard to the indemnity, because we are appointed for life and the members of the House of Commons are elected for a definite tenure, which is the term of a Parliament. It is not at all the same.

Another matter which I mentioned earlier, and which has not been referred to lately, is the comparison between judges and senators. Formerly, the judges were appointed for life, and now they are appointed until they reach the age of 75 years. It is a parallel situation in that regard. The difference is that their salary is higher than our indemnity, and their widows receive a pension which is much higher than that proposed in the bill for widows of senators.

You will remember, honourable colleagues, that for a time the senators were above the judges in the Table of Precedence, and then some years ago the order was changed and senators were relegated to a position below the judges. I do not know why the Government of the day made that change, but from Confederation until the fifties—1953 or 1954—on the Table of Precedence the senators were ahead of at least judges of the Superior Court in the Province of Quebec. Now the order has been changed. How far such changes will go, I do not know.

Unfortunately, I was unavoidably absent yesterday and could not attend the sitting of the committee. However, in conclusion, I would like to ask a question of the Leader of the Government. It is this: What will be the procedure in order to obtain a pension for senators who are incapacitated? Will it be necessary to undergo a medical test before a board of some kind, or will a medical certificate from the family doctor be sufficient evidence?

Hon. Mr. Connolly (Ottawa West): In answering the honourable senator, I do not think I can give a firm commitment as to what the regulations will provide. As I said earlier, I would think a properly authenticated certificate from a recognized medical authority, coupled with the resignation, would be the reasonable requirement.

Hon. Walter M. Aseltine: Honourable senators, I hope you will pardon me if I make a few remarks on the third reading of this bill. I have been prompted to do so by the speech made by the honourable Senator Sullivan. However, my remarks will not be of a valedictory nature.

Hon. Senators: Hear, hear.

Hon. Mr. Aseltine: As you know, I have been a member of the Senate for many years. In fact, I have been a member longer than any of the senators I see present today.

Hon. Mr. Connolly (Ottawa West): You are the dean.

Hon. Mr. Aseltine: It has always been my opinion that the Senate has performed a very valuable function, and I want to see it become even stronger, more vital and non-partisan than it has been up to the present time.

I am 75 years of age, honourable senators, but I feel about 60 years of age or less. On that account, if this bill becomes law I have absolutely no intention of resigning.

Hon. Senators: Hear, hear.

Hon. Mr. Aseltine: I voted for the amendment with mental reservations, because I am not concerned, and I do not think any one of us is, with regard to the payment of the $720 a year from our indemnities. But there does arise here the possibility of a principle being involved. That is what the mover and seconder of the amendment had in mind and wished to emphasize. I am not concerned at all about the financial provisions of this bill, but I am vitally concerned about the future composition of the Senate membership.

When I was appointed to this chamber the Right Honourable Arthur Meighen was Leader of the Government, and he had a fairly substantial majority, but there was also a substantial opposition membership. As time went on that majority dwindled, until in 1957 there were only five senators forming the Opposition in this Chamber. They were: Senator John T. Haig, Senator Horner, Senator Quinn, Senator Marcotte and myself. And that, in my opinion, was not a healthy situation.

As our members were passing away and as our forces were dwindling, I remember that we had a long debate here on the functions and usefulness of the Senate, and related matters. I remember some of the speeches which were made at that time, because, as I say, the members of the Opposition were becoming fewer all the time. The consensus of several senators was that in order to make and keep the Senate effective the Opposition should always be kept at a level of at least one-third of the total membership. That is about the way it stands right now. Therefore, if a Conservative member of the Senate, upon reaching the age of 75 years of age, resigns, he should be replaced by another Conservative.

Hon. Mr. Choquette: Put that to a vote!

Hon. Mr. Aseltine: That is my opinion. What I fear is that if a large number of resignations takes place at this time, as is indicated by the press, it is the intention of

the Government to fill any vacancies that occur through such resignations; and if they are all replaced by the Liberal Government, the Senate will for 10, 15 or 20 years be a Liberal stronghold. That would be a bad thing for the Senate and the public of Canada. I would not like to have that happen. I think all honourable senators agree with me when I make that statement. However, there is a possibility of that happening, and if it did happen it might result in the abolition of the Senate.

My object in speaking is to ask the honourable Leader of the Government (Hon. Mr. Connolly, Otawa West) if he can give us a statement on this aspect, as to what is likely to happen if a great number of senators on either one or other side of the house resign.

That is all I wish to say at the present moment.

Hon. Arthur W. Roebuck: Honourable senators, I was not present for the debate on the motion for second reading of this bill. As I was unavoidably detained elsewhere, for what I think was a good reason, perhaps I may be allowed to make my position clear on third reading.

In the first place, let me say that in my opinion this is a good bill. There are many details that might be discussed, and some to which caustic criticism might be applied; but on balance it is, in my judgment, a good bill. It was not conceived in anger or jealousy. It was not introduced in the other place for the purpose of taking it out on the Senate, or anything of that kind. It is very obviously a measure produced by friendly thought by those who have given consideration to the subject.

Having made those general observations, allow me to go on to state my position as a matter of principle with respect to the retirement of senators compulsorily at 75 years of age.

My honourable friend, Senator Hugessen, a few minutes ago recalled that we had a bill before us at one time changing the retirement age of civil servants. That was back in the late fifties. At that time the retirement age of civil servants was reduced from 70 to 65. I opposed that measure with all the strength I possessed. I moved the house into committee of the whole, and I took the lead on one side, while Senator Hugessen took it on the other, and we debated this question fully for a half day.

I was opposed to a reduction of the age for retirement for the simple reason that I thought that civil servants at 65 or 70 years of age were at the very maximum of their abilities and at the greatest point of efficiency in their lives. It might be a different matter if they were digging ditches, but not when they were using their minds, experience and integrity in the public interest. Yet, we passed that measure, and I think the application of it has been brutal, as I said it would be.

It was the young men at that time who were pushing out the old boys in order to get their jobs. That was the situation at that time. I remember quoting Shakespeare's words, having in mind that it would not be long before the young men would be the old men:

> ...this even-handed justice
> Commends the ingredients of our poison'd chalice
> To our own lips.

I warned them the time would very soon come—and more quickly than they anticipated—when they themselves would be pushed out of office by that measure, and forced to change their ways of life in their declining years. I am opposed in a general way to compulsory retirement at fixed ages.

So far as this bill is concerned, let me be a little more specific. I like this bill for two particular reasons. In the first place it permits a senator to retire voluntarily when he is no longer able to carry on his duties as a senator. That, I think, is a very humane and necessary provision. I shall not go into detail; you all have it in your minds.

The second thing I like about the bill is that it recognizes the right of the senator appointed for life to remain a senator for life if he so desires. I would never have accepted the office of senator if it had been offered to me on a limited basis for a certain number of years only, or until I attained a certain age. I would never have come here under those circumstances. I would have taken my chance in my constituency, and remained in the House of Commons. I like that provision.

To continue what I was saying about retirement, I point out that I have expressed the opinion over and over again that the retirement of senators at 75, or at any other fixed age, will not improve the position of the Senate. It will not improve its efficiency, and above all it will not improve its independence of thought.

The chief characteristic of senators, individually and as a body, is their independence of thought. In the past when we were here for life we had nothing to hope for and nothing to fear, and so could disregard ourselves, our own future, and think only of the

public interest. But just as soon as retirement is introduced, then a senator must think of what he will do after retirement. It may be that he has plenty of money on which to live, but money is not everything. Man does not live by bread alone. One of the things that keeps people healthy is activity. The mind deteriorates, said Senator Sullivan, if it is not used. Is not that right? The way to remain young is to keep active, and never cease being active.

As soon as a senator realizes that the time is approaching when he must give up his career as a senator he must consider what he will do when the time arrives, and this destroys the situation in which he has nothing to hope for and nothing to fear. He must hope for something—something to do, something to occupy him, some method by which he can produce and make his contribution continuous—and so he is approachable. He may be offered something after he retires, and governments, as you know, have a lot of nice things to offer people who support them, but not to the others. There are all sorts of nice things for the good boys, but very few for the others.

The chief characteristic of this chamber, and of the individuals who comprise it, will not be beneficially affected by retirement at 75 years of age. I want a record of my statement that what we are about to do will not improve the Senate. It will not make it more independent; it will make it less independent. For that reason, I am sorry to see this bill become law.

I know that I am in the minority in that view, and that this provision to retire senators at a certain age is in the cards, and that my expression of opinion is, of course, futile. It will not alter the clause in question but, nevertheless, I should like it recorded that at this time I express the opinion that this retirement of others—not of myself but of others—in the days to come will not improve the Senate.

I have always thought, and I have said so publicly and in print, that the way to improve the Senate is not to change the rules but, rather to improve the senators. My friend Senator Aseltine has been talking along the same line. He spoke of the leaders of the past. Well, we have some pretty capable leaders of the present, but the way to improve the Senate is to diversify the appointments, and to choose men of high calibre. This can only be done by intelligent selection. I think our present method is probably the best that can be devised, although the appointments are made by humans with all their frailties and mistakes.

Having placed these views on the record, let me say that I am not opposed to this $720 contribution. The money feature of the senators' position has never interested me greatly. If it had, I would not be here, for I could have been far better off by remaining in my own practice. That applies to a good many others around me. If it were money that we were thinking about, most of us would not be here at all. So I am perfectly satisfied to make a contribution of $720. I can afford that because, to begin with, it is not $720, since the payment is deductible for income tax purposes.

Senator McCutcheon argued that if we can be charged $720 this year, we can be charged $1,500 next year, $3,000 the year after, and so on. I believe he went up to $10,000. Of course, the answer is that if a measure of that kind came before us we would simply say no. We are saying yes today because we are being given a *quid pro quo* at least equal to the amount of our contribution. That is one reason why I am satisfied with the contribution.

The fact that in the Commons they make such a contribution does not impress me greatly. What does impress me is that I am getting the protection of an insurance against the results of possible future infirmity, should it come to pass—and it may come, I hope a long time from now. That is worth at least $720 a year, and possibly very much more. It is an assurance, it gives me confidence as I look forward into the future, and I am ready to accept the payment.

There is one more feature of the bill about which I would like to express an opinion. Section 15 says, "The Governor in Council may grant to a senator..." We have been assured by the officials of the Finance Department and the Justice Department that "may" is equivalent to "shall". One of the officials said it was unthinkable that any government would deal with that section except on the basis of "shall". I think that is so with regard to any government we have had in Ottawa within my memory, which goes back a long way. But who can give us any guarantee as to the governments of the future, or what motives may actuate governments who send us measures which we may or may not approve? Who can tell what they will do in the future, when you give them the power to say "yes" to those people they like, and "no" to those they do not like? That power is there, and we should not take chances in regard to it.

I am not at all afraid of what the decisions may be so far as I am personally concerned, but I can see that once again it affects the independence of thought of the senators. I can fancy that those who read this phrase may figure that it would be wise on their part to stand in with the powers that be, lest it affect their future. The person may be entirely mistaken, but the wording is wide open to that interpretation by ourselves and those who will follow us.

I do not like that word "may". It is explained that the word is used in the civil service legislation and appears in the Judges Act. That may be so, but I think the comparison does not stand. Judges and civil servants are not in our position. We must make decisions of great import with regard to government measures. Our independence of thought is our chief virtue; without it we are no good at all. We do not function effectively unless we think independently and honestly, and disregard our own interests.

Honourable senators, I would like to see that word "may" changed, but were I to move an amendment it would not carry. However, I wish my thought to be placed on the record that I do not like it.

Thank you, honourable senators, for listening to me, in view of the fact that I was not here on second reading. I think we shall be happy with this bill as the years go by. It may be that some changes will be made in it. I hope that the time will come when senators will be allowed to retire irrespective of the year of decision. I think it is unfair that one who does not care about the service he may render, and so retires from the Senate, takes his pension and that of his widow as a matter of course while others, like myself, and Senator Aseltine, suffer a disadvantage because we feel our time for contribution has not yet ended, and accordingly do not wish to retire. We have made our contribution in the past, and we feel that we have a contribution to make in the future. Consequently, in the public interest, as well as for our own peace of mind, we will not retire. Irrespective of the chances we take in that regard, we shall continue with our service. It is rather hard, I think, that under those circumstances we are treated less advantageously than one who, taking his duties lightly, retires in his own interests within the year.

However, honourable senators, on the whole, on balance, it is a pretty good bill.

Hon. J. Wesley Stambaugh: Honourable senators, I was surprised and pleased to hear so many excellent speeches on third reading. I have a special reason for speaking today, because I think this is a good bill, and especially so with regard to those who may retire because of illness.

In my own case, I have already passed the age of 75 by a couple of years, and I expect this may be the last time I shall rise to speak in the Senate. I expect to retire very shortly, and this is my valedictory and au revoir.

Hon. M. Grattan O'Leary: Honourable senators, may I detain the house for a few moments longer. I did intend to offer some observations touching upon the age of 75, an age about which I am a bit sensitive. However, I want to refer to the thought expressed by Senator Aseltine, when he asked the Leader of the Government (Hon. Mr. Connolly, Ottawa West) what sort of senator would replace him, and in fact me, in the event of our retirement.

I want to say at once that when I leave the Senate, whether by resignation or by something more drastic, I sincerely hope that whoever the Prime Minister is, whether Liberal or Conservative, he will not replace me by some sculptor, but will replace me by a good, hard-fighting politician, a man who knows what politics and government are all about.

Some Hon. Senators: Hear, hear.

Hon. Mr. O'Leary (Carleton): I have been long enough in the newspaper world not to pay too much attention to what is said by certain newspapers in a political way; but I have here before me a quotation from a paper for which I have a great deal of respect. The editor and publisher of the Toronto *Star*, Mr. Beland H. Honderich, is a personal friend, a journalist of high distinction, and a man held in esteem by journalists everywhere. Further, I think the Toronto *Star* is one of the three or four great newspapers in Canada. Let me now quote what was said by the Toronto *Star* on May 22:

> The day Prime Minister Pearson begins naming to the Senate distinguished Canadians who have never done a lick of work for the Liberal party is the day Senate reform will begin.

It went on to say:

> Of the nine new senators named since the Liberals took office, exactly nine are Liberal organizers and fund raisers.

Further:

> Pensioning off the doddering ancients will not reform the Senate as long as another Liberal bagman struts in for every senator who shuffles out.

And further:

> The sole advantage of the Retirement Bill, passed by the Commons this week is that $8,000 a year pension may inspire some senators to doze at home rather than in the Red Chamber, and thus open up some new seats.

It then went on to say that:

> Mr. Pearson should name to the Senate worthy Canadians, not necessarily Liberal, from the arts, the professions, from academic life.

Honourable senators, I have been reading, during the past two weeks, the convocation addresses of eminent persons before our various universities, and almost invariably these men stressed the need to get young Canadians interested in public life. They pleaded with students to go out and get into the dusty arena of practical politics and thus to help serve their country. But, honourable senators, according to the Toronto *Star's* editorial, which has been repeated again and again in the Press of Canada during the past three or four weeks, when it comes to appointing persons to this house, politicians are to be regarded as lepers and the house is to be filled with musicians, sculptors, painters, and so on. Honourable senators, that is nonsense!

Does anybody in this house believe that Confederation would have ever come in this country if we had to wait until the musicians, the sculptors and the painters got together to bring it about?

Hon. Mr. Roebuck: Or the professors.

Hon. Mr. O'Leary (Carleton): Politicians built the British Commonwealth, politicians brought about Confederation—professional politicans—the sort of people who, according to the Toronto *Star,* should be barred from the Senate. The way to make this Senate efficient, the way to make it distinguished and honourable, is to decry the politicians, keep out, at all costs, the men who have been working at politics and in public life all their lives, and bring in academics!

Honourable senators, this house is not a hall of fame, this house is not a theatre, this house is not a substitute for an order of merit. If we wish to honour our distinguished painters, writers, sculptors and so on, let us have an order of merit. But let us not get this notion that we should fill this chamber with such people. This is nonsense.

What is wrong with professional politicians? Burke, of whom they said that he gave up to party what was meant for mankind, was a politician. Pitt was a professional politician; Fox was a professional politician; and Canning, Disraeli, and Gladstone were consummate professional politicians. So was the immortal Churchill, and so was Lloyd George.

If you go to American history, who are the men most honoured? Clay and Calhoun, and Daniel Webster, and Randolph of Roanoke; and last, but not least, a politician to the very core, Abraham Lincoln.

And who were the men, after all, who brought about Confederation in this country? They were the professional politicians of their day: John A. Macdonald, George Etienne Cartier, Thomas D'Arcy McGee, and so down the line.

In truth, practically every achievement in this country that has been made for the good of Canada has come about by the toil and the work and the sacrifice of professional politicians.

The Toronto *Star* referred to the appointments made by Mr. Pearson as "bagmen." Honourable senators, what is wrong, what is unethical about a so-called bagman, about a man who tries to make the two-party system work? We extol the two-party system, we say it is vital to our way of life, to our way of Government. I have before me a quotation from Sir Winston Churchill:

> Politics is not a game. It is an earnest business.
>
> Party government is an outstanding feature of our political systems of all branches of the English-speaking race all over the world. I know of no equal force which assumes the stability of democratic institutions.

What, then, is wrong with a man if, realizing that the two-party system cannot be operated without financial support, that man goes out to get money for his party?

Ever since 1911, 55 years ago, I have contributed my mite to my party. I have again and again given of my time and energy, often free of charge, to parties—and I am proud of it.

They tell you that the men who give to parties give with a lively expectation of favours to come. I should like to give just

one incident from my own personal experience. There was a man in this city some years ago—he is dead now—P. D. Ross, honoured and esteemed in this country from coast to coast. I remember that in the election of 1948, P. D. Ross lay near death's door. One day I had a call from his nurse, asking me if I would go down to see him. When I arrived at his bedside, he said to me, "O'Leary how is the election going?" I had to give him the most optimistic report I could, but I did not feel too confident. Then he said, "I suppose we need money." I replied, "Mr. Ross, political parties always need money during an election." He said to his nurse, "Bring me my cheque book," and she did so. He could barely sign his name, but he wrote a cheque for $10,000 and he gave it to me, saying, "Give this to the appropriate people." I protested, because I knew he did not have that kind of money then, but he said to me with indignation, "Whose money is this?" He died four days later and did not see the results of the election. This was not a case of a man contributing to a political party with hope of reward.

As Senator Connolly (Ottawa West) will appreciate, P. D. Ross served in every capacity—in civic government he served as an alderman, as a school trustee, as a controller, and finally he offered himself for the mayoralty. The day after he made his offer, he received a letter containing a cheque for $1,000. It was from the most militant Liberal in Ottawa, a man whose Irish shillelagh seldom slept in his hand, the Honourable Charles Murphy. But did the Honourable Charles Murphy ever expect a reward from P. D. Ross, the outstanding Conservative? Too many people do not seem to understand these things.

I can give you another example. In 1958 we were organizing in this city the National Conservative Convention. We were told it would cost about $20,000 and that Ottawa had to raise the money. I was chairman of a committee raising the money and one day I met a man, perhaps the second most distinguished Liberal in Ottawa. He asked me how we were getting on. I told him about the convention, that it would cost about $20,000. He said, "O'Leary, I believe in the two-party system; I believe in the continuance of the Conservative Party. Will you give me the privilege of financing one-quarter?" And he sat down and wrote a cheque then and there. He did not expect any reward from the Conservative Party.

Honourable senators, this is a thing which is eating at the very vitals of our party system, making it harder and harder to get young men to come into politics, to get down into the dusty arena of politics, to do its menial chores—and the reason is the vilification of public men.

I repeat that, when I quit this Senate, whoever may be Prime Minister I hope he replaces me by a good staunch party man who has worked at party politics, and not by a man who, as I said, is good at music or sculpturing.

Hon. Donald Cameron: Honourable senators, I do not wish to prolong this debate, but the remarks by Senator O'Leary prompt me to say that I am glad he said what he did. I like this bill because it does not force anything on anybody, and those who are here at the present time can carry on as if this bill were not passed.

It does mean an option for those who wish to take advantage of it. That is all I am going to say on this aspect of the bill.

There is a good deal of concern and apprehension in the country, if this bill passes, as to what the Government is going to do. I hope, along with Senator O'Leary (Carleton), that when the time comes for replacing senators who retire, Prime Minister Pearson will appoint some outstanding individual who may have been an active Conservative politician or an active member of the N.D.P.

I mention as a rather sad coincidence that a short time ago I happened to meet a man who was beloved of us all for many years, the late George Nowlan. I joked with him about when he was coming to the Senate. He would have been a distinct acquisition to this chamber, and he would have loved it.

I think also of another man who is leaving the other place which, in my view, will not be the same when he leaves. I refer to Bert Herridge, the Laird of the Kootenays. I am sure that his appointment would lend distinction to the Senate. It has been suggested that the Senate should not be to too great an extent a partisan place, but at the same time we must be realistic and recognize that there is a place here for people who, as Senator O'Leary (Carleton) has said, have played an active role in promoting the political principles in which they believe. I have said in times past that if I was reforming the Senate I would have to recognize this reality because I think you must have political people in the Senate. However, we might think of making a division in the membership. For example, we have 102 members, and if I were dictator

for a day I would say that we should allocate 20 to 22 places to people in business, the professions and the arts, who have distinguished themselves in their various fields, and for the rest I would appoint the most vital and dynamic politicians to be found. Then the Senate would be a lively place.

My final word is to emphasize that this is not a Senate reform bill but a Senate retirement bill. I am glad Senator O'Leary (Carleton) spoke as he did, and I hope the powers that be, whoever they may be, will in the future rise entirely above party political considerations in making appointments to this body.

Hon. John J. Connolly: Honourable senators, if no one else wishes to speak at the moment I would like to reply to some of the remarks that have been made. Since this is third reading, what I have to say does not close the debate—but I hope it will!

May I first thank Dr. Sullivan for the contribution he has made today.

Some honourable senators have referred to personal experiences. I hope it will not be considered inappropriate if I refer to the time I came into this chamber, 12 years ago this month. I was rather young among the senators, some of whom were old enough to be my father, and indeed some were old enough to have been my grandfather. But every one of the older and more experienced senators to whom I applied for assistance and advice gave it, not only gladly but so generously that I was overwhelmed. No doubt this has been the experience of all honourable senators when they first entered the chamber. This has long been a tradition of this chamber. The older senators have taken the younger appointees under their wing and advised them on how they could best contribute to the work of this chamber and of Parliament. Many of those senators are still in this chamber today, and for that reason I shall not mention any names. I therefore appreciate the force of what Senator Sullivan has said, and of what Senator Roebuck has said.

Honourable senators, I find very deep personal satisfaction in the fact that under this bill no senator is put out of the Senate. And even though Senator Flynn charges, if I may use that word, that the persuasion is powerful, the fact remains that a senator who desires to continue to hold the appointment as originally bestowed upon him can do so.

Referring to the point made by Senator Aseltine, I do not see how anybody could stand in this chamber and give an assurance about future appointments. These appointments, as we all know, are made by order in council, and they are in effect, practically, a personal prorogative of the Prime Minister.

I would be less than realistic if I did not say that by and large the appointments made to this chamber in the past have generally followed the party line. There have been exceptions. In recent years Mr. St. Laurent appointed a very distinguished and beloved member of this chamber, Senator John Hackett. Mr. St. Laurent also appointed a gentleman who is with us in the chamber today, who described himself as an Independent and has followed that role, namely, Senator Molson. These were exceptional appointments, and they have been applauded throughout the country. I hope that similar appointments may be possible on many more occasions in the future. I hope it will not be so exceptional that we shall be able to count only two such appointments among our numbers.

I hope I am not doing a disservice to some honourable senators in making the following comment, but I do believe, as Senator McCutcheon has said—and in saying this I desire to pay tribute to all honourable senators —that by and large the party line is not as obvious here as it is in the other place. I think the Senate and Parliament generally is a better place for this.

Referring to the point made by Senator Cameron, I cannot see how anybody could lay down a rule such as he has suggested for the making of appointments. The manner which he has suggested is followed in other Senates, but we have not yet come to that in this country. I know to what extent Senator Aseltine speaks from experience when he refers to the "small guard of Opposition senators" up to 1957. But speaking as Leader of the Government and also personally, I say that I hope that this situation will not be repeated here. I do not know how far along the line one can go, but I would hope that in the years to come, good judgment and wise statesmanship, while the present method of appointment continues, will result in a fair distribution of seats between the two parties in this chamber.

Honourable senators, I have made a resolution this afternoon that is not going to be voted on. About a month ago, for the first time in my life, I wrote a letter to a newspaper, the *Globe and Mail.*

I wrote it because I was concerned at the attitude taken by that newspaper to the type of person appointed to the Senate. The Government and the Prime Minister were criticized because some of the appointees were, let me say in a general way, political persons. I wish I had waited until after today to do so, because I do not think a letter to the press counts too much. However, I hope those portions of Senator O'Leary's speech which bear upon the point will be noted in every newspaper across this country.

Hon. Senators: Hear, hear.

Hon. Mr. Connolly (Ottawa West): Senator O'Leary referred to a man whom he described as being as partisan a Liberal as ever lived, and we both knew him well. He was a respected member of this chamber, Senator Charles Murphy.

When I was a very young man and had been out of this country and was returning to study law, he talked to me about my future. He said, "I think you are very foolish. You have a career in the universities. You will be taking a chance coming into a profession in Canada." I replied, "Really, the reason that I would like to return is to participate in the public life of this country." He pointed out the risks. And risks there are—to family and to fortune. But I do agree with what Senator O'Leary has said, as I am sure all of us do. If the level of activity in the public life of this country is to see the improvement required, if the public life of this country is to keep up with the industrial, commercial, financial, intellectual and artistic life of this country, then the best young people must be induced to enter public life and to participate in the work of the political parties which make public life operate.

Hon. Senators: Hear, hear.

Hon. Mr. Connolly (Ottawa West): Honourable senators, I commend the third reading of this bill to the Senate.

The Hon. the Speaker: It is moved by the honourable Senator Connolly (Ottawa West), seconded by the honourable Senator Hugessen, 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.

PRIVATE BILL

THE PACIFIC COAST FIRE INSURANCE COMPANY—SECOND READING

Hon. Gunnar S. Thorvaldson moved the second reading of Bill S-14, respecting The Pacific Coast Fire Insurance Company.

He said: Honourable senators, after the splendid speeches we have heard this afternoon on Bill C-98, I am sure you all realize that it is a mundane matter now to proceed to the second reading of a bill which has as its only purpose the changing of the name of a company. However, that is the purpose of Bill S-14, namely, to change the name of The Pacific Coast Fire Insurance Company to The Century Insurance Company of Canada, in English. The bill also provides for a French version of the company's name, La Compagnie d'Assurance Century du Canada. It further provides for an increase in the capitalization of the company from $1 million to $2 million.

Honourable senators, many years ago this company was originally incorporated as a provincial company in the Province of British Columbia. Later it applied to Parliament and received a federal charter, and since that time has operated as a federal company. Its head office is in the city of Vancouver, British Columbia, and it carries on business throughout Canada.

I hope that this bill will now receive second reading.

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.

ROYAL ASSENT

NOTICE

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

GOVERNMENT HOUSE

Ottawa, 2nd June, 1965

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.

The Senate adjourned during pleasure.

At 5.45 p.m. the sitting was resumed.

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 Excise Tax Act.

An Act to amend certain Acts respecting the superannuation of persons employed in the Public Service, members of the Canadian Forces and members of the Royal Canadian Mounted Police.

An Act to make provision for the retirement of members of the Senate.

An Act to amend the National Housing Act, 1954.

The Honourable Alan A. Macnaughton, 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 His Excellency the Governor General was pleased to give the Royal Assent to the said bill.

The House of Commons withdrew.

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

The sitting of the Senate was resumed.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, June 3, 1965

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

Prayers.

DOCUMENTS TABLED

Hon. John J. Connolly tabled:

Report on the Vocational Rehabilitation of Disabled Persons Act for the fiscal year ended March 31, 1965, pursuant to section 12 of the said Act, chapter 26, Statutes of Canada, 1960-61. (English text).

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-3, 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.

BUSINESS OF THE SENATE

On the notice of motion for adjournment:

Hon. John J. Connolly: Honourable senators, I move, with leave, that when the Senate adjourns today it do stand adjourned until Tuesday, June 22, at 8 p.m.

I would like to make one or two brief observations. First of all, as honourable senators know, we have approved a motion providing that when the Senate is adjourned if, in the opinion of the Honourable the Speaker, the members should be recalled to Ottawa, the machinery is available to do so.

The passage of this motion cannot be taken as assurance that the Senate will remain adjourned until June 22. It means only that the Senate will be adjourned, subject to recall, until June 22.

At the present time in the other place they are discussing rules which are peculiar to the conduct of their proceedings. This is not a matter which will result in any legislation to be dealt with by us.

The Bank Act is, I understand, the next item of legislation to be considered in the other place. The bill to extend or renew the charters of the banks is, of course, one which will go to a committee of that house and will probably be there for some time. So we cannot expect any immediate legislation from that source. Following that, I believe they are to consider the resolutions with respect to the budget legislation.

It may be that some of those pieces of legislation will be available before June 22, and if they are urgent I will be in communication with His Honour the Speaker with a view to having the Senate recalled. If there is any other piece of urgent legislation sent to us from the other place in the meantime, both Mr. Speaker and I will be available and we will, of course, keep the Senate informed.

This afternoon the Standing Committee on External Relations will meet immediately after the Senate rises, and I would ask as many honourable senators as possible to attend that meeting.

Motion agreed to.

DIVORCE

RESOLUTIONS ADOPTED

The Senate proceeded to consideration of Resolutions numbered 123 to 142, inclusive, which were presented on Tuesday, June 1.

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, moved the adoption of the following resolutions:

Resolution 123, for the relief of Cleo Maureen Suzanne Nelson Levie.

Resolution 124, for the relief of Jean Muir Edwards Rabchuk.

Resolution 125, for the relief of Marjorie Anita Hill Walker.

Resolution 126, for the relief of Marie Victoria Henriette Renee Simard Dever.

Resolution 127, for the relief of Noel Mongeon.

Resolution 128, for the relief of Barbara Grace Stevens Gaudioso.

Resolution 129, for the relief of Elsie Pauline Pain Taylor.

Resolution 130, for the relief of Nancy Sybil Lerner Atcovitch.

Resolution 131, for the relief of Henriette Szabo Binette.

Resolution 132, for the relief of Majella van Steensel James.

Resolution 133, for the relief of William Whiteford Bogle.

Resolution 134, for the relief of Gordon Stanley Capon.

Resolution 135, for the relief of Elizabeth Ann Doig Ender.

Resolution 136, for the relief of Victoria Nassou Topousoglou.

Resolution 137, for the relief of Edward Holway Higgins.

Resolution 138, for the relief of Marie Bertha Dorothee Menard Bourassa.

Resolution 139, for the relief of Jeannette Gaucher Lemieux.

Resolution 140, for the relief of Katherine Leptich Gaal.

Resolution 141, for the relief of Shirley Ann Margaret Pearson Grant.

Resolution 142, for the relief of Simone Beaucage Legare.

Resolutions adopted, on division.

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY—DEBATE CONTINUED

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

Hon. Gustave Monette: Honourable senators, I am perhaps somewhat to blame for causing a modification in the order of presentation of bills during the recent part of the session. I want to excuse myself for that. I would like to excuse myself also for being unable to speak entirely in English with respect to a bill of great importance, particularly since it was framed in the English language in the original and is so important in the English language as well as in the French language.

[*Translation*]

Honourable senators, may I apologize for having often missed the sittings of this honourable house. On my doctor's advice, I had to take a rest due to a nervous condition. However, notwithstanding the emotional stress I may experience, I thought it was my duty to offer you very humbly the views and conclusions I have reached with respect to this very serious matter which is now being discussed throughout the country from various angles, namely, the Constitution of Canada and the various reforms proposed thereto, including the repatriation of the Constitution.

I would like to express myself as clearly as I can, while being respectful to those who would not share my views and being careful to say what I think, sincerely and without bitterness.

I very especially want to bring to the attention of honourable senators the remarkable, clear and final rulings made by the judicial committee of the Privy Council in England on those extremely important matters. I say final, because those rulings are the law. They were made by the highest court in the British empire, and they are definitely binding, especially on the Dominion of Canada. They are final. No court whatsoever can change or amend them.

First, I would like to discuss the most important ruling. In order to sum up the situation and from the standpoint of accuracy, I will quote the unanimous ruling of the judicial Committee of the Privy Council in the case of

[*Text*]

Attorney General for Canada, Appellant, vs. *Attorney General for Ontario and others,* Respondents, reported in Olmstead, Canadian Constitutional Decisions of the Judicial Committee, volume 3, pages 180 to 206, respecting The Weekly Rest and the number of laws that were declared in order, finally, by the Privy Council. There were present at the decision and during the pleadings Lord Atkin, Lord Tankerton, Lord Macmillan, Lord Wright M.R., Sir Sidney Rowlatt.

[*Translation*]

The Olmsted report lists on page 182 the names of the lawyers representing Canada.

In these cases, the pleadings took place in November 1936.

It will be noted that during the pleadings, which were long and complete, Lord Atkin who, at the end, rendered the judgment in the name of all, had followed very carefully the pleadings of the different lawyers, and made from time to time definite and very important remarks, which should be read taking into account the proposals raised by the lawyers:

Thus, Lord Atkin takes note, on page 194, of the fact that:

[*Text*]

> It was admitted at the bar that each statute affects property and civil rights

within each province; and that it was for the dominion to establish that nevertheless the statute was validly enacted under the legislative powers given to the dominion Parliament by the British North America Act, 1867.

[*Translation*]

On page 183, following the federal counsel's assertion that:

[*Text*]

By the transference of the treaty-making power to the dominion executive, and correlative power to legislate to carry out the obligations, nothing is taken from the provinces.

[*Translation*]

Lord Atkin observed:

[*Text*]

The dominion has not got unlimited powers of legislation.

[*Translation*]

Further on, at the bottom of the same page, the lawyers having stated that:

[*Text*]

...once the matter has assumed the aspect of an international bargain it is no longer to be treated as belonging to any one of the enumerated classes.

[*Translation*]

Lord Atkin interjected at once, on page 184:

[*Text*]

That is a very far-reaching doctrine: it means that Canada could make an agreement with any State which would seriously affect Provincial rights.

[*Translation*]

At the bottom of the same page, the pleading counsel asserted that this was an obligation of the executive government of Canada, because it resulted from the treaty. Lord Atkin objected again by a very decisive question that can be found on page 185:

[*Text*]

Lord Atkin: How did the consent without legislation of the Senate and the House of Commons become a matter which made them the competent authority?

[*Translation*]

Then, in the judgment itself, at the bottom of page 203, there are the following statements made by Lord Atkin, on behalf of the judicial committee:

[*Text*]

For the purposes of ss. 91 and 92, i.e., the distribution of legislative powers between the Dominion and the Provinces, there is no such thing as treaty legislation as such. The distribution is based on classes of subjects; and as a treaty deals with a particular class of subjects so will the legislative power of performing it be ascertained. No one can doubt that this distribution is one of the most essential conditions, probably the most essential condition, in the interprovincial compact to which the British North America Act gives effect. If the position of Lower Canada, now Quebec, alone were considered, the existence of her separate jurisprudence as to both property and civil rights might be said to depend upon loyal adherence to her constitutional right to the exclusive competence of her own Legislature in these matters. Nor is it of less importance for the other provinces, though their law may be based on English jurisprudence, to preserve their own right to legislate for themselves in respect of local conditions which may vary by as great a distance as separate the Atlantic from the Pacific. It would be remarkable that while the Dominion could not initiate legislation, however desirable, which affected civil rights in the provinces, yet its government not responsible to the provinces nor controlled by provincial parliaments need only agree with a foreign country to enact such legislation, and its parliament would be forthwith clothed with authority to affect provincial rights to the full extent of such agreement. Such a result would appear to undermine the constitutional safeguards of provincial constitutional autonomy.

It follows from what has been said that no further legislative competence is obtained by the Dominion from its accession to international status, and the consequent increase in the scope of its executive functions. It is true, as pointed out in the judgment of the Chief Justice, that as the executive is now clothed with the powers of making treaties so the Parliament of Canada, to which the executive is responsible, has imposed upon it responsibilities in connection with such treaties, for if it were to disapprove

of them they would either not be made or the ministers would meet their constitutional fate. But this is true of all executive functions in their relation to Parliament. There is no existing constitutional ground for stretching the competence of the Dominion Parliament so that it becomes enlarged to keep pace with enlarged functions of the Dominion executive. If the new functions affect the classes of subjects enumerated in s. 92 legislation to support the new functions is in the competence of the provincial legislatures only. If they do not, the competence of the Dominion Legislature is declared by s. 91 and existed *ab origine*. In other words, the Dominion cannot, merely by making promises to foreign countries, clothe itself with legislative authority inconsistent with the constitution which gave it birth.

But the validity of the legislation under the general words of s. 91 was sought to be established not in relation to the treaty-making power alone, but also as being concerned with matters of such general importance as to have attained "such dimensions as to affect the body politic," and to have "ceased to be merely local or provincial," and to have "become matter of national concern." It is interesting to notice how often the words used by Lord Watson in *Attorney-General for Ontario* v. *Attorney-General for the Dominion* (1) have unsuccessfully been used in attempts to support encroachments on the provincial legislative powers given by s. 92. They laid down no principle of constitutional law, and were cautious words intended to safeguard possible eventualities which no one at the time had any interest or desire to define. The law of Canada on this branch of constitutional law has been stated with such force and clarity by the Chief Justice in his judgment in the reference concerning the Natural Products Marketing Act (2) dealing with the six acts there referred to, that their Lordships abstain from stating it afresh. The Chief Justice, naturally from his point of view, excepted legislation to fulfil treaties. On this their Lordships have expressed their opinion. But subject to this, they agree with and adopt what was there said. They consider that the law is finally settled by the current of cases cited by the Chief Justice on the principles declared by him. It is only necessary to call attention to the phrases in the various cases, "abnormal circumstances," "exceptional conditions," "standard of necessity" (Board of Commerce case (3)), "some extraordinary peril to the national life of Canada," "highly exceptional," "epidemic of pestilence" (Snider's case (4)), to show how far the present case is from the conditions which may override the normal distribution of powers in ss. 91 and 92. The few pages of the Chief Justice's judgment will, it is to be hoped, form the locus classicus of the law on this point, and preclude further disputes.

It must not be thought that the result of this decision is that Canada is incompetent to legislate in performance of treaty obligations. In totality of legislative powers, Dominion and Provincial together, she is fully equipped. But the legislative powers remain distributed, and if in the exercise of her new functions derived from her new international status Canada incurs obligations they must, so far as legislation be concerned, when they deal with provincial classes of subjects, be dealt with by the totality of powers, in other words by co-operation between the dominion and the provinces. While the ship of state now sails on larger ventures and into foreign waters she still retains the water-tight compartments which are an essential part of her original structure. The Supreme Court was equally divided and therefore the formal judgment could only state the opinions of the three judges on either side. Their Lordships are of opinion that the answer to the three questions should be that the act in each case is *ultra vires* of the Parliament of Canada, and they will humbly advise His Majesty accordingly.

[*Translation*]

As it has just been seen, Lord Atkin, for the whole judicial committee, approved in the following terms the principle established by the Chief Justice of the Supreme Court in 1936 in the case of Natural Products Marketing Act:

[*Text*]

> The few pages of the Chief Justice's judgment will, it is to be hoped, form the locus classicus of the law on this point, and preclude further disputes.

[*Translation*]

That Chief Justice was no other than Sir Lyman Duff—Canada Law Reports—Supreme

Court, 1936, pp. 416 to 426 inclusive. This judgment is the final authority on the matter.

I would like now to make a few remarks on the confederation "compact".

As has just been seen, the Privy Council, in its ruling, made an extremely important and very clear point on the "Distribution of legislative powers between the federal government and the provinces".

[*Text*]

> The distribution is based on classes of subjects; and as a treaty deals with a particular class of subjects so will the legislative power of performing it be ascertained. No one can doubt that this distribution is one of the most essential conditions, probably the most essential condition, in the inter-provincial compact to which the British North America Act gives effect.

[*Translation*]

It should be noted that the judgment states that the British North America Act dividing the legislative powers between the dominion and the provinces is a treaty applying to a particular category of subjects; and just as a treaty applies to a particular category of subjects so the legislative power needed to do that must be determined. No one can question the fact that this apportionment is one of the essential conditions, probably the most essential, in the interprovincial pact which the British North America Act puts into force.

Let us see now the meaning of "compact" in the second edition of the Shorter Oxford dictionary.

[*Text*]

> A covenant or contract between two or more.

[*Translation*]

According to The Standard Imperial Dictionary of the English language by Cecil Weatherly:

[*Text*]

> Compact: v.t., to unite or connect firmly, as in a system.
>
> Compact (as a noun): An agreement between parties; covenant; contract.

[*Translation*]

According to the new English-French and French-English dictionary by Clifton and Grimaux (J. McLaughlin):

[*Text*]

> Compact (as a noun) means: covenant; agreement; contract between parties, between individuals, between nations or states.

This is indeed the case of the Canadian Confederation.

[*Translation*]

> Compact (verb): closely united; to compose, to do. The world is so compacted.

I will now quote another comment on this part of the judgment of the Privy Council:

[*Text*]

> ...in the interprovincial compact to which the British North America Act gives effect.

[*Translation*]

Therefore, the British North America Act gives legal and constitutional effect to a pact, a treaty.

This effect is its very existence, the constitutional character of its existence, its irrefragable validity, which no one can destroy without the consent of all parties to the Constitution, not even the British Parliament which gave legal existence and effect to the treaty which was negotiated between the parties which signed it and which consequently have recognized the rights of all provinces sanctioned in London as being a contract having the effect of binding the parties. The federal authority itself did not then exist. I am quoting Honourable Ernest Lapointe. This authority is not the father nor the fatherland of the Confederation pact. It is its child, it has lived by the sole authority conferred to it by the pact to which the Imperial Parliament gave final effect.

The so-called repatriation of the Constitution, in view of handing it over to the authority of the federal Parliament, is an empty word. Neither the federal Parliament nor even the provinces have given birth or are the birthplace of Confederation. It is the Imperial Parliament that gave birth to it. It was and still is its birthplace. The rights and privileges bestowed upon the provinces can neither be denied nor amended without the clear and explicit consent of each one of the provinces affected by the proposed amendments.

Because the Imperial Parliament which created the great confederated dominion at the request and with the consent of the provinces or dominions having already as such and to that effect, their constitutional statute, be-

came ipso facto bound by such consent of the dominions assembled in Quebec City in 1865 and adopted then and there the draft of an address submitted by Sir John A. Macdonald, western attorney general of the legislature of Canada, during the parliamentary debates on the matter of Confederation of the provinces of British North America, which address finally served as basis for the British North America Act of 1867.

The preamble of this Act, which we call and which is our constitution in Confederation, reads as follows:

[*Text*]

> The British North America Act, 1867 30 Victoria, c.3. An Act for the Union of Canada, Nova Scotia, and New Brunswick, and the Government thereof; and for purposes connected therewith. (29th March, 1867.)
>
> Whereas the Provinces of Canada, Nova Scotia, and New Brunswick have expressed their desire to be federally united into one dominion under the Crown of the United Kingdom of Great Britain and Ireland, with a Constitution similar in principle to that of the United Kingdom:
>
> And whereas such a Union would conduce to the welfare of the provinces and promote the interests of the British Empire:
>
> And whereas on the establishment of the Union by authority of Parliament it is expedient, not only that the Constitution of the legislative authority in the dominion be provided for, but also that the nature of the executive government therein be declared:
>
> And whereas it is expedient that provision be made for the eventual admission into the Union of other parts of British North America:
>
> Be it therefore enacted and declared by the Queen's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:
>
> I. Preliminary
>
> 1. This act may be cited as the British North America Act, 1867.
>
> 2. The Provisions of this Act referring to Her Majesty the Queen extend also to the Heirs and Successors of Her Majesty, Kings and Queens of the United Kingdom of Great Britain and Ireland.
>
> II. Union
>
> 3. It shall be lawful for the Queen, by and with the Advice of Her Majesty's Most Honourable Privy Council, to declare by Proclamation that, on and after a day therein appointed, not being more than six months after the passing of this Act, the Provinces of Canada, Nova Scotia, and New Brunswick shall form and be one Dominion under the name of Canada; and on and after that day those three Provinces shall form and be one Dominion under that name accordingly.

[*Translation*]

Now, let us reconsider the analysis of this pact which lead to the establishment of our federal Dominion of Canada, and let us see how clear and final—and unanimous—is this decision made by the judicial committee of the Privy Council, thus rendered in 1937 by Lord Atkin and four other eminent members of the judicial committee of the Privy Council, namely: Lord Atkin, above-mentioned, Lord Thankerton, Lord McMillan, Lord Wright, M.R., Sir Sidney Rowlatt. It is in accordance with other prior decisions of constitutional importance made by the Privy Council, as may be found in the attached excerpts.

[*Text*]

Then I quote the first paragraph of the Constitution.

[*Translation*]

The first paragraph of the preamble reads as follows:

[*Text*]

> Whereas the Provinces of Canada, Nova Scotia, and New Brunswick have expressed their desire to be federally united into One Dominion under the Crown of the United Kingdom of Great Britain and Ireland, with a Constitution similar in principle to that of the United Kingdom:
>
> And whereas such a Union would conduce to the welfare of the Provinces and promote the interests of the British Empire:
>
> And whereas on the establishment of the Union by authority of Parliament it is expedient, not only that the Constitution of the Legislative Authority in the Dominion be provided for, but also that the nature of the Executive Government therein be declared:
>
> And whereas it is expedient that provision be made for the eventual admission into the Union of other parts of British North America:...

[*Translation*]

Then, what was a dominion?

We shall refer to the Shorter Oxford English Dictionary, second edition, vol. I:

[*Text*]

> Dominion:—1. The power or right of governing and controlling; sovereign authority; sovereignty; rule; control. 2. The domains of a feudal lord. b. The territory subject to a king or a ruler, or under a particular government or control....
>
> 2.—b. Applied to countries outside England or Great Britain under the sovereignty or suzerainty of the English crown; (b) (usually with capital) designating the larger self-governing British dominions; the title was given spec. to Canada in 1867 (1 July; anniversary called D. day) and to New Zealand in 1907 (28 Sept.). In the Statute of Westminster (1931) the term includes the Dominion of Canada, the Commonwealth of Australia, the Dominion of New Zealand, the Union of S. Africa, the Irish Free State, and Newfoundland.

Halsbury's Statutes of England, 2nd Edition, Volume 6, page 180:

> Meaning of Dominion:—In the Report of the Inter-Imperial Relations Committee of the Imperial Conference of 1926, it was declared that "they" (Great Britain and the Dominions) "are autonomous communities within the British Empire, equal in status, in no way subordinate to one another in any aspect of their domestic or internal affairs, though united by a common allegiance to the Crown, and freely associated as members of the British Commonwealth of Nations."
>
> The Statute of Westminster, 1931 (c. 4), p. 193, post, reflects in its preamble the above conception and applies to the Dominion of Canada, the Commonwealth of Australia, the Dominion of New Zealand, the Union of South Africa, the Irish Free State (Eire) and Newfoundland. The Act granted what may be termed legislative independence to the Dominions.
>
> Preliminary Note
>
> For further explanation of this, see the notes to the Statute of Westminster, 1931 (c. 4), p. 193, post.
>
> "Part I. Dominions (Halsbury's, Cont'd. p. 180)
>
> (*a*) Dominion Status and Independence
>
> The Statute of Westminster, 1931 (c. 4), p. 193, post, was passed to give effect to certain resolutions of the Imperial Conferences held in 1926 and 1930, the reports of which Conferences are published as Cmd. 2768 and Cmd. 3717.
>
> The Statute gives legislative independence to the territories (referred to in the Statute as "Dominions") which are specified in s. I, namely the Dominion of Canada, the Commonwealth of Australia, the Dominion of New Zealand, the Union of South Africa, the Irish Free State (now Eire) and Newfoundland, and gives expression in its preamble to the constitutional convention which requires the assent of the Parliaments of the Dominions, as well as that of the United Kingdom Parliament, to any law altering the Succession to the Throne or the Royal Style and Titles. The powers conferred, by the Statute on the Parliaments of Canada, Australia and New Zealand did not, however, include any increased power of altering the Constitution Acts of those Dominions (see ss. 7 (3), 8 of the Statute, pp. 197, 198, post) nor did the Statute empower the Parliaments of Canada or Australia to invade the legislative sphere of the Provinces and States, respectively, of those Dominions or empower the Legislatures of the Canadian Provinces, who also enjoy the increased legislative powers granted by s. 2, to invade the legislative sphere of the Dominion Parliament (see ss. 7 (3) and 9, pp. 197, 198, post). Complete power to alter the Constitution Act of New Zealand has now been conferred on the Parliament of New Zealand by the New Zealand Constitution (Amendment) Act, 1947 (c. 4), p. 453, post.

[*Translation*]

Let us now consider other decisions of the Privy Council.

[*Text*]

Honourable senators, perhaps I am taking too long, and should deposit this on the record.

Hon. Mr. Choquette: You may deposit it on *Hansard*, if you wish.

Hon. Mr. Monette: The unanimous decision of the Privy Council In re: The Initiative and Referendum Act (July 3rd, 1919), referred: 1919 A.C. (Appeal cases, P. 935). There were present: Viscount Haldane, Lord Buckmaster, Lord Duneden, Lord Shaw of Dunfermline, and Lord Scott Dickson. The unanimous decision was given by Viscount Haldane, and I extract the following from page 941, also referred to by Olmstead in Canadian Constitutional Decisions of the Judicial Committee, Vol. 2, page 108.

The framework of the Constitution of Canada was enacted in 1867 by the Imperial Parliament in order to give effect to the desire expressed in the Resolutions adopted by the Conference of Canadian and other delegates held at Quebec in October, 1864. The object was to form in the first instance out of the old Province of Canada, along with Nova Scotia and New Brunswick, a Dominion with a constitution similar in principle to that of the United Kingdom. Provision was made for the extension of this Constitution to other colonies, such as Newfoundland and Prince Edward Island, should they desire to come in, and also to Ruperts Land and the North-Western Territory. It is out of these last that the Province of Manitoba was formed, the provisions of the Act of 1867 that are applicable having been meantime strengthened by subsequent Imperial and Dominion legislation. The Executive Government of Canada was declared by the Act of 1867 to remain vested in the Queen, and by s.12, all powers, authorities and functions vested in or exercisable by the Governors or Lieutenant-Governors of the Provinces brought into confederation were, so far as the same continued in existence and were capable of being exercised after the Union in relation to the Government of Canada, to be vested in and exercisable by the Governor-General. A Parliament was then set up for Canada. Part V of the Act established analogous Constitutions for the Provinces. For each of these there was to be a Lieutenant-Governor. Although he is under s.58 appointed by the Governor-General, it has been settled by decisions of the Judicial Committee, such as that in Liquidators of the *Maritime Bank of Canada* v. *Receiver-General of New Brunswick* (1), that, as the appointment of a Provincial Governor is made under the Great Seal of Canada, and therefore really by the Executive Government of the Dominion which is in the Sovereign the Lieutenant-Governor is as much the representative of His Majesty for all purposes of Provincial Government as is the Governor-General for all purposes of Dominion Government. Sect. 65 and the other sections dealing with the subject define the powers of the Lieutenant-Governor as being such of those powers having been exercisable by the Governors or Lieutenant Governors of the Provinces brought into Confederation, as are exercisable in relation to the Government of a Province. The scheme of the Act passed in 1867 was thus, not to weld the provinces into one, nor to subordinate Provincial Governments to a central authority, but to establish a central government in which these provinces should be represented, entrusted with exclusive authority only in affairs in which they had a common interest. Subject to this each Province was to retain its independence and autonomy and to be directly under the Crown as its head. Within these limits of area and subjects, its local Legislature, so long as the Imperial Parliament did not repeal its own Act conferring this status, was to be supreme, and had such powers as the Imperial Parliament possessed in the plenitude, of its own freedom before it handed them over to the Dominion and the Provinces, in accordance with the scheme of distribution which it enacted in 1867.

The importance of bearing this in mind when construing the subsequent provisions of the British North America Act will presently appear. After thus defining the executive power the statute goes on to provide for a Legislature for each Province, and concludes Part V, by declaring in s.90 that what has been laid down as to the Dominion Parliament in regard to Appropriation and Money bills, the recommendation of money votes, the assent to Bills, the disallowance of Acts, and the signification of pleasure on Bills reserved, is to extend and apply to the Legislatures of the several Provinces as if these provisions were re-enacted and made applicable in terms to the respective Provinces and their Legislatures, with the substitution of the Lieutenant-Governor of the Province for the Governor-General, of the Governor-General for the Sovereign and for a Secretary of State and of one year for two years, and of the Province of Canada.

My next reference is to the unanimous decision of the Privy Council, In re *Attorney General for Ontario* and *Attorney General for the Dominion* and AL., May 9th, 1896, reported in 1896 Appeal cases, p. 348. There were present: Lord Halsbury, L.C., Lord Herschell, Lord Watson, Lord Davey and Sir Richard Couch.

The unanimous decision was given by Lord Watson, and I extract the following from pages 359 and following. The decision is also reported by Olmsted in Canadian Constitutional Decisions of the Judicial Committee, Vol 1, page 343. I quote from pages 354 and 355:

> It was apparently contemplated by the framers of the Imperial Act of 1867 that the due exercise of the enumerated powers conferred upon the Parliament of Canada by s.91 might, occasionally and incidentally, involve legislation upon matters which are prima facie committed exclusively to the provincial legislatures by s.92. In order to provide against that contingency, the concluding part of s.91 enacts that "any matter coming within any of the classes of subjects enumerated in this section shall not be deemed to come within the class of matters of a local or private nature comprised in the enumeration of the classes of subjects by this Act assigned exclusively to the legislatures of the provinces." It was observed by this board in Citizens' Insurance Co. of Canada v. Parsons (1) that the paragraph just quoted "applies in its grammatical construction only to No. 16 of s.92." The observation was not material to the question arising in that case, and it does not appear to their Lordships to be strictly accurate. It appears to them that the language of the exception in s.91 was meant to include and correctly describes all the matters enumerated in the sixteen heads of s.92, as being, from a provincial point of vue, of a local or private nature. It also appears to their Lordships that the exception was not meant to derogate from the legislative authority given to provincial legislatures by those sixteen subsections, save to the extent of enabling the Parliament of Canada to deal with matters local or private in those cases where such legislation is necessarily incidental to the exercise of the powers conferred upon it by the enumerative heads of clause 91. That view was stated and illustrated by Sir Montague Smith in Citizens' Insurance Co. of Canada v. Parsons (1) and in Cushing v. Dupuy (2); and it has been recognized by this Board in Tennant v. Union Bank of Canada (3) and in *Attorney-General of Ontario* v. *Attorney-General for the Dominion* (4).

The general authority given to the Canadian Parliament by the introductory enactments of s.91 is "to make laws for the peace, order, and good government of Canada, in relation to all matters not coming within the classes of subjects by this act assigned exclusively to the legislatures of the provinces"; and it is declared, but not so as to restrict the generality of these words, that the exclusive authority of the Canadian Parliament extends to all matters coming within the classes of subjects which are enumerated in the clause. There may, therefore, be matters not included in the enumeration, upon which the Parliament of Canada has power to legislate, because they concern the peace, order, and good government of the dominion. But to those matters which are not specified among the enumerated subjects of legislation, the exception from s.92, which is enacted by the concluding words of s.91, has no application; and, in legislating with regard to such matters, the dominion Parliament has no authority to encroach upon any class of subjects which is exclusively assigned to provincial legislatures by s.92. These enactments appear to their Lordships to indicate that the exercise of legislative power by the Parliament of Canada, in regard to all matters not enumerated in s.91, ought to be strictly confined to such matters as are unquestionably of Canadian interest and importance, and ought not to trench upon provincial legislation with respect to any of the classes of subjects enumerated in s.92. To attach any other construction to the general power which, in supplement of its enumerated powers, is conferred upon the Parliament of Canada by s.91, would, in their Lordships' opinion, not only be contrary to the intendment of the Act, but would practically destroy the autonomy of the provinces. If it were once conceded that the Parliament of Canada has authority to make laws applicable to the whole Dominion, in relation to matters which in each province are substantially of local or private interest, upon the assumption that these matters also concern the peace, order, and good government of the Dominion, there is hardly a subject enumerated in s.92 upon which it might not legislate, to the exclusion of the provincial legislatures.

In construing the introductory enactments of s.91, with respect to matters other than those enumerated, which con-

cern the peace, order, and good government of Canada, it must be kept in view that s.94, which empowers the Parliament of Canada to make provision for the uniformity of the laws relative to property and civil rights in Ontario, Nova Scotia and New Brunswick does not extend to the province of Quebec; and also that the Dominion legislation thereby authorized is expressly declared to be of no effect unless and until it has been adopted and enacted by the provincial legislature. These enactments would be idle and abortive, if it were held that the Parliament of Canada derives jurisdiction from the introductory provisions of s.91, to deal with any matter which is in substance local or provincial, and does not truly affect the interest of the Dominion as a whole. Their Lordships do not doubt that some matters, in their origin local and provincial, might attain such dimensions as to affect the body politic of the Dominion, and to justify the Canadian Parliament in passing laws for their regulation or abolition in the interest of the Dominion. But great caution must be observed in distinguishing between that which is local and provincial, and therefore within the jurisdiction of the provincial legislatures and that which has ceased to be merely local or provincial, and has become matter of national concern, in such sense as to bring it within the jurisdiction of the Parliament of Canada. An act restricting the right to carry weapons of offence, or their sale to young persons, within the province would be within the authority of the provincial legislature. But traffic in arms, or the possession of them under such circumstances as to raise a suspicion that they were to be used for seditious purposes, or against a foreign state, are matters which, their Lordships conceive, might be competently dealt with by the Parliament of the dominion.

Perhaps I am taking too long a time.

Hon. Mr. Choquette: No, but if my friend would like to adjourn to the next sitting to continue we could do it in two instalments.

Hon. Mr. Monette: Then I have some other decisions which, with leave of the Senate, may be taken as being part of my arguments here, and I will deposit that.

Hon. Senators: Agreed.

Hon. Mr. Monette: And I will give a copy to the newspapers.

Then I pass over a great number of decisions of the Privy Council.

Then I come, honourable senators, to the abolition of appeals to the Privy Council. It is in 1947 that there was given a decision by Lord Jowett in the case of the Attorney General for Ontario and others and the Attorney General for Canada and others, the Attorney General for Quebec, interverner, concerning the abolition of appeals to the Privy Council in civil and criminal matters.

[*Translation*]

The ruling of the Privy Council, handed down by Lord Atkin, admits that it is impossible to amend the constitutional status of the provinces, that is of the provincial dominions, without the consent of the province concerned. That is an implicit, but clear and definite admission.

Therefore, we can better understand why there is a tendency to drop appeals to Her Majesty's Privy Council.

This request for the abolition of appeals was made under the provisions of Bill No. 9, which was submitted to the Supreme Court of Canada, through reference, by the governor in council, that is, by the Federal Government itself. Apparently, that would appear to be against my point of view on this matter.

Bill No. 9, drafted for this purpose, included among others the following provisions: 54 (1), (2) and (3), which read as follows:

[*Text*]

54. (1) The Supreme Court shall have, hold and exercise exclusive ultimate appellate civil and criminal jurisdiction within and for Canada; and the judgment of the Court shall, in all cases, be final and conclusive.

(2) Notwithstanding any royal prerogative or anything contained in any Act of the Parliament of the United Kingdom or any Act of the Parliament of Canada or any Act of the legislature of any province of Canada or any other statute or law, no appeal shall lie or be brought from any court now or hereafter established within Canada to any Court of appeal, tribunal or authority by which, in the United Kingdom, appeals or petitions to His Majesty in Council may be ordered to be heard.

(3) The Judicial Committee Act, 1833, ch. 41 of the statutes of the United King-

dom of Great Britain and Ireland, 1833, and The Judicial Committee Act, 1844, ch. 69 of the statutes of the United Kingdom of Great Britain and Ireland, 1844, and all orders, rules or regulations made under the said Acts are hereby repealed in so far as the same are part of the law of Canada.

[*Translation*]

As can be seen, the Supreme Court thus became the court of final resort in Canada and for Canada in all matters of civil or criminal jurisdiction. No appeal or petition would be allowed or could be made from any court, present or future, in Canada, to any court of appeal, tribunal or authority in the United Kingdom.

In fact, the reference to that Bill No. 9 was made to the Supreme Court of Canada by the following question:

[*Text*]

Is said Bill 9, entitled "An Act to amend the Supreme Court Act", or any of the provisions thereof, and in what particular or particulars, or to what extent, intra vires of the Parliament of Canada?

[*Translation*]

A summary of the judgment rendered by the Supreme Court, is given *in extenso* by Lord Jowett, L.C. with the text of his judgment on behalf of the Privy Council, in 1947:

[*Text*]

The following question was accordingly referred to the Supreme Court of Canada for hearing and consideration: Is said Bill 9, entitled "An Act to amend the Supreme Court Act", or any of the provisions thereof, and in what particular or particulars, or to what extent, intra vires of the Parliament of Canada?

The contents of the Bill, a short, but pregnant, one, must be stated in full. (His Lordship read the provisions of the Bill, and continued:) On January 19, 1940, the Supreme Court certified that the opinions in respect of the question referred to it were as follows: By the Court: The Parliament of Canada is competent to enact the Bill referred in its entirety. By Crocket J.: The Bill referred is wholly ultra vires of the Parliament of Canada. By Davis J: the Bill referred if enacted would be within the authority of the Dominion Parliament if amended to provide that nothing therein respect of any action or other civil proceedings commenced in any of the provincial courts and solely concerned with some subject-matter, legislation in relation to which is within the exclusive legislative competence of the legislature of such province.

(See Olmstead, Canadian Constitutional Decisions of the Judicial Committee, Vol. 3, pages 523 and following).

[*Translation*]

The Privy Council rejected the appeal lodged against the Supreme Court decision in the following terms: (see Olmstead, Vol. 3, loc. cit. pages 535 and 537):

[*Text*]

Their Lordships are of opinion that this appeal fails, and that it ought to be declared that Bill 9 of the Fourth Session of the Eighteenth Parliament of Canada, entitled "An Act to amend the Supreme Court Act", is wholly *intra vires* of the Parliament of Canada, and they will humbly advise His Majesty accordingly.

[*Translation*]

And then, is it still possible to appeal to the Judicial Committee of the Privy Council or any other appeal court in England against judgments rendered in Canada?

At first glance that last decision of the Privy Council to which reference was just made might lead us to conclude that there is no appeal possible in any kind of conflict, against the decisions made by the Supreme Court of Canada, either to the Privy Council or to the Court of Appeal, or to any other court or authority in the United Kingdom.

However, I am still convinced that a door was left open, in other words, that there is at least one jurisdiction of appeal to the Privy Council that was not abolished and it is the jurisdiction of appeal on constitutional matters.

The British North America Act, our Constitution, had properly divided between the federal and the provincial jurisdictions the various matters that were to come under the legislative authority of one or the other of those jurisdictions, particularly the power to legislate on criminal matters, which was constitutionally bestowed on the federal Parliament. On the other hand, the jurisdiction of legislation on a great many subjects provided for under section 92 of the Constitution, and more particularly as regards property and civil rights in the provinces, and generally all local or private matters in a province, was bestowed upon the legislative authority of the provinces. Such legislative

authority comes under the constitutional law and is part of the Pact of the Confederation.

The Supreme Court of Canada did not have, nor has it now, the power to abolish appeals to the Privy Council so far as the constitutional authority of provinces to legislate in civil matters or in appeal matters on questions coming under provincial jurisdiction is concerned. Of course, when provincial courts are dealing with a civil matter, the case under consideration comes under the laws of the province in question. Similarly, when the courts are dealing with an offence concerning essentially the criminal law, the criminal law is involved, and if there has been a mistake and if the ordinary man complains that a wrong decision was rendered under the criminal law involved, an appeal can be lodged before the competent Canadian courts and, in addition, if necessary, before Her Majesty's Privy Council. This whole matter evolves around the interpretation of the criminal law or the civil law. But it does not relate to the constitutional law, that is the authority of the federal Parliament to legislate in criminal matters nor the authority of provincial parliaments to legislate in civil matters.

This legislative authority has been determined under the British North America Act and comes under the constitutional law.

Of course, the Supreme Court of Canada, in passing judgment on a criminal matter, renders a final decision which, under Bill No. 9, cannot be appealed. Similarly, when the Supreme Court passes judgment on a civil matter coming under the provinces it shuts out any appeal to the Privy Council or to any other courts in the United Kingdom.

But the constitutional authority, which has already apportioned by the British North America Act legislative jurisdiction between the federal and the provincial governments, retains control of this constitutional right; and this control, this authority is not taken away from it by this Bill No. 9.

The British Parliament is the parent, the model of the Canadian Constitution, and, as such, has apportioned between the federal government and the provinces the various legislative powers. The appeals to the Privy Council against disputable decisions made by our Canadian courts are no longer subject to appeals to the United Kingdom.

But the British Parliament has not ceased being and still remains the constitutional authority defining, limiting, and ruling the legislating rights of the various dominions, federal or provincial, and their constitutional relations between them, rights and relationship which could not be amended without a piece of legislation passed by the United Kingdom and without the total consent of the legislatures of all dominions concerned.

Even though the British Parliament still had the power to amend the apportionment of legislative rights it has already granted either the federal Government or the provinces, which we do not recognize, it is certain that it could not change this apportionment of legislating rights such as, for instance, that of amending the British North America Act by taking away from the federal Government and giving the provinces the right to legislate in criminal matters; likewise, it could not take away from the provinces in order to confer it upon the federal Government the right to legislate in civil matters and other rights already assigned specifically to the provinces.

Besides, the federal Parliament could not by itself make laws to alter the rights allotted to the provinces, such as civil law, civil property, etc.

Moreover, Bill No. 9 is not designed to change the allotment of legislative powers between the dominion and the provinces. The idea is to withdraw from the federal Government and the provincial governments the right of appeal before the judicial committee of the Privy Council. But the rights of appeal enunciated, whether in matters coming under federal legislation or under provincial legislation, are consequential upon the rights to make laws granted to the federal legislature and the provincial legislatures. And even if such legislative rights were not consequential upon the rights allotted to these legislatures, it was then necessary to fully determine all the rights of appeal intended to be revoked in civil or criminal matters. For instance, it does not mention matters coming under corporative law, municipal law, electoral law, and even less constitutional law. In mentioning abolition of appeals only in cases pertaining to criminal law or civil law, we have therefore purposely omitted—or intended to omit—abolition of the right of appeal in other matters.

We have already mentioned that Bill No. 9 was referred to the Supreme Court of Canada through a submission by the governor in council, that is by the federal Government itself. I do not know the name or the function of the official or representative of the federal Government or of the Supreme Court

of Canada who could draft such Bill No. 9, but it seems certain that faced with the constitutional fears and doubts that people might have about the scope of the terms of the bill, the author of the project was conscious of the difficulties and wilfully decided to restrict under this Bill No. 9 the abolition of appeals only in civil and criminal mattters. If he had contemplated that some phrases in *civil and criminal matters* were to apply to all kinds of legislative matters, he did not have to give the list. So he anticipated the contention that the abolition of appeals which it was intended to abandon could precisely go too far and beyond the act; he had the necessary vision and courage, in the prepared text, to restrict the abandonment of appeals only to cases of civil and criminal matters.

Hon. Mr. Choquette: May I ask my friend a question? Would it be your contention, for instance, that in the case where the Province of Quebec would want to sign a treaty on educational matters with France, and the Supreme Court of Canada would decide that cannot be done, you would have the right to appeal from the Province of Quebec direct to the Privy Council?

Hon. Mr. Monette: Only in civil and provincial law.

Hon. Mr. Choquette: On a constitutional matter?

Hon. Mr. Monette: That is educational, and that is constitutional law. That is the point. There are many laws, and this bill is based only on matters civil and criminal.

I have also a number of authorities which I will not quote here. They were made by various persons in regard to the nature of Confederation. One of them was made by the Honourable Etienne Pascal Taché. He was presiding at a meeting of the delegates of all the Provinces, in Ottawa, when the whole bill was discussed. There were remarks as to the decision of Sir John A. Macdonald referring to the Confederation as a treaty, saying that nobody could propose amendments of an important nature—and it was not done.

Hon. Mr. Connolly (Ottawa West): Would the honourable senator agree to put those references on the record? If he wishes to do so, I am sure it will be agreed to.

Hon. Mr. Monette: Yes, the references are given. At a meeting in London, the delegates of all the provinces were convened. The Minister of the Colonies was present to explain these matters. Declarations were made in regard to this projected Constitution. The Honourable Etienne Pascal Taché presided over the legislative council of Quebec, which was then sitting. They were acting under the bill of 1841, the union of the two Canadas.

In opening the legislative council, he was proposing an address to Her Majesty, on the resolution of Quebec, on the lines of the resolution discussed at Charlottetown. That decision had been taken at Charlettetown and had been consented to in Quebec, and then brought to London to have an Imperial Act give effect to it. But those decisions were reached in Quebec independently of any authority, by the desire to form the union, as is mentioned in the British North America Act itself. Speaking there, he said:

> That Lower Canada had constantly refused the demand of Upper Canada for representation according to population, and for the good reason that, as the Union between them would have been legislative, a preponderance of one of the sections would have placed the others at its mercy. It would not be so in a Federal Union, for all questions of a general nature would be reserved for the General Government, and those of a local character to the local Governments which would have the power to manage their domestic affairs as they deemed best. If a Federal Union were obtained it would be tantamount to a separation of the provinces, and Lower Canada would thereby preserve its autonomy, together with all the institutions it held so dear, and over which they could exercise the watchfulness and surveillance necessary to preserve them unimpaired.

Just a word as to what was said by Sir John A. Macdonald at that Conference on 3rd February 1865. He said:

[*Text*]

> The Government desires to say that they presented the scheme as a whole and would exert all the influence they could bring to bear in the way of argument to induce the House to adopt the scheme without alteration and for the simple reason that the scheme was not one framed by the Government of Nova Scotia, but was in the nature of a treaty settled between the different colonies each clause of which has been agreed to by a system of mutual compromise.

He repeated this later on the 6th of February, when he said:

> As I stated in the preliminary discussion, we must consider this scheme in the light of a treaty—

There was a man there named D'Arcy McGee, of whom you have all heard, and who was strong in his talk. On February 9, 1865, he said:

[*Translation*]

> And to avoid any misunderstanding about our position with regard to that document—

That was the petition for the Confederation—

> we say to you: You can examine it, reject it or accept it, but you cannot amend it because that exceeds your power and ours. Not a single sentence or line, not even a word of that document can be changed without its being rejected in full. On that matter, I concur entirely with all my honourable friends who spoke on that matter—to amend the treaty is to destroy it, make it null and void and nothing else.

Sir Wilfrid Laurier, in turn, said in the House, on January 28, 1907:

> Confederation is a covenant, first between four provinces, but accepted later by the nine provinces which entered the union, and I submit to the honourable members of this house that this covenant must not be altered rashly. It should not be altered except in cases of real necessity and after the provinces have the opportunity to express their views on the matter. My hon. friend from York, N.B. (Mr. Crockett) said that it was announced in the speech from the throne that we were going to ask parliament to change the financial conditions of confederation. This is quite true but my hon. friend should know that this decision was arrived at as a result of a conference with the provinces and after all the provincial governments had agreed to request the same thing.

In addition, I should like to quote the words of the right Hon. Ernest Lapointe who also stated in the house in 1924:

> The B.N.A.A. and the restrictions it places on our powers, if any, have been freely accepted by us. There is no inferiority in this. This situation is the result of a contract, as pointed out by my hon. friend from Lotbinière (Mr. Vien).

Incidentally, I commend him for saying that the covenant of Confederation could not be touched—

> The various colonies between themselves had entered into an agreement establishing the powers of the central parliament and, by the same token, the powers of the various provinces which were to replace the colonies of the time, and this agreement was ratified by the then Imperial parliament. Everything that we have or do not have is due to the fact that we willed it so. Many authorities in constitutional law maintain that this treaty cannot be amended and it seems to me that, in all fairness, no amendment should be made thereto without the prior consent of all the signatories. This agreement is just as sacred as any other treaty; it is not a mere scrap of paper.

In concluding, this is what the Honourable Maurice Duplessis said:

> The terms and conditions of this new Federation are contained in a historic document entitled "The Quebec Resolutions". Then the provinces refused to accept the legislative union and preferred the federative system because everyone wanted to retain his history and his traditions and protect his particular economic and geographical interests. The "Quebec Resolutions" really derive from an agreement between the four provinces which created Confederation.

[*Text*]

I do not have anything further to say except to thank honourable senators for the great patience and the attention you have displayed in listening to me. I appreciate the effort you have made to understand me. I do not consider that this is a personal victory for me; I think it was mainly due to the importance of the subject with which I have dealt. I thank you for the time you have spent here in listening to me.

For extracts from Parliamentary Debates of 1867, see Appendix, pp. 212-36.

Hon. Muriel McQ. Fergusson: Honourable senators, I had intended speaking to you today on some matters in the Throne Speech which I consider to be of current and urgent interest. However, in view of the lateness of the hour and the committee which is scheduled to meet afterwards, I shall move the adjournment of the debate.

Hon. Mr. Hollett: May I ask the honourable Senator Monette one question? Would the

honourable senator agree that there is no appeal from any decision of the Privy Council on matters referred to them in times past?

Hon. Mr. Monette: There may be cases, yes.

Hon. Mr. Hollett: Is it not a fact that there was no appeal to anybody, that they were the court of last resort?

Hon. Mr. Monette: The Privy Council, yes. I thank you for having brought it to my attention. They were the authors, the Fathers of Confederation. They conceived it after consultation and demand from the provinces, and, as the fathers, they have the last authority, constitutionally. There was never any question to allow anyone to go further and bring matters to a higher court anywhere else. Their decision is supreme.

On motion of Hon. Mrs. Fergusson, debate adjourned.

INTERPRETATION ACT

BILL TO REVISE—FIRST READING

Leave having been given to revert to Motions:

Hon. John J. Connolly presented Bill S-15, 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. 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.

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

APPENDIX

(See P. 210)

PARLIAMENTARY DEBATES

Extracts from 3rd series Feb. 5, 1867 to Mar. 15, 1867 Vol. 185
'House of Lords' pp. 557-582.

BRITISH NORTH AMERICA BILL—(No. 9.)
(The Earl of Carnarvon.) Feb. 19

SECOND READING

Order of the Day for the Second Reading read.

The Earl of CARNARVON said: In laying before your Lordships the details of one of the largest and most important measures which for many years it has been the duty of any Colonial Minister in this country to submit to Parliament, I must unaffectedly ask for the forbearance of the House. I have, however, this advantage in the performance of my task, that the present measure is not a question of political controversy, and that I may count almost as much upon the sympathy of many noble Lords opposite in the purposes of this great undertaking as upon those of my noble Friends on this side of the House with whom I am in the habit of acting. And here, in the very outset, I would wish to bear my testimony —whatever it may be worth—to the ability and patience with which my right hon. Predecessor in the Colonial Office, Mr. Cardwell, laboured to effect the consummation of this work. From the evidences, indeed, which I have seen in that office of the interest that he took in this question, I am confident, although it has fallen to my lot rather than his to submit this measure to Parliament, yet that there is no one in either House who will more sincerely rejoice in its success than the right hon. Gentleman.

My Lords, I will not detain your Lordships now by any lengthy recapitulation of the early history of this question. It is enough to say that, in one form or another, it has for many years been before the public mind in the British Provinces of North America. Lord Durham, when he proposed in his most able Report the legislative union of Upper and Lower Canada, distinctly contemplated the incorporation of the Maritime Provinces. But delays and difficulties intervened, and Lord Durham's intentions were never carried out. In 1858, however, Sir Edmund Head, then Governor General of Canada, in his speech from the throne, announced the policy of Confederation to the Canadian Parliament; and in the autumn of that year, when my noble Friend (the Earl of Derby) was in Office, delegates from that Province came to this country to consult with Her Majesty's Government upon the subject. But matters were not then ripe, and it was not till 1864 that the first decided step was taken in furtherance of the proposal. In September of that year delegates from all the Maritime Provinces, including Newfoundland and Prince Edward's Island, were assembled at Charlotteville to discuss the terms of a possible union of those Provinces alone; when the Canadian Parliament intervened and gave to the design a grander character by deputing representatives to propose the Confederation of all the British North American Colonies. The conference of Charlotteville was adjourned to Quebec, and there, in the month of October, those resolutions were drawn up which have since become famous under the name of "the Quebec Resolutions," and which, with some slight changes, form the basis of the measure that I have now the honour to submit to Parliament. To those resolutions all the British Provinces in North America were, as I have said, consenting parties, and the measure founded upon them must be accepted as a treaty of union. Since then, Newfoundland and Prince Edward's Island have withdrawn from the union; and this Bill embraces only the Provinces of Upper and Lower Canada, of Nova Scotia, and New Brunswick. The time, indeed, will come before long, I cannot doubt, when Newfoundland and Prince Edward's Island will gravitate towards the common centre of this Confederation. Every consideration of policy and interest will lead them towards this conclusion. The time also is not distant when the broad and fertile districts to the west of Canada, now under the rule of a trading Company, will form part of the Confederation—perhaps it is not very far distant when even British Columbia and Vancouver's Island may be incorporated, and one single system of English law and commerce and policy extend from the Atlantic to the Pacific. Meanwhile let no one think lightly of the present proposed union, curtailed though it be of its original proportions. It will in area comprise some 400,000 square miles, or more than four times the size of England and Scotland; it will in population contain about 4,000,000 souls, of whom 650,000 were, at the last Census of 1861, men between twenty and sixty years of age, capable of

bearing arms in defence of their country; and in revenue it possesses some £3,000,000.

The Bill opens by reciting the desire of the several Provinces to be federally united. It proceeds to invest the Crown with all Executive powers, by land and sea, for civil administration, and military defence. It proceeds to provide for the appointment of a Governor General—an officer charged with the duty of protecting Imperial interests, named by and responsible to the Crown. He will constitute the chief, if not the only, direct link by which the united Provinces will be connected with this country. His position will be one of dignity and station, equal in all ways to its Imperial importance, and a salary of £10,000 is by a clause in this Bill made a permanent third charge upon the general revenues. It is the desire of the Provinces to retain their separate and individual organization, and they will therefore be severally administered by Lieutenant Governors. At present these officers are appointed by the Crown; but henceforward they will receive their offices at the hands of the Governor General, acting under the advice of his Ministers. They will hold office during pleasure, though they will be subject to removal only on cause being shown, and under ordinary circumstances the term of their administration will be limited to five years.

I come now to the Legislature which it is proposed to create under this Bill. It is two-fold—a Central Parliament and Local Legislatures in each Province. I will deal with the Central Parliament first. It will be composed of two Chambers—an Upper Chamber, to be styled the Senate, and a Lower Chamber, to be termed, in affectionate remembrance of some of the best and noblest traditions of English history, the House of Commons. Of all problems to be solved in the creation of a Colonial Constitution, none is more difficult than the composition of an Upper House. This House is generally assumed to be the model—it would probably be hard to find a worthier or higher model—and men labour to reproduce the English House of Lords amongst English colonists, animated, it is true, by English instincts and feelings, but placed under social conditions which are wholly different. The materials for such a House are absolutely wanting in the colonies. The hereditary title to legislate, the great wealth, the large territorial property, the immemorial prescription, and the respect which has been for generations freely accorded to this ancient institution, have no place in the ideas of a young community. To attempt, therefore, a close and minute imitation of the English House of Lords is, I think, to court failure. There are, in my opinion, two broad principles to be kept in view in the creation of a Colonial Chamber: first, that it should be strong enough to maintain its own opinion, and to resist the sudden gusts of popular feeling; secondly, that it should not be so strong that it should be impenetrable to public sentiment, and therefore out of harmony with the other branch of the Legislature. These are conditions difficult under the most favourable circumstances to secure; but they are complicated in this instance by a third, which has been made a fundamental principle of the measure by the several contracting parties, and the object of which is to provide for a permanent representation and protection of sectional interests. I will briefly explain how far these three considerations appear to me to have been met in this Bill. The Senate will consist of seventy-two Members, the four Provinces being for this purpose divided into three sections, of which Upper Canada will be one, Lower Canada one, and the Maritime Provinces one. From each of these three sections an equal number of twenty-four Members will be returned. They will be nominated by the Governor General in Council for life. But as it is obvious that the principle of life nomination, combined with a fixed number of Members, might render a difference of opinion between the two Houses a question almost insoluble under many years, and might bring about what is popularly known as a Legislative dead-lock, a power is conferred upon the Crown—a power, I need not say, that would only be exercised under exceptional and very grave circumstances—to add six Members to the Senate, subject to a restriction that those six Members shall be taken equally from the three sections, so as in no way to disturb their relative strength, and that the next vacancies shall not be filled up until the Senate is reduced to its normal number. It may, perhaps, be said that the addition to six Members will be insufficient to obviate the Legislative discord against which we desire to provide. I am free to confess that I could have wished that the margin had been broader. At the same time, the average vacancies which have of recent years occurred in the nominated portion of the present Legislative Council of Canada, go far to show that, even in the ordinary course of events, the succession of

Members will be rapid. I have received on this subject a Return which will be interesting. In 1856, forty-two Members answered to the call of the House, in 1858 there were but thirty-five, and in 1862 only twenty-five. Thus in six years no less than seventeen vacancies had occurred, showing an average of nearly three every year. When, therefore, a power on the part of the Crown to create six additional Members is supplemented by so large and so regular a change in the constitution of the Senate, it may be hoped that enough is done to maintain the Legislative harmony of the two Houses.

Your Lordships will observe that by the 25th clause security is given that the first list of Senators shall not be nominated under partisan influences. Their names will be a matter of careful agreement, to be submitted to and confirmed by the Crown, and to form part of the Proclamation of Union. The qualifications which are annexed to the office of Senator are not numerous, but they are important. He is to be of thirty years of age—and probably the average age will considerably exceed this—he must be a subject of Her Majesty—he must have a continuous real property qualification of 4,000 dollars over and above all debts and liabilities, and a continuous residence in the Province which he represents. On the other hand, he will become subject to disqualification if he fails in his attendance for two consecutive Sessions, if he takes an oath of allegiance to any foreign Power, if he is insolvent or convicted of crime, or if he ceases to be qualified in respect either of his property or his residence in his Province. There are some further details of procedure which are provided for, but which only need a general mention. The Speaker will be nominated by the Governor General on the part of the Crown, a quorum of fifteen will be required, and whenever the Members present are equally divided, the presumption —in imitation of the rule of this House—will be for the negative.

I now come to the constitution of the House of Commons. The principle upon which the Senate is constructed is, as I have explained, the representation and the protection of sectional interests. The principle upon which the House of Commons is founded is that of a representation in accordance with population. It will not be, indeed, a representation of mere numbers distributed equally in electoral districts; but whilst population is made the basis of representation, each Province will have its own number of representatives in proportion to their own population, and in proportion also to the population and representatives conjoined of their neighbours. Unlike other popular Assemblies, the Canadian House of Commons will be a variable number; but it will vary by reference to a particular standard. That standard will be given by Lower Canada, which is to retain its present quota of sixty-five Members, and will in fact be the proportion which those sixty-five Members bear to the population of the Province. If Lower Canada, with a population of 1,100,000, has sixty-five Members, Upper Canada, with a population of nearly 1,500,000, will have eighty-two Members. It may, indeed, happen that an increase of the total numbers of the House may become necessary. Power is reserved for this contingency; but in such case the increase will be regulated in all the other Provinces by reference to the number of Members representing Lower Canada, and by the proportion between those Members and the population in that Province. But as the representation of population will be based upon the census, there will be a decennial re-adjustment of it. And this leads me to observe that the Parliaments of British North America will be quinquennial. That decision was not, I believe, adopted without some debate. On the one side there was the precedent of the English Constitution; on the other, there was the example of the recent New Zealand Constitution, and the fact that the average duration of British Parliaments can hardly in recent times be said to exceed five years. Of the twenty-one Parliaments from the accession of George I, to that of William IV., comprising a period of 115 years, the average duration was under five years and a half; and of the ten Parliaments from the accession of William IV. to 1865, comprising a period of thirty-five years, the average duration has been three years and a half. Whilst in the last century no less than seven Parliaments attained the term of six years, in the present only two Parliaments have had so protracted an existence.

The Local Legislatures to be established in each Province stand next in order; and my task here is easy; for whilst the provisions regulating the constitution of the central Parliament are in the nature of permanent enactments, those which govern the Local Legislatures will be subject to amendment by those bodies. This portion, therefore, of the Bill is intended to provide the temporary machinery by which each Province will be enabled to enter upon its new life and political duties. I ought, however, to observe that in Nova Scotia and New Brunswick no material change will take place. The existing Parliaments in those provinces become the Provincial Legis-

latures, with their constitutions, their constituencies, and their local machinery unaltered. In Canada, the division of the Province has necessitated the creation of two Legislatures; but the clauses that provide for them are little more than a transcript of a vote agreed to by the Canadian Parliament in their last Session, in anticipation of this adjustment. In Lower Canada there will be a Legislative Council, of which the Members will be nominated for life, and an Assembly: in Upper Canada there will be but one Chamber for the management of local business.

My Lords, I now pass to that which is, perhaps, the most delicate and the most important part of this measure—the distribution of powers between the Central Parliament and the local authorities. In this is, I think, comprised the main theory and constitution of Federal Government; on this depends the practical working of the new system. And here we navigate a sea of difficulties. There are rocks on the right hand and on the left. If on the one hand, the Central Government be too strong, then there is risk that it may absorb the local action and that wholesome self-government by the provincial bodies, which it is a matter both of good faith, and political expediency to maintain: if, on the other hand, the Central Government is not strong enough, then arises a conflict of State rights and pretensions, cohesion is destroyed, and the effective vigour of the central authority is encroached upon. The real object which we have in view is to give to the Central Government those high functions and almost sovereign powers by which general principles and uniformity of legislation may be secured in those questions that are of common import to all the Provinces; and, at the same time, to retain for each Province so ample a measure of municipal liberty and self-government as will allow and indeed compel them to exercise those local powers which they can exercise with great advantage to the community. In Australia there is at present a tendency towards the disintegration of the vast territories which are called colonies, because those who live at great distances on their extreme borders complain that they cannot obtain from the Central Parliaments the attention which they require. In New Zealand, on the other hand, an attempt—and not without success—has been made to combine considerable local powers with a general Government at the centre.

In this Bill the division of powers has been mainly effected by a distinct classification. That classification is fourfold. 1st, those subjects of legislation which are attributed to the Central Parliament exclusively; 2nd, those which belong to the Provincial Legislatures exclusively; 3rd, those which are subjects of concurrent legislation; and 4th, a particular question which is dealt with exceptionally. To the Central Parliament belong all questions of the public debt or property, all regulations with regard to trade or commerce, customs and excise, loans, the raising of revenue by any mode or system of taxation, all provisions as to currency, coinage, banking, postal arrangements, the regulation of the census, and the issue and collection of statistics. To the Central Parliament will also be assigned the enactment of criminal law. The administration of it indeed is vested in the local authorities; but the power of general legislation is very properly reserved for the Central Parliament. And in this I cannot but note a wise departure from the system pursued in the United States, where each State is competent to deal as it may please with its criminal code, and where an offence may be visited with one penalty in the State of New York, and with another in the State of Virginia. The system here proposed is, I believe, a better and safer one; and I trust that before very long the criminal law of the four Provinces may be assimilated—and assimilated, I will add, upon the basis of English procedure. Lastly, the fisheries, the navigation and shipping, the quarantine regulations, the lighting of the coast, and the general question of naval and military defence, will be placed under the exclusive control of the Central Government.

The principal subjects reserved to the Local Legislatures are the sale and management of the public lands, the control of their hospitals, asylums, charitable and municipal institutions, and the raising of money by means of direct taxation. The several Provinces, which are now free to raise a revenue as they may think fit, surrender to the Central Parliament all powers under this head except that of direct taxation. Lastly, and in conformity with all recent colonial legislation, the Provincial Legislatures are empowered to amend their own constitutions. But there is, as I have said, a concurrent power of legislation to be exercised by the Central and the Local Parliaments. It extends over three separate subjects—immigration, agriculture, public works. Of these the two first will in most cases probably be treated by the Provincial authorities. They are subjects which in their ordinary character are local; but it is possible that they may

have, under the changing circumstances of a young country, a more general bearing, and therefore a discretionary power of interference is wisely reserved to the Central Parliament. Public works fall into two classes: First, those which are purely local, such as roads and bridges, and municipal buildings—and these belong not only as a matter of right, but also as a matter of duty, to the local authorities. Secondly, there are public works which, though possibly situated in a single Province, such as telegraphs, and canals, and railways, are yet of common import and value to the entire Confederation, and over these it is clearly right that the Central Government should exercise a controlling authority.

Lastly, in the 93rd clause, which contains the exceptional provisions to which I referred, your Lordships will observe some rather complicated arrangements in reference to education. I need hardly say that that great question gives rise to nearly as much earnestness and division of opinion on that as on this side of the Atlantic. This clause has been framed after long and anxious controversy, in which all parties have been represented, and on conditions to which all have given their consent. It is an understanding which, as it only concerns the local interests affected, is not one that Parliament would be willing to disturb, even if in the opinion of Parliament it were susceptible of amendment; but I am bound to add, as the expression of my own opinion, that the terms of the agreement appear to me to be equitable and judicious. For the object of the clause is to secure to the religious minority of one Province the same rights, privileges, and protection, which the religious minority of another Province may enjoy. The Roman Catholic minority of Upper Canada, the Protestant minority of Lower Canada, and the Roman Catholic minority of the Maritime Provinces, will thus stand on a footing of entire equality. But in the event of any wrong at the hand of the local majority, the minority have a right of appeal to the Governor General in Council, and may claim the application of any remedial laws that may be necessary from the Central Parliament of the Confederation.

In closing my observations upon the distribution of powers, I ought to point out that just as the authority of the Central Parliament will prevail whenever it may come into conflict with the Local Legislatures, so the residue of legislation, if any, unprovided for in the specific classification which I have explained, will belong to the central body. It will be seen, under the 91st clause, that the classification is not intended "to restrict the generality" of the powers previously given to the Central Parliament, and that those powers extend to all laws made "for the peace, order, and good government" of the Confederation —terms which, according to all precedent, will, I understand, carry with them an ample measure of legislative authority. I will add, that whilst all general Acts will follow the usual conditions of colonial legislation, and will be confirmed, disallowed, or reserved for Her Majesty's pleasure by the Governor General, the Acts passed by the Local Legislature will be transmitted only to the Governor General, and be subject to disallowance by him within the space of one twelvemonth.

Clauses 102-126 regulate the conditions, pecuniary, and commercial, upon which the Provinces enter into union. They are so entirely matter of local detail and agreement, that I need not weary the House with any minute statement of them. It is enough to say that under them a consolidated fund is created, and that whilst lands and minerals are reserved to the several Provinces, the assets, property, debts, and liabilities of each will be transferred to the central body. By this agreement the public creditor who exchanges the security of each separate Province for the joint security of the four Provinces confederated, will find his position improved rather than deteriorated. As between the Provinces, it is proposed that the Local Legislatures should surrender to the Central Parliament all powers of raising revenue except by direct taxation. In return for this concession the Central Government will remit to the Local Legislatures certain fixed sums and a proportionate capitation payment, in order to enable them more conveniently to defray the costs of local administration. The debt of each Province has been fixed at a certain sum calculated; but if in the interval between the present time and the proclamation of Union that debt should be increased, the Province so exceeding will pay interest on the excess, and that interest will be deducted from the quota which they would otherwise receive from the central authority. In the same category must be placed the 145th clause, which makes it the duty of the Central Parliament and Government to provide for the commencement of the Intercolonial Railway within six months of the union. Such an undertaking was part of the compact between the several Provinces, and it was an indispensable condition on the part of New Bruns-

wick. Successive Governments at home have entertained the scheme and have pledged themselves to the promise of more or less assistance. Meanwhile I will not now enter upon its details, because very shortly a further measure involving the consideration of pecuniary support must come before Parliament.

There is, indeed, a question of great importance and intimately connected with the future fortunes of the Confederated Provinces, and I may perhaps be asked why it finds no place in this measure. My Lords, I am fully alive to the urgent importance of coming to some settlement of the Hudson Bay Company's claims. The progress of American colonization on the West, the Confederation of the Provinces on the East, render an early decision necessary. But till this union is completed it would be a waste of time to discuss the relations of the Hudson Bay Company's territories to the Provinces. When once this Bill becomes law, it will be the duty of Her Majesty's Government not to lose one day unnecessarily in dealing with this great subject.

Having thus stated the main provisions of this measure, I have only to add the designation of this new State to which we are about to give a distinct life and organization. It may seem a trifling question; but it has, in truth, been one neither unimportant nor free from difficulties. To the representatives of the Maritime Provinces belongs the credit of waiving local rights and pretensions; and they have felt the advantage of accepting a name not less familiar to the English labourer and artizan than it is distinguished by honourable traditions. Her Majesty has been pleased to express her approval of the name, and henceforth the United Provinces will be known as the "Dominion of Canada"—a designation which is a graceful tribute on the part of colonists to the monarchical principle under which they have lived and prospered, and which they trust to transmit unimpaired to their children's children. Whilst the individual Provinces of Nova Scotia and New Brunswick retain their present designation, Upper Canada will become the Province of Ontario, and Lower Canada the Province of Quebec.

I have now stated the general principles upon which this measure is founded. But to so large a scheme, as might naturally be expected, objections have been made; and these objections, or some of them, it is my duty to indicate. And first, it has been urged that this Union should have been a legislative rather than a federal one. I admit, to a certain extent, the validity of the objection. When Upper and Lower Canada where connected in a legislative Union, Lord Durham distinctly contemplated a similar incorporation of the Maritime Provinces. Nor are there wanting to this opinion many of the ablest of Canadian statesmen. But the answer is simply this—that a legislative Union is, under existing circumstances, impracticable. The Maritime Provinces are ill-disposed to surrender their separate life, and to merge their individuality in the political organization of the general body. It is in their case impossible, even if it were desirable, by a stroke of the pen to bring about a complete assimilation of their institutions to those of their neighbours. Lower Canada, too, is jealous, as she is deservedly proud, of her ancestral customs and traditions; she is wedded to her peculiar institutions, and will enter this Union only upon the distinct understanding that she retains them. The 42nd Article of the Treaty of Capitulation in 1760, when Canada was ceded by the Marquis de Vaudreuil to General Amhurst, runs thus—

> "Les François et Canadiens continueront d'être gouvernés suivant la Coutume de Paris et les loix et usages établis pour ce pays."

The Coutume de Paris is still the accepted basis of their Civil Code, and their national institutions have been alike respected by their fellow-subjects and cherished by themselves. And it is with these feelings and on these terms that Lower Canada now consents to enter this Confederation.

But it has been objected that this union of Provinces will be a kingdom, not a Confederation, and that being an embodiment of the monarchical principle, it will Constitute a challenge, to our powerful republican neighbour across the border. Now I am at a loss to understand how these Provinces, when united, can be one whit more or whit less of a kingdom than when separate. There will be, with some few modifications, the same institutions, the same forms of government, and even the same men to give life and movement to them. It is but a development of the existing system. But whilst it is attacked by one critic as too monarchical in its character, it is assailed by another as too Republican, and we are warned that it must ere long on American soil become a Republic, and lead to the dismemberment of the Empire. Now I do not see special cause

for apprehension from republican any more than from monarchical dangers; but I must submit that, at all events, the two allegations are fatally inconsistent with each other.

Again, it has been said that this great scheme owes its origin to the lust of territorial dominion on the part of one State, and that it is solely referable to the overweening ambition of Canada to exercise a supremacy over her sister Provinces. For this allegation I cannot see the smallest groundwork of argument; and, looking to the past history and the ordinary probabilities of these colonies, I can conceive nothing more unlikely than a combination of Upper and Lower Canada as against the Maritime Provinces. If, indeed, any one of these Provinces has a reasonable ground for apprehension, it is Lower Canada, with its distinct race and language and institutions, rather than Nova Scotia and New Brunswick, which are in all essentials so akin to the great and populous Province of Upper Canada. But what this large scheme of union has been attributed to the desire of political supremacy on the part of Canada, it is in the same breath referred to the irreconciable differences which are supposed to have divided Upper and Lower Canada. I believe, for my own part, that those differences have been greatly exaggerated; but any how it is clear that the two objections cannot both be correct. They destroy each other. And this, indeed, I may observe, is the case with several other objections that have been urged; as when, in England, we are told that the object of this scheme is the imposition of fresh burdens upon the mother country, and, in America, that its object will be the imposition of pecuniary charges upon the Maritime Provinces.

My Lords, I must not pass over another and a plausible objection to the policy of this measure. It is said that, whilst the commercial policy of Canada has been of a Protectionist, that of the Maritime Provinces has been of a more Liberal character; and it is further argued that, when once the union of these Provinces shall be accomplished, the restrictive system of Canada will become uniform, and that we shall find ourselves excluded from the comparatively free markets which we have hitherto enjoyed. A Canadian would probably reply to this that the high tariff of Canada has been due to the necessities of the revenue rather than to a desire to foster her own industry. Of this we can be no judge; we can only accept the facts as we find them; but on those facts there is, as I think, an answer worthy of the attention of this House. Whatever may have formerly been the case, it is now unfair to draw a strong distinction between the commercial policies of Canada and of the Lower Provinces. Canada is by no means unanimous in her desire for Protectionist measures. On the contrary, the Canadian tariff has recently been brought into far greater harmony with that of this country. I understand that the duties on all manufactured articles—such as cottons, woollens, and leather—have been reduced in some cases from 25, but in all from 20 to 15 per cent. Partially-manufactured articles—such as bar-iron, tin, etc., which were formerly charged with a 10 per cent duty—now come in free; and lastly, all raw materials are exempt from duty. On the other hand, the reductions in the revenue due to these changes have been made good by stamps, by an increase of the Excise and by duties on tea, sugar, and wines. Of these I may mention that the duty on tea is 4½d. per lb., and therefore very close upon that which exists here; that as regards sugar, they have adopted the same duties and the same system; whilst in the case of wines they have followed the same system, with this difference, that their duties are 60 percent lower than our own. Such, indeed, has been the reduction effected, that the Canadian tariff, whilst still considerably in excess of the Nova Scotian, is less than that of New Brunswick. And, therefore, we have some right to hope that a Free Trade rather than a Protectionist policy will be the result of the union of Canada with the Lower Provinces. But if even it were otherwise, I could never ask this House to bargain with Canada, and to withhold its consent to a measure on which the hearts of our colonists and fellow-subjects are set, until they had adjusted their tariff to our liking. We must rather trust to time and the prevailing strength of our own commercial principles to induce the Provinces to adopt that view which is most consistent with our policy, and, as I believe, with their interests. I do not doubt what their choice will be; for, apart from other considerations, so long as the United States think it desirable to hem themselves in with the bounties and restrictions of a jealously protective system, so long it will be the obvious interest of British North America to open her ports to the free entrance of commerce.

I have now come to the last, but also the gravest, objection which has been raised. It is an objection which I cannot indeed

admit, but to which I will endeavour to do justice. It is represented that this measure, which purports to rest upon the free consent of the various contracting parties, is distasteful to a large portion, if not a majority, of the inhabitants of Nova Scotia. My Lords, it has been the duty of Her Majesty's Government to weigh seriously the value of this objection. I am told that a petition will be presented in the House of Commons; but none has been laid, or, as far as I know, will be laid, on the table of this House. There are, however, petitions against this union, which will be found in the recent papers that have been presented to Parliament. They are often drawn up with considerable ability; but they bear the mark, I think, of a single hand, and, though they profess to emanate from public meetings in the different counties of Nova Scotia, they are—I believe, with one exception—signed by the Chairman alone, and give no evidence of the number or the class of the petitioners. As against this, we have to consider, first, that both Upper and Lower Canada have —I may almost say unanimously—expressed their concurrence in the proposed Confederation; and that New Brunswick has given in her formal adhesion. And what as to Nova Scotia? Why, in 1861, the Assembly of that Province agreed to a resolution in favour of Confederation in general terms, and that resolution was transmitted to the Home Government. In 1863 the Nova Scotia Legislature was dissolved, and the Parliament then returned is still in existence. That Parliament, last summer, agreed to a vote in favour of Confederation in most definite and yet comprehensive terms, empowering the delegates now in this country to negotiate with Her Majesty's Government the conditions of Union. My Lords, I do not see how it is possible to look behind that vote, and what better guarantee we can have of the real feelings of the people of Nova Scotia. I cannot, after this, consent to enter upon a discussion of the motives or policy of this or that Colonial Minister. We have not the materials for forming a judgment; we can only accept the deliberate and formal opinion of the Legislature as the expression of the public feeling. Nor are the delegates, who are now in England, men selected from any one party in the Province. They represent both the Colonial Government and the Colonial Opposition. But, then, I may be told that the opposition is not so much to the measure itself as to the time at which it is being passed; and that the opponents desire that its ratification should be deferred until a new Parliament in Nova Scotia shall have expressed its opinion upon the question. But my answer to this must be, that the present Nova Scotian Parliament is fully competent to deal with the subject. Its members are representatives, not delegates, of the constituencies. When, last year, the Legislature of Jamaica voted away the former constitution of the island, Parliament did not hesitate to accept that surrender, and to place the colony under the direct control of the Crown. Neither the people nor the Legislature of Nova Scotia have been taken by surprise. Ever since 1858 the question of a more intimate consolidation of Provincial interests has been before the public mind. The plea for delay is in reality a plea for indefinite postponement, and to this I do not believe that Parliament will lend its ear. This measure has been purchased at the cost of great personal and local interests, and if we now remit it—I care not on what pretence—to the further consideration of the Province, we deliberately invite opposition; and we may be sure that many years will pass over before another such proposal for Confederation is submitted to Parliament.

My Lords, these objections come too late, for it is not the question of one, but of four great Provinces. If, indeed, we were to wait till every individual in those Provinces were agreed, we might wait for ever. To such a scheme as this there must, in the nature of things, be opposition. If ever the union of two countries was of public benefit, it was the union of Scotland and England; and yet when every circumstance of the time called imperatively for that union there were many who hesitated. The calmest and most philosophic of modern historians has said that—

> The measure was so hazardous an experiment that every lover of his country must have consented to it in trembling, or revolted from it in disgust.

That union was, nevertheless, accomplished, and so fraught with blessings has it been, that we now wonder that the two nations could so long have remained separate.

I have thus stated some of the principal objections which have been urged to this measure, and have briefly indicated the answers to them. Let me now review some of the advantages which may be reasonably anticipated. And first, I hope that this measure may well and effectually compose some of those complaints which from time to time must arise out of such an union as that which

at present subsists between Upper and Lower Canada. It has, for instance, been said, that whilst Upper Canada possesses the largest population, she has only an equal voice in the representation of their common interests in the joint Legislature. But this inequality will be redressed by the principle of representation according to population, upon which the House of Commons is to be constituted. Nor will Upper Canada gain unduly by this arrangement; for whilst her interests will be protected by a representation in accordance with population in the Lower House, the interests of Lower Canada will be guarded by an equality of the sectional votes in the Upper House. Again, it has been said that whilst Upper Canada contributes the larger share of taxation, Lower Canada enjoys more than her just portion of the public expenditure. That allegation, whether well or ill-founded, also finds its answer in this Bill. Henceforward, apart from the revenue raised for the common purposes of the Confederation, local taxation and expenditure will depend upon the local authorities. Thus, all those complaints which must arise under the circumstances of such an union as that which now exists—complaints of partiality, of neglect, of mismanagement of roads, bridges, and those public works which are the very life of a young community, must cease. All local works will devolve upon local authorities, who in turn will be responsible to the taxpayers. This is, indeed, the principle which we recognise in the management of our own country and borough affairs; and if it should be said that Parliament undertakes a wider control in England than is contemplated by this Bill in the confederated Provinces, I reply first, that there is a difference in the management of local affairs by a central body between a country which contains 100,000 square miles, and one which now contains 400,000, and may one day contain 3,400,000 square miles; and, secondly, that the lesson, which the English Parliament affords us in this matter, is a lesson rather of warning than of encouragement. These are perhaps negative merits. For the positive advantages, let anyone look at the map and observe how bountifully nature has lavished her gifts upon that country. But nature, true to her constant rule, does not there shower those gifts upon one part to the exclusion of another. In the Eastern districts there are not only coasts indented with harbours and fisheries, which, unless man greatly misuse them, may be called inexhaustible, but minerals, gold and—that which is more precious than gold—rich beds of coal. As the traveller goes westward, he finds a country rich in timber, in grain, in iron, lead, and copper, a country well fitted for manufacturing prosperity, and already known for its breed of sheep, and cattle, and horses; and when he passes the westernmost frontier of Canada, he sees before him fertile plains as yet unsettled, stretching along the valley of the Saskatchewan, up to the roots of the rocky mountains. Now these districts, which it may almost be said that nature designed as one, men have divided into many by artificial lines of separation. The Maritime Provinces need the agricultural products and the manufacturing skill of Canada, and Canada needs harbours on the coast and a connection with the sea. That connection, indeed, she has, during the summer, by one of the noblest highways that a nation could desire, the broad stream of the St. Lawrence; but in winter henceforth she will have it by the intercolonial railway. At present there is but a scanty interchange of the manufacturing, mining, and agricultural resources of these several Provinces. They stand to each other almost in the relation of foreign States. Hostile Custom Houses guard the frontiers, and adverse tariffs choke up the channels of intercolonial trade. There is no uniformity of banking, no common system of weights and measures, no identity of postal arrangements. The very currencies differ. In Canada the pound or the dollar are legal tender. In Nova Scotia the Peruvian, Mexican, Columbian dollars are all legal; in New Brunswick, British and American coins are recognised by law, though I believe that the shilling is taken at twenty-four cents, which is less than its value; in Newfoundland Peruvian, Mexican, Columbian, old Spanish dollars, are all equally legal; whilst in Prince Edward's Island the complexity of currencies and of their relative value is even greater. Such then being the case, I can hardly understand that any one should seriously dispute the advantage of consolidating these different resources, and interests, and incidents of government under one common and manageable system.

But there is yet another advantage to be gained from that union, to which I must call the attention of the House. The question of military defence is a somewhat delicate one on which to touch. Military defence supposes war, and war in that part of the world could only be with that great Republic which lies south of our border. Such a war between men of a common race and language, and in many respects of common institutions, would be an unnatural and detestable conflict, which would entail upon each incalculable injuries,

and perhaps throw back for years the course of civilization and human prosperity. It is, however, our duty in dealing with this great question to deal with it fully, and not to evade a consideration so important as that of military defence. We are constantly reminded of the difficulties of defending the long frontier of Canada with a distant base of operations. Every reasonable man will admit those difficulties; nor do I see any object in underrating them. At the same time, we have high and competent military authority to warrant us in believing that, with proper precautions and with the spirit of courage and loyalty which has animated the Canadian people the defence of Canada is no insoluble problem. Again, we are told that the proportions of military expenditure are not fairly adjusted between the mother country and Canada. Well, I think that the time has probably come for a re-consideration of those charges; and to that opinion there are many in Canada who will subscribe. I am confident that Canada desires only that which is reasonable, that which she may in honour ask, and in honour accept of this country. There has been a good deal of misunderstanding on this subject, and Canada has been supposed to be backward in defraying the expenses of her own defence. But out of the 425,000 militia who are on paper, 90,000 have six days' drill in the year; and that besides these, there are from 30,000 to 35,000 Volunteers, who have undergone considerable training, and have attained much efficiency. There are drill associations in the various towns; there have been camps of instruction, and more than 3,000 cadets have within the last two years passed an examination by the military authorities, and have received certificates either of the first or second class. I will only add, that whilst the military expenditure in Canada was in 1864 about 300,000 dollars, it was in 1865 nearly 900,000 dollars, and in 1866 more than 2,000,000 dollars. By the Census of 1861, it was computed that the men between the ages of twenty and sixty, supposed to be capable of bearing arms, were—

In Upper Canada	308,000
In Lower Canada	225,000
In Nova Scotia	67,000
In New Brunswick	51,000
	651,000

These are now fixed to their respective Provinces, and engaged, as a matter both of duty and sentiment, to the exclusive defence of that Province. But when Confederation is accomplished these scattered forces will become one army under the command and, in the event of emergency, at the disposal of one single general.

But if the advantages of union are great in a military, a commercial, a material point of view, they are not, I think, less in the moral and political aspect of the question. When once existing restrictions are removed, and the schools, the law courts, the professions, the industries of these great Provinces are thrown open from one end to another, depend upon it a stimulus greater than any that has ever been known before in British North America will be applied to every form of mental or moral energy. Nor will it be the main body of the people that will alone feel this. The tone of Parliament, the standard of the Government will necessarily rise. Colonial institutions are framed upon the model of England. But English institutions, as we all know, need to be of a certain size. Public opinion is the basis of Parliamentary life; and the first condition of public opinion is that it should move in no contracted circle. It would not be difficult to show that almost in proportion to its narrowness Colonial Governments have been subject to disturbing influences. But now, independently of the fact in these confederated Provinces there will henceforth be a larger material whence an adequate supply of colonial administrations and colonial oppositions can be drawn, it is not, I think, unreasonable to hope that, just as the sphere of action is enlarged, the vestry element will be discarded, large questions will be discussed with the gravity which belongs to them, men will rise to a full sense of their position as Members of a great Parliament, and will transmit their own sense of increased responsibility and self-respect through Parliament and the Government to the main body of the people.

My Lords, I have now touched upon the main features of this measure. I have only in conclusion to say a few words as to the principle upon which it is founded. I know that objections are sometimes made to the principle of a federative Government. It is true that no federation can be as compact as a single homogeneous State, though the compactness will vary with the strength or weakness of the Central Government. It is true that federation may be comparatively a loose bond, but the alternative is no bond at all. It is not every nation, or every stage of the national existence, that admits of a federative Government. Federation is only possible under certain conditions, when the

States to be federated are so far akin that they can be united, and yet so far dissimilar that they cannot be fused into one single body politic. And this I believe to be the present condition of the Provinces of British North America. Again, it is said that federation is a compromise, and, like all compromises, contains the germ of future disunion. It is true that it is a compromise, so far as it is founded upon the consent of the Provinces; it is true that it has been rendered possible by the surrender of certain powers, rights, and pretensions by the several Provinces into the hands of the central authority; but it is also to be remembered that—unlike every other federation that has existed—it derives its political existence from an external authority, from that which is the recognised source of power and right—the British Crown. And I cannot but recognise in this some security against those conflicts of State rights and central authority which in other federations have sometimes proved so disastrous.

There have been but few examples of federative Governments. Republics and kingdoms there have been many that have played great parts; but the federative Governments in the world's history may be easily counted. There have been but four which can be fairly called famous. Two are no more—two exist. Of these, one—Switzerland—is the smallest amongst the families of modern Europe; the other—the United States—is one of the greatest of the Great Powers of the world. In geographical area this Confederation of the British North American Provinces is even now large—it may become one day second only in extent to the vast territories of Russia—and in population, in revenue, in trade, in shipping, it is superior to the thirteen colonies when, not a century ago, in the Declaration of Independence, they became the United States of America. We are laying the foundation of a great State—perhaps one which at a future day may even overshadow this country. But, come what may, we shall rejoice that we have shown neither indifference to their wishes nor jealousy of their aspirations, but that we honestly and sincerely, to the utmost of our power and knowledge, fostered their growth, recognising in the conditions of our own greatness. We are in this measure setting the crown to the free institutions which more than a quarter of a century ago we gave them, and therein we remove, as I firmly believe, all possibilities of future jealousy or misunderstanding—

"Magna sub ingenti Matris se subjicit umbrâ."

Moved, "That the Bill be now read 2ª."

—(*The Earl of Carnarvon.*)

The Marquess of NORMANBY said, the noble Earl the Secretary for the Colonies had so exhausted the subject that it was unnecessary to add but a few remarks to what had been said already. He should, therefore, confine his observations to the military advantages which he believed this union was calculated to confer on the North American Provinces, and answer some of the objections that had been made to the scheme in Nova Scotia. Some people in this country were of opinion that England derived no benefit from these colonies; that they were rather a source of burden and expense, and that there was consequently no need for maintaining the close connection at present existing between them and the mother country. That was not the feeling with which he intended to address himself to this subject; nor was it the feeling of the vast majority of the people in this country, nor of their Lordships, nor the colonists themselves. Were the British North American colonies in a position to stand alone—were they anxious or willing for separation from this country, were their feelings or inclinations such as to lead them to seek amalgamation with the United States—he did not think that it would be wise for us to use coercive measures to prevent them. But so long as they were loyal —so long as they looked upon their connection with the mother country and the institutions which they at present enjoyed under her rule as among the greatest blessings they possessed, he believed it was their duty to encourage the feeling and protect their rights and interests to the best of their power. It was perfectly true that in a pecuniary point of view this country derived no profit from her colonies. While in a generous spirit granting them free institutions, and confiding to their own hands the distribution of their revenues and the management of their local affairs, we had up to the present time taken upon ourselves entirely the burden of providing for their defence. It was, however, to be borne in mind that this country had no longer the power, even if she had the will, to provide for such defence. The change in locomotion had so altered North America that it would be impossible to act in this matter now as we had formerly done. He had heard it asserted that Canada could not be defended, but he did not believe it. The colonists were perfectly ready to cooperate with us, and so long as this country main-

tained her naval supremacy, no fear need be entertained with regard to the maintenance of the coast defences of that colony. The principal enemy Canada would have to fear would be the United States; but he hoped no quarrel would arise to bring the two countries into collision. Every man must cordially hope that war might not arise between the States and this country. Such a war would produce unmitigated evils, and would, in fact, be nothing less than suicidal. But, at the same time, they could not disguise from themselves that the condition of the United States had greatly altered within the last few years. Not long ago her army consisted only of some 10,000 men, but she had now an enormous and well-disciplined force. It therefore well became us to consider how we could best provide for the defences of our British North American Provinces; and he thought it was clear that in no way could these be better provided for than by their union. It might be fairly argued that what had been done in one Province could be done in another. Some account, therefore, of what had been done and what was capable of being done in one at least of our North American Provinces might not be uninteresting. When he first assumed the government of Nova Scotia, in 1858, the entire local force of that country consisted of some fifty or sixty Volunteer artillerymen. Subsequently an opportunity presented itself of raising Volunteer Corps, and at a later period circumstances enabled him to obtain a revision of the militia laws. In 1863, when he left that Province, there were no less than 34,800 men regularly enrolled for drill for five days every year, and since that time matters had greatly improved. Last year there were, he believed, 59,000 men regularly out for drill. He admitted the insufficiency of the drill of these men, but their organization was perfect, their enrolment was good, and their officers effectively trained, being required in every case to pass an examination before receiving their commissions. If Nova Scotia, with a population of 300,000, could produce 50,000 militiamen, he could see no reason why British North America, with a population of 4,000,000, should not produce an enrolled militia of 400,000 or 500,000. Of these a quota could be called out every year for permanent training, so as to keep up the organization of the entire body. With such a force to draw upon in case of need, backed by the support which would be given by this country, there was no reason why Canada should not be able to defend herself effectually. It must be borne in mind that in Canada any campaign must, owing to the necessities of the climate, be limited to six months; moreover, as war with Canada meant war with England, America would be obliged to keep a large force at home for the protection of her own shores. In speaking thus of America he alluded, of course, only to possibilities. No one was more sensible than himself of the serious disadvantages of a war with America; no one could deplore more than he did the miseries which such a war was calculated to entail; and nobody could look with greater interest on the institutions of that country, or entertain a higher sense of her greatness and resources. Turning now to the political part of the question, he would notice some objections that had been urged against the scheme. As regarded Canada and New Brunswick, the importance of the measure now advocated could not be over-estimated. In both these Provinces the proposal for union had been so universally accepted that it was unnecessary to dilate upon it as regarded them. The case of Nova Scotia was, however, he was sorry to say, different. Petitions had been drawn up against the scheme, and delegates had been sent over to this country to oppose it. This was the more unreasonable when it was considered that the Maritime Provinces, of which Nova Scotia was one, would derive more benefit from the Confederation than the Canadas themselves. He was one of those who thought originally, and still thought, that it might have been better in the first instance to have formed a separate federation of the Maritime Provinces, by which means time would have been allowed for the softening down of local jealousies, and the way prepared for the eventual formation of a large and compact body. But the question was not now whether there should be a more limited or more extended union, but whether we should have the union at present proposed, or allow the North American Provinces to remain disunited. They were told that nine-tenths of the population of Nova Scotia were against this measure, and that 30,000 signatures had been appended to petitions praying that it should not be carried out. Pamphlets had been published by the opponents to the scheme that it would, if carried out, cause great misery, and ultimately the ruin of Nova Scotia. Their Lordships should bear in mind, however, that it was not an unusual thing across the Atlantic to hear political questions argued in a tone and temper that sounded strangely to the ear, and to see people rather carried away by the force of language than by the arguments conveyed

in their language. He had had some experience of the way in which the petitions were got up in Nova Scotia against this measure. When the movement in favour of Confederation gained strength, a gentleman, whom he respected on account of his talents, put himself at the head of a party of opposition and went through the country holding meetings for the purpose of declaiming against the scheme. Nothing is easier than to persuade people they are about to be wronged, that they are to be deprived of their liberties and have their commercial prosperity retarded; so the people responded to the agitation and petitioned against this scheme in vast numbers; but he thought the petitions represented the opinion of the agitators rather than the real feeling of the inhabitants of the country. The arguments of the party of opposition were not directed particularly against this measure, but against all union of our North American Provinces; and the head of the party, it should be stated, was once as much in favour of Confederation as he had latterly been against it; so that his arguments could not be counted of much worth. If it were true that Nova Scotia was likely to be sacrificed for the benefit of Canada he would not lend his support to the Bill; but it was clear that, as the interests of Nova Scotia and New Brunswick were identical, and as those two States possessed a third of the votes of the Senate and a fifth of the House of Commons, they would surely be able, by joining with the ordinary opposition, to obtain a hearing and compel the House to do them justice. If the question were one merely affecting the interests of Nova Scotia the case might be different; but it also affected the interests of the two Canadas, New Brunswick, and this country. Their Lordships were therefore bound to consider the matter not in a local but an Imperial point of view. He believed that the Bill would promote the general good of the British North American Provinces, and he would therefore give it his support.

Earl RUSSELL said, he could not altogether remain silent when a subject of such interest as this engaged their Lordships' attention. It appeared to him that the measure was undoubtedly a wise one. In the first place, the Confederation would facilitate commercial relations with the United States, because it would be far easier for our North American Provinces, when united together, to form agreements which might afterwards be put into treaties than if they were to remain separate. In the second place, it was far better to have a single united authority which could provide for any exigencies that might arise, such as war, than to have the defence left to the separate colonies. In supporting the Bill he must say that the creation of these provinces, so populous and wealthy, redounded greatly to the credit of this country. In 1760, when we obtained Canada by capitulation from the French, there were only 70,000 inhabitants in the colony. At the present day the descendants of the French in Lower Canada alone amounted to nearly 1,000,000, and in Upper Canada the population was 1,500,000. The total population of the Provinces which it was proposed to unite was no less than 4,000,000. He believed that there was no other instance in the history of the world of such a noble colony springing from so small a source. The noble Earl (the Earl of Carnarvon) had said rightly that the measure of Confederation had been long thought of. Lord Durham, in his Report, suggested a similar project; and he remembered speaking about it to Sir James Kemp, at the time Governor of Nova Scotia, who told him that whatever might be its advantages, the difficulty of communication between Upper and Lower Canada was such that it was impossible at that time to entertain the proposal. The difficulty of communication between Canada and New Brunswick which had hitherto existed would be removed by the intercolonial railway which the Provinces had undertaken to construct, and which was to be guaranteed by this country. He believed that that question was to be brought forward in the other House, for the consent of Nova Scotia and New Brunswick to the federation was dependent upon it, and without it the union could not be carried out. He had to express his regret that this was not a legislative instead of a confederate union. He feared that separate local Legislatures would be attended with great inconvenience, and that the work of the Confederation could only be done by a single Legislature. He hoped that in time the leading men of Nova Scotia and New Brunswick would see that it was better to rule over 4,000,000 of people than to be restricted to the Government of their own Province, and that they would themselves propose the legislative union which the noble Earl now confessed himself unable to effect. He sincerely hoped that those united Provinces might continue to improve, and that if, in the course of time, they desired to separate from the mother country, and to become a separate State—a circumstance which he did not think at all likely to occur—they would find, as we had always been ready to defend the Cana-

dians as the subjects of Her Majesty, so we should be ready to listen to their wishes should they desire to separate and to form an independent nation.

Lord MONCK said, he hoped their Lordships would permit him to say a few words upon the Bill, considering the share which he had had in its origination. He would at the outset refer to one thing, which appeared to him of great importance in a constitutional point of view. It had been, he thought, most unwarrantably assumed that the Province of Nova Scotia was opposed to the union. Now, he believed that the expression of opinion which had come from Nova Scotia to this country had been entirely got up by a few energetic individuals; but the Legislature of Nova Scotia had, like the Legislatures of the other Provinces, adopted by large majorities the Resolutions proposed to them, and had sent their delegates to this country to take part in the framing of the measure which had been laid on the table. The demands of those gentlemen in Nova Scotia, if they amounted to anything, meant that the question should be subjected to the decision of the people, instead of its being determined by the people's representatives. Such a demand, to his mind, betrayed a great ignorance, not only of the principles of the British Constitution, but of the principles upon which all representative institutions were founded. It was, perhaps, unnecessary to remind their Lordships that in the earliest period of self-government every man was accustomed to give his opinion on matters on which a decision had to be arrived. But with the increase of communities such a thing became practically impossible. By-and-by, when the expedient of popular elections was adopted, the general body of the people had nothing to do with the management of their affairs beyond selecting men in whose intelligence, integrity, and judgment they could place reliance to do their business for them. But they were not dealing with representative government in the abstract; they were acting under the British Constitution, which provided no machinery for testing the opinions of the country upon a measure. Responsible Ministers would scarcely recommend the Crown, for instance, to dissolve the House of Commons when the three Estates of the realm were in harmony. They would have, he believed, no right to look to any further expression of opinion. Therefore, he did not think that those gentlemen had any right to dispute the decision of the constitutionally appointed Legislature, but that, as the Legislature had decided in favour of the union, they were bound to accept their decision as final. But that was not the first time that such a point had been raised. It was raised in reference to the union with Ireland, and Mr. Pitt denounced in the strongest terms any attempt of the kind as a dangerous constitutional precedent. It was also suggested in 1846 that Sir Robert Peel should dissolve the House of Commons in order to ascertain the opinion of the people on the proposed repeal of the Corn Laws, and the proposition was treated by him in a similar manner. Such a proposition was, in reality, little short of revolutionary. He would not trouble their Lordships with any arguments derived from the benefits which were likely to accrue to the colonies themselves from the proposed change, as the subject had been so ably dwelt upon by the noble Earl who had introduced the measure now under consideration. He did, however, wish to refer to one point about which he could bear personal testimony, and that was the embarrassment which would every now and then attend the conduct of our foreign relations if the colonies remained in their present disunited state. These colonies had so much increased in trade, in wealth, and in commerce that, taking into consideration also their peculiar geographical position, they had interests connected with questions of foreign policy, he would not say antagonistic, but, at all events, distinct from those of the mother country. We had, and he thought very wisely, conceded to these Provinces the management of their own affairs, and it would not be politically wise or just to dispose of every matter connected with the foreign relations of these Provinces without consulting the people interested. He confessed, however, to feeling some dismay at the prospect of consulting five distinct Governments, looking at the questions possibly from different and often circumscribed points of view. He did not believe that we should entirely get over the difficulty by the union of the Provinces; but by having one colony to consult, instead of five, the disadvantage would certainly be reduced to a minimum. A noble Earl had alluded to the present scheme as a confederation, and had stated that he would rather have had a legislative union. The weakness of a confederate union was generally supposed to reside in the absence of sufficient authority in the central power. But not one of the sources of weakness of Federal union was to be found in this Confederation. The union was not created by the act of the States themselves—the supreme authority

and the executive authority were both to be possessed by the central power, and for all purposes of union the central Government acted directly through its own officers upon the people of the united Provinces. The central power also reserved to itself the complete control over the legislative, the executive, and the judicial authorities. As there was no opposition to the measure, there was but little further for him to say, except that he believed that this union would conduce to the good government of these Provinces; would render the relations between the mother country and the colonies more satisfactory; and would place the colonies on such a footing that, in the event of their ever being desirous of severing that connection, they would be enabled to choose their future position in the world regardless of any external disturbing influences, and to make their own arrangements in harmony with their own wishes and feelings.

LORD LYVEDEN regarded the Confederation as being most advantageous both for this country and for the American Government. He wished to ask the noble Earl (the Earl of Carnarvon) whether, by the terms of the arrangements that had been come to, Parliament was precluded from making any alteration in the terms of this Bill; and whether, in the event of it being possible to make any alteration in those terms, it would not be advisable that the salary of the Governor General should be paid by the mother country instead of by money to be voted by the Colonial Legislature?

THE EARL OF CARNARVON said, by the 105th clause of the Bill, the salary of the Governor General was to be paid out of the Consolidated Fund of the united Provinces. It was, of course, within the competence of Parliament to alter the provisions of the Bill; but he should be glad for the House to understand that the Bill partook somewhat of the nature of a treaty of union, every single clause in which had been debated over and over again, and had been submitted to the closest scrutiny, and, in fact, each of them represented a compromise between the different interests involved. Nothing could be more fatal to the Bill than that any of those clauses, which were the result of a compromise, should be subject to much alteration. Of course, there might be alterations where they were not material, and did not go to the essence of the measure, and he should be quite ready to consider any Amendments that might be proposed by the noble Lord in Committee. But it would be his duty to resist the alteration of anything which was in the nature of a compromise, and which, if carried, would be fatal to the measure.

Motion agreed to: Bill read 2ª accordingly, and committed to a Committee of the Whole House on Friday next.

House adjourned at Eight o'clock, to Thursday next, half past Ten o'clock.

BRITISH NORTH AMERICA BILL—(No. 9)

(The Earl of Carnarvon.)

COMMITTEE.

Order of the Day for the House to be put into a Committee read.

The Earl of SHAFTESBURY presented petitions from the Governors, Principal, and Fellows of the M'Gill College, Montreal, from the Provincial Association of Protestant Teachers of Lower Canada, and others, directing attention to several provisions of the Bill and especially to the 93rd clause, which in their operation they feared would have the effect of subjecting them to the will of those possessing the majority of the representation, and they desired the introduction of a clause into the Bill now before Parliament for their security. The petitioners disclaimed all feelings of distrust or hostility to their Roman Catholic brethren, but they foresaw difficulties likely to arise in the future history of the colony which they wished to obviate by timely legislation. The petitioners felt strongly on the point, as their petitions showed. At the same time, so sensible were they of the importance of passing this measure, that if the modifications which they had suggested could not be accepted without endangering the measure itself they would not insist on their demand.

The Earl of CARNARVON said, that through the courtesy of the noble Earl who presented these petitions he had enjoyed a previous opportunity of learning their contents; in fact, they had been referred to him at the Colonial Office, and copies of them would be found in the official correspondence. The petitioners he knew to be men of position and great respectability in the Lower Province, and it was accordingly his duty to entertain with due care and consideration the points which they urged. Having done so, he was bound to say that it was wholly impossible to amend the Bill in accordance with the wishes of the petitioners without compromising the success of the measure. The real point which they desired was to secure for ever, both in the general and in the local Legislatures, the

same relative representation for the Lower Province which it now possessed. Independently of the fact that many of the proposals were of a municipal character and might be settled by the local Legislature, to introduce the clauses asked for would violate one of the principles upon which the Bill was based —namely, that the local Legislatures should have the power of amending their own constitutions. He could not but think that the views of the petitioners must lead to a multiplication of those sectional interests of which already there were, perhaps, too many in the Provinces. Those petitioners, it seemed to him, were needlessly afraid of the consequences of the scheme. The 80th clause provided that no change should be made in certain districts of Lower Canada—the very districts, in fact, which returned the Protestant minority—without the consent of the Members returned by those districts. Hence the House would perceive that it was almost impossible for any injury to be done to the Protestant minority. The real question at issue between the Protestant and Roman Catholic communities was the question of education, and the 93rd clause, after long controversy, in which the views of all parties had been represented, had been framed. The object of that clause was to guard against the possibility of the members of the minority suffering from undue pressure by the majority. It had been to place all these minorities, of whatever religion, on precisely the same footing, and that, whether the minorities were *in esse* or *in posse*. Thus the Roman Catholic minority in Upper Canada, the Protestant minority in Lower Canada, and the Roman Catholic minority again in the Maritime Provinces would all be placed on a footing of precise equality. He could only say further that if he were to accept an Amendment based on the petitions presented by his noble Friend, it would be difficult to resist other Amendments of an analogous character put forward by opposing interests. In fact, only a few minutes before he entered the House that day he had received a paper setting forth the views of a strong and very respected Roman Catholic minority, who feared that the 93rd clause would not extend to them the protection which they conceived to be their due. His answer to them, as to his noble Friend, must be that to comply with their wishes would be to depart from a compact entered into by the representatives of all shades of religious and political opinions. If the compromise were departed from in favour of one party, it must inevitably be departed from in favour of another. Therefore, he could not accept from his noble Friend the Amendment which he knew had been prepared, but with much consideration had not been pressed.

Lord LYVEDEN asked for some information as to the powers of the delegates by whom this compromise was entered into, and the quarters from which they derived their authority. A large and influentially-signed petition would soon, he believed, be presented, expressing a hope that this Confederation scheme would not be passed into law before May next, when the results of the elections in Nova Scotia would exhibit in a clearer light to the people of this country what was thought of the Bill in that Province.

The Earl of CARNARVON said, that so far as regarded Prince Edward's Island and Newfoundland, inasmuch as they refused to be included in the Confederation, it was not necessary for them to send any delegates. With regard to the delegates who came to this country to negotiate the Confederation, they derived their power from the several Provinces which they represented, and were armed with the fullest authority from the Legislative bodies. In the case of Nova Scotia, in which Province only was there a semblance of a difference of opinion, the matter was fully debated as to whether the Governor should be authorized to appoint delegates to proceed to this country for the purpose of arranging the terms of union of the Province, and after a very full discussion it was carried in the affirmative by 13 to 5 in the Legislative Council, and by 31 to 19 in the Legislative Assembly. With respect to Upper and Lower Canada, nothing could be more complete and comprehensive than the power granted to the delegates.

Motion agreed to: House in Committee accordingly; Amendments made: The Report thereof to be received on Monday next.

[LORDS]

1011 *British North*

...had no desire to press the measure on the House without sufficient information. He had not the slightest objection to act on the suggestion of his noble and learned Friend, and would accordingly, after the second reading, consent to the postponement of the Committee.

Motion agreed to: Bill read 2ª accordingly.

...brought about only at the sacrifice of great personal and local interests; and when I reflect how great that sacrifice has been, I feel quite astonished at the result which has been

attained. A great responsibility would rest on Parliament in this country if they deliberately invited opposition to the measure by remitting the subject again to the colony, and stirring up every dissentient person to come forward and agitate the question. I do not say that this measure is a perfect one, for it is impossible that it could be. There are defects in it, no doubt; but, at the same time, the enormous advantages of the measure so completely outweigh its imperfections that I have no hesitation whatever in pressing it upon Parliament, and in urging that it may be speedily passed into a law. For these reasons I do not feel it my duty to accede in any way to the request of the noble Lord opposite. The Bill passed through the second reading in this House without any substantial objection being made to it, and I trust it will also be allowed to pass through the other House of Parliament.

LORD CAMPBELL said, in explanation, that he had never advocated a further reference to the Assemblies of Canada or of New Brunswick. He did not even think it would be essential to refer to that of Nova Scotia, which would soon be called into existence. The language and the indications of the General Election might alone suffice to point out whether Nova Scotia should be incorporated in the scheme, or left in the position of Prince Edward's Island and Newfoundland.

Amendment (by Leave of the House) withdrawn: Then the original Motion was agreed to: Bill read 3ª accordingly: Amendments made; Bill passed, and sent to the Commons.

House adjourned at Seven o'clock, to Thursday next, half past Ten o'clock.

1164

BRITISH NORTH AMERICA BILL.

(*Lords*)—[BILL 52.]—SECOND READING.

Feb. 28

Order for Second Reading read.

MR. ADDERLEY: Sir, I rise to move the second reading of a Bill for the union in one Dominion, of the Canadas, New Brunswick, and Nova Scotia. What I have to ask the House to do is to give their consent to the proposal of the representatives of these three Provinces. Eminent public men representing all shades of political opinions in these Provinces are in this country at the present moment, having been delegated by the Governors, on Addresses of the Legislatures, to ask Her Majesty to submit to the Imperial Parliament a scheme of union which embodies almost literally and without modification the Resolutions adopted at a representative Conference at Quebec in the Year 1864. I need not go far back to show the origin of this desire of the Provinces to be united in one Dominion. It has gone on increasing from year to year, and if it was well founded years ago it is infinitely more justified by the circumstances in which the Provinces are now placed. The first official document in which the many obvious reasons for this union are stated with great ability, is the Report of Lord Durham's Commission, published nearly thirty years ago. Since that Report was made the union has formed a prominent subject of discussion both in public and in private. It became the leading topic at public meetings and in Parliamentary debates, and the frequent subject of men's conversation throughout the Provinces. In the year 1849 an association called the North American League was formed, and held its meetings in Toronto, for the purpose of promoting this object. Its name will recommend itself to many Members of this House as expressive of popular feeling, and legitimate agitation. In the year 1854, the Legislative Assembly of Nova Scotia came to a Resolution in favour of a general union, the Resolution being promoted by the most prominent men of all political parties. Mr. Johnston on one side, and Mr. Howe on the other, share together the credit of the first legislative action on the subject. In the year 1858, the Coalition Ministry of Canada, Sir Edmund Head being the Governor General, first made this scheme a Ministerial measure, and a despatch was addressed to the Home Government on the subject. This was the first correspondence with the Home Government relative to the union. In the year 1861, Nova Scotia again took the lead in the matter, and proposed a conference of delegates from each of the Provinces to consider the subject. The result of their deliberations was communicated to the Colonial Secretary of that period, the late Duke of Newcastle; and in reply to their communication he stated, that if it was clearly the desire of the Provinces to be united the proposal would be carefully considered in this country. I refer particularly to this fact, because it has recently been asserted that the measure was pressed on reluctant colonies by the Home Government, while in reality a more calm and colourless answer than that of the Duke of Newcastle was never sent from any public Office. In consequence of that answer, at the end of 1863, the people of Nova Scotia and of their fellow Maritime

Provinces proposed to hold a conference, and Canada then, for the first time, asked to be a party to the proceeding. These are all important points in the history of this proposition, because it has been stated that Canada urged the measure on the smaller Provinces, and thus used its superior influence for local purposes; while that is so far from being the case, that it was after the Maritime Provinces had determined on holding a conference for the promotion of that object that Canada requested to be allowed to join in their deliberations. It has also been said that it was the constitutional difficulties of Canada that led to the formation of this project. Now, it is true that Canada had at that time constitutional difficulties to encounter; but those difficulties were no more the cause of the proposal for the union of the Provinces than the divorce of Henry VIII. was the cause of the Reformation. It was but an accident which precipitated that which was in itself desirable, and which every one wished to see effected. Those delegates from all the Provinces met at Quebec in the month of October, 1864, and they adopted a series of Resolutions for the project of an union which are embodied in the Bill now before the House. The proposals which they adopted were communicated to the late Minister of the Colonial Department, the right hon. Gentleman opposite (Mr. Cardwell), than whom I will now venture to express my opinion, as I have already frequently expressed it in opposition, this country never had a more statesmanlike Colonial Minister. He having received and carefully considered these Resolutions, replied in a despatch addressed to Lord Monck, the Governor General—to whom also I will pay this tribute, that I believe it was fortunate for those Provinces that they had so able, so judicious, and so successful a Governor at so critical a juncture. The right hon. Gentleman opposite in his despatch expressed his belief that it was high time that the inhabitants of those Provinces should take upon themselves those duties of citizenship which we took upon ourselves at home; that it was absolutely necessary they should make greater military preparations and undertake some works of defence. It is by no means true that there is anything in that despatch which can be fairly represented as urgently forcing on the union —the fact is that at that time a correspondence was going on relative to the insecure condition of those colonies, and the right hon. Gentleman was justified in telling their inhabitants that they should take on themselves the duty of citizens, and that it was necessary that they should make greater provision for the defence of their country. To that appeal the colonies made a noble response. In the following year the Colonial Legislatures met, and in the three Provinces to which this Bill applies addresses were passed which led to the Governor General sending to this country those delegates who are now among us for the purpose of asking the Imperial Parliament to sanction in the form of a bill the Resolutions to which they agreed at Quebec.

I need not, I believe, now weary the House by entering into any minute explanations with respect to the details of the measure; for though the Bill was presented to Parliament only about fourteen days ago, yet the substance of its provisions have for a long time been discussed in the public press before it became the subject, a few nights ago, of an able and elaborate statement made by the noble Earl the Secretary for the Colonies. I therefore may reckon on the House being pretty well acquainted with the details of the Bill, and it will be sufficient if I give only a general outline of its provisions. The Bill provides that the Canadas, New Brunswick, and Nova Scotia should form one dominion, under the common name of Canada; and that the colonies so united should comprise four Provinces—Ontario, Quebec, Nova Scotia, and New Brunswick. It was proposed that the four Provinces should have a common Parliament at Ottawa, consisting of a Senate and a House of Commons. By Her Majesty's Proclamation, Ontario, which is now called Upper Canada; Quebec, which is now known under the name of Lower Canada; New Brunswick, and Nova Scotia, will become one Government. The Senate will be composed of seventy-two Senators, nominated by the Governor General, in the name of Her Majesty, for life—twenty-four of them for Ontario, twenty-four for Quebec, and twenty-four for the Maritime Provinces. But as the strict limitation of these numbers might lead to a deadlock between the Upper and the Lower Chambers, it is provided that the Governor General shall, with the Queen's approval, have the power of adding two triplets of Senators to these seventy-two, so that he might enlarge the Senate to seventy-eight members; but that number they can never exceed. If on any occasion such additions are made the number will be allowed to die down again to seventy-two. The House of Commons is to

consist of, at first 181 Members—eighty-two for Ontario, sixty-five for Quebec, nineteen for Nova Scotia, and fifteen for New Brunswick. The existing election laws will continue; but these numbers are to be adjusted to population from time to time, according to a decennial census, in the manner adopted in the American House of Representatives. The Provinces are to have Local Legislatures for local purposes; and each of them is also to have a Lieutenant Governor, named by the Governor General. Ontario will have a single Chamber, to be styled the Legislative Assembly; Quebec will retain the present form of the Legislature of the United Canadas; New Brunswick and Nova Scotia will retain their present Legislatures. The power of the Provincial Legislatures, in reference to legislation, will be confined to a certain number of specified subjects. The Governor General will have a veto on all legislation; and the Central Legislature will be invested with a general power of providing for the good government and peace of the country; but without derogating from the general power, certain specified powers are enumerated for the Central Legislature. It will be seen that by these provisions arrangements are made as far as possible for ensuring the unity and strength of the Central Government. I think I need hardly trouble the House with the other provisions of the Bill. There is, I believe, only one other clause to which I need now allude, and that is a clause by which these Provinces bind themselves immediately to proceed to the construction of a great international railway, which they regard as the backbone of the general scheme of union. There is nothing in this Bill which implicates this House or this country in that undertaking; but it is only right I should add that the adoption of that provision will render it necessary for me to ask the House to guarantee the interest of a loan by means of which the railway is to be constructed. I think I have now sufficiently described the Bill. The House will see that its most striking feature is a scrupulous adherence, as far as the circumstances of the case would permit, to the constitutional forms of this country. I leave every Gentleman to judge for himself, and appreciate, as I hope they will, the causes which have led to this sensitiveness of filial piety—this almost morbid dread of departure from the institutions of the mother country, and of any approximation to institutions nearer to themselves; but certainly that is one main feature of the Bill as presented to the House. The adoption of the principle of federation, as compared with what might be preferable if practicable, a solid legislative union, is simply the consequence of the absolute necessity of the adjustment of inveterate local interests, and the ultimatum of mutual compromise between the Provinces. The House may ask what occasion there can be for our interfering in a question of this description. It will, however, I think, be manifest, upon reflection, that, as the arrangement is a matter of mutual concession on the part of the Provinces, there must be some external authority to give a sanction to the compact into which they have entered. It is very true we have often given to colonies, secondary in importance to these, the task of framing their own Constitution. A general Act was passed two years ago which gives to all colonies with representative institutions the power, at any time, of altering their Constitution within certain limits; but it is clear the process of federation is impracticable to the constituent Legislatures. If, again, federation has in this case specially been a matter of most delicate treaty and compact between the Provinces—if it has been a matter of mutual concession and compromise, it is clearly necessary that there should be a third party *ab extra* to give sanction to the treaty made between them. Such seems to me the office we have to perform in regard to this Bill. We have, in fact, to accept or reject the proposal which the Provinces have made to us. We certainly ought to guard most carefully against anything being effected by the Act injurious to Imperial interests, as distinguished from colonial interests; but I ask the House whether any Imperial interests are involved in this Bill which can in any way be distinguished from colonial interests?

I say our interests are identical. Whatever develops the resources and contributes to the prosperity of the colonies contributes to the prosperity of the Empire; whatever strengthens them strengthens us; and no one can for a moment harbour the thought of doing anything to impede or obstruct the progress of the colonies by way of retaining them in a condition of dependent weakness. But if no Imperial interest is sacrificed by this Bill, let us see whether we can hope to improve it in the interest of the Colonies. I think the time has gone by for either the Parliament or the Government of England to attempt to teach colonies like these their interests better than they can judge of them themselves. It is now nearly 100 years since the Parliament of this country was engaged in pre-

cisely the same task for the New England States which it is now undertaking for our present North American Colonies, with the object of enabling colonies that never thought of coming here for any assistance, either in money or arms, better to defend themselves against the attacks of neighbouring Indian tribes, and even against the invasion of European armies. It is to no purpose to say that the union which afterwards took place was in antagonism to ourselves—that was simply our own fault and folly; but it is significant that the union proved its effectiveness. We have since attempted both to maintain and govern colonies from this country, but the attempt has utterly failed; and to our largest colonies within the last few years we have, without exception, given the powers of self-government. What the North American colonists ask us to do by this Bill is to extend to them the natural corollary of self-government, and to enable them by union to take upon themselves all the duties of British citizenship. But I am aware that criticisms of this scheme are not wanting; and I find that some persons object to the existence of a nominated Senate. Those critics allege that a nominated Chamber of Legislature never succeeds in our colonies, and that as regards this particular case the Canadians themselves had a nominated Chamber, and afterwards thought it advisable to substitute an elective Chamber. Strange that those who are quite willing they should have made this change cannot allow that they may have satisfactory reasons, on further experience, for returning to the system of nomination. I say nothing of what may have made the old nominated compact distasteful and the new elections intolerable; but who is the best judge? If they wish for nomination in the new plan, why should we forbid it? Another critic, who demands that the central power shall be strengthened by every possible means, says the Lieutenant Governor should be elected. I think the difficulty lies in making the central power sufficiently strong. The nomination of the Provincial Governor by the Central Power is in the interest of united government. Lastly, there are some who say that, whatever the merits of the measure, it ought not to receive the sanction of the Imperial Parliament until it has been referred again to the voice of the people. Can anything be more absurd or inexplicable, except by an utter ignorance of the subject? For instance, is Canada to be thrown back upon a General Election in order to repeat an expression of her opinion upon this subject, which she has been discussing and urging for the last twenty years? There was a General Election in 1863, and both in 1863 and 1864 the question was fully debated in the Colonial Legislature. Since that period, there have been no less than twenty-four vacancies in the Legislative Council, and every one of these has been filled up by unionists. Can any other proof be required of the sustained conviction of Canada that her interests require that the proposed union shall be carried out without unnecessary delay? Canada, indeed, has not been precipitate in this matter. She was the last to come to the conference at Quebec, and the last to come now to England. She kept the delegates of Nova Scotia and New Brunswick waiting six months before she came to this country. Therefore, the very last assertion which could be made by the Maritime Provinces against Canada would be that of precipitancy of action in urging on them this scheme of union. But no more do the other Provinces require re-consultation. New Brunswick has had an election on the subject itself, and deliberately pronounced in its favour. Nova Scotia initiated the proposition, and has had repeated elections since. I must point out that the advocates of delay are of the most remarkable kind, both personally and with respect to the nature of their arguments. The person who is most anxious for delay was the first and ablest in promoting the proposition; and what does he say? He says—"I allow something must be done. It is impossible to leave things as they are. But there is another alternative, and that is, the whole British Empire might be organized into one—Canada, Nova Scotia, and New Brunswick might meet here in Westminster, instead of having their Provincial Parliament in Ottawa." This, Sir, is a subject that has been discussed over and over again, more as a exercitation than as a practical or rational proposition. It does not require more than a moment's consideration to show that it is futile and visionary. The objections to union, then, being futile, and the only alternative proposed being visionary, I will ask the House to consider what are the palpable reasons and advantages which fully account for and justify the deliberate decisions to which these colonies have come to ask this House to sanction the terms of union to which they have agreed among themselves. The commercial advantages are, perhaps, the most prominent, and the least open to question or dispute. The

idea is absurd of retaining a system of different commercial tariffs amongst these contiguous Provinces which are ruining and keeping down their trade. Why, the effect of the reciprocity treaty betwen the United States and Canada was to develop the commerce between these countries in one year from 2,000,000 to 20,000,000 dollars. That treaty has now ceased; but surely that is a reason why, at least amongst themselves, there should be the most perfect reciprocity. Well, then, as to their mutual interests, who can doubt that these three Provinces—the wheat-growing West, the manufactures Centre, and the fisheries and outlet on the coasts, are necessary to each other to make one great country jointly developing diverse interests. Was there ever, let me ask, a country so composed by nature to form a great and united community? By their mutual resources—by the assistance of their different interests, they would make together a powerful and prosperous nation. As long as they remain separate they are a prey to the commercial policy of other nations, and mutual jealousies among themselves. Disunion saps their liberty as well as their power, and paralyses their self-reliance. On the other hand, one united Government would be able to keep the peace, and would remove every temptation to aggression. One national Government composed of the best men out of all the Provinces, would draw out and develop the resources of the country for the common interest; and, at the same time, a combined revenue would give larger credit, and enable greater economy. I wish to read a short extract from a letter of Queen Anne to the Scotch Parliament in 1706, on the union of these two countries. It bears upon the case before us in two ways; because it not only shows the reasons for union in striking language, but is a precedent for existing Legislatures being considered able to deal with a question of this sort without any further appeal to the people. In the letter, Queen Anne said—

> An entire union will be the solid foundation of a lasting peace between you. It will remove animosities, jealousies, and differences amongst yourselves; it must increase your strength, your riches, and your trade. By this union the whole country, being joined in affection as well as resources, and free from all apprehensions of different interests, will be able to resist all its enemies. We earnestly recommend unanimity in this weighty affair, that the union may be brought to a happy conclusion. It will be the only effectual way to secure our present and future happiness, to disappoint the designs of your enemies, who will certainly use all their efforts to prevent or delay your union.

This extract is taken from the Federalist, where it is quoted by the eminent statesman who wrote that work as expressing their own views respecting the necessity of a closer union between the American States.

In conclusion, I will say that I believe and think that it is a great and grave undertaking that we are engaged in this evening. It is no less than liberating to its natural destinies of self-reliance and innate growth and expansion a large portion of the largest pastured quarter of this earth. When we remember with what rapid strides, and in how short a time, America has taken a great place among the Powers of the world, and that its vast extent and gigantic features are not yet animated by not one-hundredth part of the life which will soon replenish them, it is a serious occupation to be engaged in even having a share in the disposal of its future destinies. A large portion of this Continent is already in full vigour, and might have been so in connection with ourselves but for our own folly. I believe, however, that at heart the American people are still attached to us as brothers, though they are disposed to quarrel, as brothers often are. The rest of this large Continent, still British, is now asking us to assist them to develop their own strength and resources in retained connection and in partnership of allegiance to one common Sovereign; and confident that this House will willingly contribute its sanction to the measure now introduced in order to carry out so great a purpose, I move the second reading of this Bill, which presents for our acceptance their own proposition.

Motion made and Question proposed, "That the Bill be now read a second time."—(Mr. Adderley.)

MR. CARDWELL: Sir, I rise with the greatest satisfaction to support the Motion of my right hon. Friend. I have the greatest pleasure in congratulating the noble Earl now at the head of the Colonial Office and my right hon. Friend in having the honour of submitting this most satisfactory measure to the British Parliament. My right hon. Friend in his opening speech stated, what was most true, that there was no occasion during which I had the honour to hold office, when I submitted to the House any measure dealing with subjects to the consideration of which he had devoted

so large a portion of his time, that he was not forward in expressing his cordial concurrence, and rendering to those who were his political opponents all the assistance in his power. I therefore rejoice to see in his hands a measure which is calculated not only to be of the greatest benefit to those whose interests are more immediately involved, but which also will prove an era in the history of the government of dependencies by a great Imperial and metropolitan country. The right hon. Gentleman has so well stated both the provisions of the measure and the arguments by which they are to be supported, and I believe the House has so unmistakably signified its concurrence in the remarks he has made, that it would only be an unpardonable waste of time were I to meet by anticipation arguments which I do not believe will be raised. I only wish, therefore, to make a few remarks in illustration and support of the arguments of my right hon. Friend. It requires, indeed, no argument to justify the intended union of these colonies. Look at the map which displays their geographical position—look to the great inland seas of Canada, and the fertile plains which border them;—look also upon the fertile plains of the United States of America that are so close to them, and to that noble river which, by the aid of mechanical science, affords opportunities to carry the produce of the Western Provinces to the sea. This alone is sufficient to show what great advantages must necessarily be derived from an union between the inland and the Maritime Provinces. Look at the shipping and timber trade of New Brunswick, the mineral wealth and commercial enterprise of Nova Scotia, and the noble harbour of Halifax, and let me ask you, Is it possible to believe that it was the intention of nature and Providence that all these great sources of wealth and power should be separate? And as they are physically conterminous, so they are morally united in the firmest and deepest attachment to the Crown of England and her institutions.

This remark applies not only to those who have sprung from our own loins, and who speak our language, but also to that other people resident in Lower Canada, which is to be called in future the Province of Quebec. They yield to no other British subjects in their loyalty and attachment to the throne and to the institutions under which they live. Well, then, if you have the unanimous request of these Provinces, if you have their earnest wish and desire that these bounteous intentions of Providence should be realized, what objection can there be against it? I am, at least, certain that the House of Commons will not seek to prevent so laudable a desire from being gratified. What, let me ask you, is the country you are about to constitute if you agree to this Bill? It is a country—and here I am speaking solely of the three Provinces embraced in the measure—of nearly 400,000 square miles and 3,750,000 of inhabitants. But in speaking of it prospectively, I am not disposed to exclude the two Provinces embraced in the measure—of the Bill. When I think of Newfoundland and Prince Edward's Island, and their objection to join in this arrangement, I am reminded of some of those towns which, when railways were first introduced, petitioned that they should be excluded from the benefits of railway legislation. *Optantibus ipsis Di faciles.* Parliament acceded to their request, and what has been the result? Why, some of them have been "out in the cold" ever since, vainly endeavouring to place themselves in the position which they had improvidently lost. That last observation, however, does not apply to Newfoundland or Prince Edward's Island, the door being left open to them to join this federation at any time, and I rejoice to see in the papers that my right hon. Friend has laid upon the table that the expression of feeling in this country and the arguments employed will, probably, not be without result. If, then, I speak of these five Provinces, what a country you are going to establish—a country greater in extent than France and Spain united—a country which at the present moment has 4,000,000 of inhabitants, but which it is reasonably calculated, according to the ordinary rate of computation, at the end of the present century will include 12,000,000 of people—a country which, in the strength of its commercial marine, will be inferior only to Great Britain and to the United States of America, with a population superior to many of the most flourishing kingdoms of Europe. My right hon. Friend, speaking of the policy of establishing this great organization, said truly. Does it require any argument to show where will be the field for enlightened public spirit—where will be the field for honourable ambition—where is it likely that the highest intellects will be devoted to the public service—where will be shown the greatest amount of public spirit in the discharge of public duties? Will it be in a great community like this which the Bill under discussion will constitute, or in small and scattered communities like those which desire to continue no longer in their inferior and isolated condition, but wish to enter this great Confederacy? Consider the nature of the duties which these Provincial

statesmen are called upon to discharge. During the time I had the honour of holding the seals of the Colonial Office duties of no merely Provincial or ordinary character were necessarily discharged by Canada. At the time when the St. Albans raid attracted so much attention and alarm in this country, what were the duties discharged by the Government of Canada and the Governor General —to whom my right hon. Friend has paid so just a tribute? The highest Executive duty was discharged by the Government of Canada when it called forth its own army to guard its own frontier. The highest judicial duties were discharged when, under your statute, they were constituted interpreters of the treaty for the extradition of offenders subsisting between you and the United States of America. The highest legislative duties were discharged when, in compliance with the suggestion of the British Crown, they passed an Act to render such raids impossible for the future. I ask you, then, if you have the statesmen of these countries necessarily discharging the highest Executive, legislative, and judicial functions, is it desirable that men exercising these duties should be the representatives of 4,000,000 of people, and should be animated by the public spirit of these 4,000,000, or that they should exercise them as the representatives of small communities such as Prince Edward's Island will continue to be, if it remains excluded from the provisions of this Bill? Again, let us consider the bearing of this measure upon the diplomatic relations of this country. Look at the disadvantages which were incurred when we were endeavouring at Washington to negotiate the renewal of the Reciprocity Treaty. The fiscal portions of the treaty, if we had succeeded, must have been submitted to five Parliaments before it could have received the Royal Assent. Is it desirable, that when the populations of these Provinces, through the representative of the Queen, negotiate treaties with foreign Powers, the adoption of these treaties should be ratified by the Parliament of one great community, or should be subject to the criticisms, and, perhaps, the local interests of five Parliaments of five different communities? Then, again, with regard to the complicated question which arose in the spring of last year between this country and the United States of America on the subject of the fisheries. These fisheries were regulated by the municipal laws of different colonies. When we had to deal with this, was it desirable in the negotiations between this country and the United States of America upon a matter of that vital importance—was it desirable that we should be required to go to several Parliaments in order to get these laws altered? Sir, no practical difficulty, I am happy to say, arose in the case; but I think all those things I have referred to are proofs of the great advantages that will accrue, both to the colonies and to the mother country, by such a scheme of consolidation as that which is proposed in the present Bill. Look, again, to the important matter of defence. My right hon. Friend has referred to the despatches which I addressed to the colonies, pointing out, that while the mother country makes the defence of the colonies a matter of Imperial concern, she still calls upon them to discharge the first duties of citizenship, to be the main agents of their own defence, and to protect their own shores. But if the colonists are thus to be the principal agents in their own defence, is it not obvious that they will be best able to discharge this duty when they are united under one government? Why is one policy to be established for Italy and Germany, and another for the Provinces of British North America? Is union to be the general law, and yet not be the law for British North America? Is it not the law over the whole world that union is strength? Is it, therefore, not perfectly obvious that the country, which by this Bill you are to create, will be as powerful for defensive purposes as if you reject it the colonists will be powerless? Time was when it was the policy of this country to exercise a strong Imperial control over her colonies. If that policy continued, it would be unwise to pass this Bill; *divide et impera* would be the maxim of a country which wished to rule its colonies from home; but that policy has now passed away, and the sole object of our Colonial Government now is to have the satisfaction, pride, and pleasure of witnessing the growth, under the Crown of England—under the flag of England —of great and powerful communities attached to the mother country by no other ties than those of love and affection and a reciprocal regard, which will prove a source of strength in the hour of danger. For all these reasons I cordially support the proposal of my right hon. Friend. I admit that there is a provision not in the Bill which I should have been glad to have seen there—namely, the overriding and controlling power on the part of the Central Legislature which was given in the New Zealand Act. But I think the noble Earl at the head of the Colonial Office and my right hon. Friend are perfectly right in not pressing the question more at the present moment. It is, as he justly said, not our arrangement, but theirs. It has been made by men of great

ability, patience, and temper, and they have done it with a perfect knowledge of the circumstances with which they had to deal. Even we, who do not know and cannot appreciate all these difficulties, can yet see many reasons why, on the first creation of this Confederation, it might have been impossible to have given that power. In the first place, the intercolonial railway is not completed; and though in a few years these Provinces will be physically united, still a little time must elapse before the union proposed by the Bill can be entirely accomplished and consolidated. Another reason is that it is necessary that for municipal and local purposes there should be large powers of legislation in the Provinces there. They will, I hope, gradually approach more nearly to the character of municipal institutions than the Bill at present contemplates. But even then they must continue to be more than mere municipal councils. They must discharge for the several Provinces much of that private business which is here discharged by Parliament at so much cost to the suitors and so much inconvenience to ourselves. Therefore it is well that these wise men have left it to a future time, when experience will enable them to determine how far these legislative bodies may continue to retain their inherent powers, and how far they can be reduced to the level of municipal institutions. As the matter now stands, the Bill gives to the Governor General an actual veto over every measure passed by the local Legislatures, and it allows the local Legislatures only to deal with those questions which are supposed to be matters of local concern. There is also provision in the Bill that a certain sum of money shall be allowed from the central Government to each of the Provinces for the maintenance of its institutions. If the sum be exceeded the Provinces must provide the difference by direct taxation upon its inhabitants; and if it does not equal the amount it may carry the balance to its own account for local purposes. That will be a strong inducement to the Provinces to reduce their local institutions to a moderate level. I do hope that for the reasons I have stated the House will give the Bill its cordial assent. I cannot be surprised if, in a great undertaking like this, we make a tentative arrangement which hereafter may be susceptible of such improvements as experience may suggest. The subject is one in which I take so deep an interest, and its details are so familiar to me, that I might trespass on the attention of the House, but I will not now further enlarge on the subject. My right hon. Friend has stated the particulars of the measure. I congratulate him on being the instrument of proposing a measure like this to the British Parliament; I cheerfully join him in supporting it, as I have, while in office, cordially assisted in promoting it; but the main honour is due to those who have laboured, with great patience, temper, and sagacity to bring about a plan which they believed calculated to strengthen the colonies in time of war and increase their prosperity in time of peace, and who have adopted that course, not as a preliminary to a future separation from this country, but under the influence of a loyalty to the British Crown and an attachment to British institutions which cannot be surpassed even in the assembly that is about to ratify their acts . . . which has been brought in and attempted to be hurried through Parliament in the manner in which this Bill is being dealt with. But the importance of it is much greater to the inhabitants of those Provinces than it is to us: but it is not on that account that we should be expected to examine it less closely, and see that we commit no errors in passing it. The right hon. Gentleman (Mr. Adderley) has not offered us, on one point, an explanation which I think he will be bound to make. The Bill does not include the whole of the British North American Provinces; I presume the two left out have been left out because it is quite clear they do not wish to come in.

MR. ADDERLEY: I am glad I can inform the hon. Gentleman that they are, one of them at least, on the point of coming in.

MR. BRIGHT: Yes; the reason of their being left out is because they were not willing to come in. They may hereafter become willing, and if so the Bill will admit them by a provision which appears reasonable. But the Province of Nova Scotia is also unwilling to come in, and it is assumed that because some time ago the Legislature of that Province voted a Resolution partly in favour of some such course, therefore the population is in favour of it. For my part, I do not believe in the propriety or wisdom of the Legislature voting on a great question of this nature with reference to the Legislature of Nova Scotia, if the people of Nova Scotia never have had the question directly put to them. I have heard there is at present in London a petition complaining of the hasty proceeding of Parliament and asking for delay, signed by 31,000 adult males of the Province of Nova Scotia, and that that petition is in reality signed by at least half of all the male inhabitants of that Province. So far as I know, the petition does not protest absolutely against union, but

against the manner in which it is being carried out by this scheme and Bill, and by the hasty measures of the Colonial Office. Now, whether the scheme be a good or a bad one, scarcely anything can be more foolish, looking to the future, than that any of the Provinces should be dragged into it, either perforce, by the pressure of the Colonial Office, or by any hasty action on the part of Parliament, in the hope of producing a result which Probably the populations of those Provinces may not wish to see brought about. I understand that the General Election for the Legislature of Nova Scotia, according to the Constitution of that colony, is inevitable in the month of May or June next; that this question has never been fairly placed before the people of that Province at an election, and that it has never been discussed and decided by the public; and seeing that only three months or not so much will elapse before there will be an opportunity of ascertaining the opinions of the population of Nova Scotia, I think it is at least a hazardous proceeding to pass this Bill through Parliament, binding Nova Scotia, until the clear opinion of that Province has been ascertained. If, at a time like this, when you are proposing a union which we all hope is to last for ever, you create a little sore it will in all probability become a great sore in a short time, and it may be that the intentions of Parliament may be almost entirely frustrated by the haste with which this measure is being pushed forward. The right hon. Gentleman the Chancellor of the Exchequer, I think, in the early part of the evening, in answer to a question from this side, spoke of this matter as one of extreme urgency. Well, I cannot discover any urgency in the matter at all. What is urgent is this—that when done it ought to be done wisely, and with the full and free consent of all those populations who are to be bound by this Act and interested in its results. Unless the good-will of those populations is secured, in all probability the Act itself will be a misfortune rather than a blessing to the Provinces to which it refers. The right hon. Gentleman amused me in one part of his speech. He spoke of "the filial piety"—rather a curious term—of these Provinces, and their great anxiety to make everything suit the ideas of this country; and this was said particularly with reference to the proposition for a Senate selected, not elected, for life by the Governor General of Canada. He said they were extremely anxious to follow, as far as possible, the institutions of the mother country. Well, I have not the smallest objection to any people on the face of the earth following our institutions if they like them. Institutions which suit one country, as we all know, are not very likely to suit every other country. With regard to this particular case, the right hon. Gentleman said it is to be observed that Canada had had a nominated Council, and had changed it for an elected one, and surely they had a right, if they pleased to . . .

THE SENATE

Tuesday, June 22, 1965

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

Prayers.

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-116, to amend the Bank Act and the Quebec Savings Banks Act.

Bill read first time.

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

SECOND READING

Hon. John J. Connolly: Honourable senators, before asking for leave that this bill be read the second time now, I would put on the record the fact that this measure deals only with the extension of the charters of the chartered banks.

The House of Commons concluded its consideration of this bill about a week ago. There is some urgency about the matter because those banks that have branches outside Canada require that notice of authority be produced for the continuity of their operations. For that reason I think all honourable senators would agree that this bill should be dealt with at this time.

Hon. A. J. Brooks: Honourable senators, I have no objection to that procedure. I understood the honourable leader to say a few moments ago that one of the reasons it is necessary for us to proceed in this way at the present time is that we will lose one day this week that we had not expected to lose, in that Thursday is to be a holiday.

I am in many ways still very much a schoolboy, and have no objection to a holiday when one is offered. I am sure there are many others who are the same as I am in this regard. At the same time, I find it somewhat difficult to understand just why we should have a holiday this week. There is not in the Senate, so far as I am aware, any provision made for a holiday of that kind. Until such provision is made, I hope this will not be considered as establishing a precedent whereby the Senate must have a holiday simply because the House of Commons declares it is to have one. I do not think it is the intention of the honourable leader to imply that that is the situation.

I am sure no senator on this side of the chamber has any objection to this bill receiving second reading, since it is very obvious that the Bank Act and the Quebec Savings Banks Act are not going to be amended before July 1. Therefore, it is absolutely necessary that a bill of this kind granting an extension should be passed as quickly as possible. For that reason we have no objection to this course.

Hon. Louis P. Gélinas, with leave of the Senate, moved second reading of the bill.

He said: Honourable senators, I would just like to give you a little information on Bill C-116.

It is expedient that a measure be introduced to amend the Bank Act and the Quebec Savings Banks Act to extend to December 31, 1965 the authority to carry on the business of these banks. When this measure was discussed in the other place it was suggested that with the approach of a possible summer recess it might be preferable to extend the period for one year; but, finally it was thought that a six-month extension would be sufficient.

The Bank Act, which governs the operations of Canada's chartered banks, and the Quebec Savings Banks Act were enacted in 1954 and came into effect on July 1 of that year. Under section 6 of that legislation it was to expire on July 1, 1964.

It will be recalled that in the last session of Parliament a bill amending the Bank Act and the Quebec Savings Banks Act, so as to extend for one year the authority to carry on the business of banking, was introduced and passed. The extension was desirable in order to give the Government and Parliament an opportunity to consider and study the implications of the findings of the Royal Commission on Banking and Finance, the report of which was tabled in the Senate on April 28, 1964.

Also at the last session of Parliament a resolution was placed on the Order Paper of the other place setting out the Government's proposal for a decennial revision of the Bank Act. However, this item of government business was not proceeded with during the last session.

In the result, the measure has been reintroduced, and it will be recalled that on May 6, 1965, the Government moved the resolution stage of the legislation, and after debate the necessary bills were introduced. Second reading was given the Bank Act and the Quebec Savings Banks Act on June 14 last. These measures were then referred to the Standing Committee on Finance, Trade and Economic Affairs, where they will receive further detailed consideration. It is not expected that this consideration and examination can be completed by July 1, 1965. The Bank Act, under section 6, now provides for authority to carry on business until July 1965, if Parliament sits for 20 days in the month of June. By June 28 this will have been the case, and it is therefore necessary to provide for a further extension.

The bill now before us provides that the authority to carry on business will be extended to December 31, 1965. It is felt that this date will permit Parliament to complete a thorough revision of this very vital legislation.

I might say to honourable senators that there are many precedents for extending the application of the Bank Act beyond ten years. In 1911 the application of the Act was extended for one year, and it was subsequently extended in 1912 for one 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 one year, and now in 1965 a further extension of six months is being proposed.

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. Gélinas moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

APPROPRIATION ACT NO. 4, 1965

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-122, for granting to Her Majesty certain sums of money for the public service for the financial year ending 31st March, 1966.

Bill read first time.

SECOND READING

Hon. John J. Connolly, with leave of the Senate, moved second reading of the bill.

He said: Honourable senators, Bill C-122 contains the first of the supplementary estimates for the current fiscal year. Copies of the bill have been distributed and placed on the files of honourable senators. Unless an honourable senator wishes me to discuss them, I do not propose to deal with the five clauses of the bill. They are in the form that is usual in appropriation bills, and I am sure all honourable senators are thoroughly familiar with their terms.

I should like to deal exclusively with the schedule, which is the substantive part of the bill. The only item to be considered is Vote 8a in the estimates of the Department of Labour. The amount to be voted is $2 million. The purpose of the bill, to put it concisely, is to authorize payments to be made under the winter house-building incentive program for a period of two weeks. The program originally was to expire on March 31, 1965. For various reasons, the Government decided to extend the program for two weeks. During the two-week extension certain building programs had been undertaken which qualified for the receipt of the incentive bonus of $500 per house. The amount required to meet the obligations of the Government in respect of that extension is approximately $2 million.

Perhaps I should draw to the attention of the Senate the fact that in the 1964-65 fiscal year there were 33,459 units approved for inclusion in this program. The value of the approved applications was approximately $481 million. I can supply a breakdown by provinces of this $481 million worth of construction which has been carried out under the program.

The cost to the federal treasury for this program in the present fiscal year is estimated to be about $17 million. For the previous fiscal year of 1963-64 the cost to the treasury was about $14 million.

I am informed that the contribution made to the solution of the problem of seasonal unemployment, according to the estimates provided by the Department of Labour, can be stated in this way: As a result of this program, 90,000 jobs were provided on site during the winter season, and 115,000 other jobs were provided off the site of construction for which the program was designed.

Honourable senators, this a short and comprehensive statement of the item with which we are concerned.

Hon. Mr. Farris: I did not want to interrupt my learned friend while he was speaking, but I do not seem to have received copies of bills which are supposed to have been distributed to the members of this house, and I should like to know how to obtain them.

Hon. Mr. Connolly (Ottawa West): They should be on the desks of honourable senators.

Hon. Orville H. Phillips: Honourable senators, the explanation given by the honourable Leader of the Government (Hon. Mr. Connolly) is appreciated. It covers every aspect of the supplementary estimate.

In dealing with this bill, I think it is appropriate that we should consider for a moment the success of the winter works program, which began as a municipal works program several years ago. The program has been most successful, and indeed has changed the outlook of Canadians regarding winter employment. In the province in which I live it used to be that tradesmen estimated they would probably have three to four months of winter unemployment. Today many of these tradesmen have year-round employment, and the most skilled tradesmen can expect a period of unemployment of approximately one month a year.

This program has been highly successful, and in all its aspects is worthy of our support.

Perhaps I misunderstood the Leader of the Government when he said that the $2 million required under this bill is for the two weeks' extension. I believe that it provides for accounts which have not been received by the Government, as well as those which will come in as a result of the two weeks' extension. It covers more than the two weeks' extension.

Hon. Mr. Connolly (Ottawa West): Yes, you are quite right.

Hon. Mr. Phillips: I am sure that all members will be happy to support this bill and see that it gets ready passage through the Senate.

Hon. A. J. Brooks: Honourable senators, I understood the honourable leader to say that $481 million was the amount expended. That is not the amount expended for the $500 winter program, is it? It seems a very large sum. I notice that the $2 million is supposed to cover quite a period of time.

Hon. Mr. Hayden: That is the property value, the sale prices of the houses.

Hon. Mr. Brooks: Yes, that is what I took it to be, the total sale value of the houses and not the $500 which was put on for the encouragement of winter work. As a matter of fact, the $2 million that is mentioned here, at $500 a house, would mean only 4,000 houses.

Also, the honourable leader states that 90,000 jobs were provided. I am sure he is not intimating that the $500 winter program was responsible for 90,000 jobs. That was for the total development under the housing scheme.

He also mentioned 115,000 jobs during the winter months for the manufacture of necessary building materials. I am mentioning these things so that we may have these points cleared up. The impression was given that the $481 million spent was due to the $500 increase, and also that it had been responsible for something like 90,000 or 115,000 jobs. That would be a grave exaggeration.

Hon. Mr. Connolly (Ottawa West): Honourable senators—

The Hon. the Speaker: Honourable senators, if the honourable senator speaks now, it will have the effect of closing the debate.

Hon. Mr. Connolly (Ottawa West): Honourable senators, I thank both honourable senators opposite who have spoken in respect of this bill. Perhaps I was not clear in my opening remarks. The cost to the treasury of the bonus at the rate of $500 per unit for the fiscal year 1964-65 is estimated to be about $17 million. This $17 million is the bonus which is paid on approximately 33,500 units which were constructed during the period of the program, which is now being extended to April 15.

The value of the approved construction, that is to say, the value of the buildings put up pursuant to the terms of this program throughout the country, is estimated to be about $481 million. That is the value of the work done under the Winter House-Building Incentive Program during the winter just past.

I have some further figures of interest. This is an approximate breakdown of the amounts expended by provinces. These figures will not add up to $481 million, as that was an estimate. The figures will give a general idea of the money which has been expended on this program in all provinces. The amounts I am giving do not represent the cost to the federal treasury; they represent the value of buildings constructed under the program.

Hon. Mr. Hayden: The sale price.

Hon. Mr. Brooks: Many of them would have been constructed anyway, of course.

Hon. Mr. Grosart: May I ask the honourable leader a question? He has given us a figure, $481 million, as the value of the construction, which may or may not have been inspired by this particular program. Has he any comparable figure for a normal year—say, three years before this program—so as to indicate how much of this construction was actually inspired by this bill and what proportion of it was merely taking advantage of a Government handout of $500 per house?

Hon. Mr. Connolly (Ottawa West): I do not have that figure, but I would be happy to try to locate it, and perhaps get the figures for some years back so that honourable senators may look at them.

Hon. Mr. Grosart: Would the honourable senator say that as far as he knows no such comparison has been made?

Hon. Mr. Connolly (Ottawa West): No, I would not say anything of the kind. I have not got the information for which the honourable senator asks. All I have with me is the statistics on the program for the fiscal period 1964-65, the period we are concerned with in this legislation.

The value of houses covered by approved applications, by provinces, in round figures, is as follows:

Newfoundland	$ 2,952,000
Prince Edward Island	656,000
Nova Scotia	4,938,000
New Brunswick	4,510,000
Quebec	154,167,000
Ontario	140,529,000
Manitoba	23,477,000
Saskatchewan	17,216,000
Alberta	52,362,000
British Columbia	41,927,000
Yukon and Northwest Territories	169,600

There are 2,280 applications upon which I have no information. Presumably they account for the difference between the total of the figures I have given and the $481 million.

I shall get for Senator Grosart the further information which he requires for the previous years.

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.

FISHERIES IMPROVEMENT 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-121, to amend the Fisheries Improvement Loans 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): With leave, now.

Hon. Mr. Hollett: I do not seem to have a copy of this bill and I understand some other senators do not have copies. I see no sense in going on with second reading until we get copies of the bill.

Hon. Mr. Connolly (Ottawa West): Apparently some senators have copies on their files and other senators have not. Extra copies will be procured immediately. In the meantime would honourable senators agree that Senator Connolly (Halifax North) move the second reading and proceed with his explanation? I do not intend to ask that second reading of this bill be completed this evening.

Hon. Senators: Agreed.

Hon. Harold Connolly, with leave, moved the second reading of the bill.

He said: Honourable senators, in endeavouring to discuss the fisheries industry with which this bill is concerned, I do so with considerable trepidation because I am aware that there are others in this chamber much more competent than I to discuss fishing. I think, for example, of the modest senator for West Coast (Hon. Mr. Basha) who spent much of his life closely allied with the fishing industry in his native province and made a considerable contribution to the economy of the West Coast in connection with that industry.

Hon. Mr. Farris: May I ask a question? I would like to know if my honourable friend has seen the photographs in the newspaper showing Mr. Diefenbaker catching a salmon which turned out to be a cod.

Hon. Mr. Connolly (Halifax North): I assure my honourable friend that I am not codding.

I think also of the venerable and active member for Queens-Lunenburg (Hon. Mr. Kinley), who from the days of his boyhood has had intimate associations with that industry and who, like the honourable senator for West Coast, made an invaluable contribution to the industry. If I have any right at all to discuss this industry today it is because of my much briefer association with fishing when, as a member of the Government of Nova Scotia in the portfolio of Industry, I had the privilege of setting up the first division of fisheries in the history of that province.

Everybody is aware, I am sure, that fishing is probably Canada's oldest industry. Long before a tree was felled in the then new land, the early explorers and their crews fished for and ate and bartered the cod and haddock they caught on the east coast of what was to become Canada. What amazes me, as it must amaze many people, is that this industry has never lived up to its potential. That it has not done so is due to a variety of factors. If you will bear with me I should like to discuss briefly the history of the industry before getting down to the immediate facts involved in the legislation now before us.

Jurisdiction over fisheries was vested in the federal Government by the British North America Act, and there has almost always been a Minister of Fisheries. But for some peculiar reason there was not for many years a recognition by the federal Government of the value of the fishing industry and what it was worth as a livelihood to the people involved in it. Provincial governments of provinces where fishing operations have been carried on from the beginning of their existence always took the rather cowardly attitude that because jurisdiction was vested in the federal Government they ought not to risk their political necks by dabbling too much in the fishing industry. "Let Ottawa look after it," was always the theme song of those governments, and that, in the main, is why fishing has not progressed as much as it should have despite the considerable progress it has made.

I remember not too many years ago—I refer to this because this bill is concerned solely with what we on the east coast call inshore fishing—and it will be remembered by others here, particularly my colleagues from the Atlantic Provinces, when the average income of the inshore fishermen, most of whom had large families, was less than $300 a year. And I can remember when successive royal commissions—I have always taken a very dim view of royal commissions since then—reported to the Government of this country and to the people of Canada that the reason for the distress of the fishermen in those areas was due to the depredations of the draggers and trawlers fishing off our fishing banks.

Now it is difficult to conceive that intelligent men—and they were all intelligent men—could have arrived at such a conclusion.

I further recall that in those days the greatest number of trawlers fishing out of Nova Scotia was three, and that number was gradually cut to one; and yet the newspapers and public men in the various political parties bewailed the depredations of these monsters looting the ocean in that part of the world of its fish, thus impoverishing the inshore fishermen.

Public opinion considered that the royal commissions were right; they could not possibly be wrong, composed as they were of illustrious men from all parts of Canada. Yet the simple fact is that the poor inshore fishermen was in the plight he was because he had poor little boats with which he could operate only five months of the year and hope to live for 12 months on the catch secured in those five months. It was an absolute impossibility. And all the while federal governments—and I see the Leader of the Opposition (Hon. Mr. Brooks) smiling; I know he too has an acute recollection of these misdemeanours—all the while we were being cut down to one trawler in Nova Scotia while 300 trawlers, Dutch, Portuguese, American and British, were operating off our shores.

About that time there was a representative in the federal Parliament from Halifax, a man for whom I had and have the greatest respect, who was one of the small minority in that province who said, "This is obviously wrong. If we cannot supply our markets how can we possibly hold them, and how can we supply our markets if we do not have the modern equipment to catch the fish that the markets require?" He said as much speaking in his place in the House of Commons, and he repeated his message in several public meetings in Halifax city and county; finally he took a full-page advertisement in the Halifax newspapers to set out his views about markets, and the things

which were necessary to attract and to hold those markets. He was an astute politician and knew he was running contrary to public opinion, no matter how wrong that public opinion might be. He knew he was risking his political neck at the polls because all of these events occurred less than 12 months before an election was to take place in which he was again to be a candidate. But with that perspicacity that was always characteristic of him and with that absolute honesty that figured so highly in all his political transactions, he took his political life in his hands, firm in the belief that if the people were told the simple facts they would eventually absorb them, and they did. I am happy to be able to tell you that that member from Halifax sits with his head bowed in the Senate tonight, the senior senator for Halifax, the Honourable Gordon B. Isnor.

I was encouraged by that as well as by my own belief to the point where in the face of vigorous resistance from certain vested fishing interests in Nova Scotia we were able to set up a Fisheries Loan Board, taking a moribund condition and making it active and creative. The federal Government co-operated with subsidies on trawlers. I was convinced at that time—and that was in 1940—that if we could only catch the fish, we could sell every pound of it at the highest prices ever paid to Nova Scotia producers, because the war was on.

That, honourable Senators, is what happened, with the result that the fishing industry in Nova Scotia was never before in its history as prosperous as it is today, and the inshore fishermen of Nova Scotia have long since lost their bugaboo about draggers and trawlers.

Some of them now operate their own draggers and trawlers with financial assistance from the federal and provincial governments, and only within the past three months the present Government of Nova Scotia, recognizing the value of the fishing industry, recognizing its obligations to the people in the fishing industry, has set up a full-time Department of Fisheries, not, mind you, to run parallel with the Department of Fisheries at Ottawa but based, I am sure, on the thought that with more than one-fifth of our people depending on the fisheries for a living, the government of the day in that province should lend every possible assistance to ensure the improvement and development of the industry.

Today the industry is in a great and prosperous condition. That does not apply though to one of the four Atlantic provinces, one which has a great history and tradition in the fishing industry. I refer to the Province of Newfoundland, where since the inception of this scheme in 1950 there have been, I believe, only 15 loans made. The main reason for that is not the legislation, because the money is available. Rather it is that inshore fishermen of Newfoundland—and I say this in all deference to my honourable friend across the chamber who has a great interest in this industry—are scattered up and down many miles of remote coast—remote, yes, even from the ordinary civilizing influences of large towns and cities such as we know. There are no commercial banking facilities anywhere near, and many of them have not been told about the opportunities there are to borrow this money and to enhance their economy and that of their families.

In Nova Scotia it has been different, as it has too in Prince Edward Island and New Brunswick. With the joint co-operative effort now being undertaken by the Province of Newfoundland and the federal Department of Fisheries, under which people will be moved from their outlying isolated spots into fishing communities where they can have greater intercourse of communication and greater access to the commercial facilities they so badly need, I am hopeful—because of what has happened in Nova Scotia and perhaps to a lesser extent in Prince Edward Island and New Brunswick—that the Newfoundland fisherman, who surely deserves the best that can be done for him, will emerge into the light of a new day. I am hopeful that he will join with his counterparts in the other three Atlantic provinces, so that in a few years time there will be in the Newfoundland fisheries an era of prosperity that for some years has been noticeably absent.

When I said to you earlier that the fishing industry is perhaps the oldest industry in Canada, that is not of much importance, but when I tell you in terms of dollars and cents and in terms of exports, which of course means new money being brought into this country, what the fishing industry really is doing, then perhaps there will be a better concept of its value.

I have some figures here, and I would ask your permission to deal with them briefly. For example, the value of the primary production in 1963 was estimated at approximately $129 million. The Atlantic area produced 59 per cent of this total, the Pacific

area 32 per cent, and the inland fishing the remaining 9 per cent. The value of production at the secondary level—that is, the marketing level—was estimated at $255 million, and it is worth while noting that 68 per cent of this amount, or $172 million, represents the total value of exports by this industry in 1963. I cannot give you the figures subsequent to that, but my information is that the progression in this industry has continued and that the results of the 1964-65 fiscal year will surpass by far the figures I have just read to you for 1963.

Let me give you just one comparison to emphasize this fact—and I mean no criticism when I say that the federal Department of Fisheries has not functioned as it ought to have. I forgive all the past derelictions in view of the progress that has been made in the last 10 years. For example, in 1954 or 1955 the Department of Fisheries had a total expenditure of approximately $11 million. Ten years later, in 1964 or 1965, the total expenditure by the department was $25.5 million. And it will continue to rise, for the reason that there is in the portfolio of Fisheries—and I say this not because he happens to be a member of the party whose fortunes I have always followed; I would give praise to whomever the occupant of the office happened to be—a man more closely identified with the industry and its needs and with the human factor in the industry than anyone who has preceded him. There was one other such person, back in the days of the late R. B. Bennett, who would have been an outstanding Minister of Fisheries. I refer to the late W. G. Ernst, because he too was at the very heart of the fishing industry; he knew people and recognized, as does the present occupant of that office, that the great science of life is not stratospheric activity but, as is well known but seldom recognized, the knowledge of human beings. Enough of philosophy.

I come now to the immediate factors in this bill. It is a very simple piece of legislation. It is designed entirely to assist the inshore fishermen. In brief, this is what it does. It raises from $4,000 to $10,000 the amount of money that can be borrowed under this bill when it becomes law. The present legislation will go out of existence on June 30 next. This measure increases the borrowing power of the little man, the backbone of the fishing industry, from $4,000 to $10,000, and it extends the credit terms from 8 to 10 years. It is excellent legislation, I submit.

If there is one little criticism, one little fault that can be found in it, it might be that the term is not sufficiently long. I would be pleased to see it extended to 15 years instead of 10, but it is such a tremendous advance over anything we have done in the past that it ought to win credits from most of us.

The original act was enacted in 1955. It has been amended several times since by successive governments, each recognizing the value of this legislation, each improving on it, until now we have reached what is before us in the bill of the moment.

I think it is worthy of note that in all the years of the operation of this statute there have been only 3 defaults. I think that nothing could pay greater tribute to the innate native honesty of the fishermen than the fact that they pay their bills.

This is what the bill proposes to do, aside from what I have just told you. There is a total fund of $20 million, above which the Government will not for the moment go. This will help the fishermen to purchase and construct fishing vessels and secure equipment. It will assist them to repair their fishing vessels or one of the major components. It can be used for the purchase and construction of shore installations, and for the purchase, construction, repair, alteration or extension of buildings used or to be used in a primary fishing enterprise, and certain prescribed developments such as the construction, repair or alteration of a water supply system.

In that connection I remember the little semi-impoverished village of Petit de Grat Bridge in Nova Scotia that was rapidly becoming a ghost town. In spite of severe opposition we were able to bring in a water supply from high hills three miles away and to pave a road into the village. This proved to be the salvation of a small fishing cooperative which was in the process of being wound up with debts of hundreds of dollars.

That was a village in which only the pastor and the general store owner had cars, and one other man had a truck. I visited the village recently and counted 62 automobiles on the wharf of the fishing plant that is operated by an American company that was brought into Nova Scotia to provide competition for the existing companies. That little village of Petit de Grat Bridge has now taken on an air of prosperity, and is enjoying conditions that its most optimistic citizen never visualized.

I am sure that every member of the Senate will agree with me that the independent people who prefer to work out their own destinies and to work endlessly in order to provide the necessities of life for their prog-

eny are entitled to every consideration from this and other governments.

Honourable senators, I will bring this tirade to a close, giving you only this additional information—

Hon. Mr. Choquette: I hope the fishermen read it.

Hon. Mr. Connolly (Halifax North): The loans made to date in the significant provinces are as follows:

Provinces	No. of Loans
Prince Edward Island	491
British Columbia	299
Nova Scotia	281
New Brunswick	162
Quebec	96
Newfoundland	15

I mentioned the 15 loans in Newfoundland previously, a matter that should be corrected before many years have passed.

With that I pronounce my benediction, and ask your consideration.

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

CUSTOMS 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-119, to amend the Customs Act.

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.

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-120, to amend the Customs Tariff.

Bill read first time.

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

Hon. Mr. Connolly (Ottawa West): I move that it be placed on the Order Paper for second reading at the next sitting.

Honourable senators, would it be agreeable to have the second readings of Bill C-119 to amend the Customs Act, Bill C-120 to amend the Customs Tariff, and Bill S-15 to revise the Interpretation Act, placed on the Orders of the Day immediately after the bills for third reading tomorrow, so that they may receive consideration in the early part of the sitting?

Hon. Senators: Agreed.

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.

DOCUMENTS TABLED

Hon. John J. Connolly tabled:

> Copies of letters, telegrams and papers exchanged between the Prime Minister of Canada and the Premiers of the Prov-

inces concerning the proposed Federal-Provincial Conference to open in Ottawa on July 19, 1965. (English and French texts).

Report on the Technical and Vocational Training Assistance Act for the fiscal year ended March 31, 1965, pursuant to section 13 of the said Act, chapter 6, Statutes of Canada, 1960-61. (English text).

Copy of an Agreement between the Government of Canada and the Government of the Province of Manitoba 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 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).

Report with respect to Operations under the Coal Production Assistance Act for the fiscal year ended March 31, 1965, pursuant to section 9 of the said Act, chapter 173, R.S.C., 1952, as amended. (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, 1964, 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 a Loan 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).

Statutory Orders and Regulations published in the *Canada Gazette*, Part II, of Wednesday, June 9, 1965, pursuant to section 7 of the Regulations Act, chapter 235, R.S.C., 1952. (English and French texts).

Copy of an Agreement between the Government of Canada and the Government of the Province of 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).

Reply to question asked by the Honourable Senator Roebuck on May 31, 1965, respecting the use of Bidrin for Dutch Elm disease control. (English text).

Reply to question asked by the Honourable Senator Isnor on May 31, 1965, respecting division of monies appropriated by Vote 20 of the Department of Fisheries. (English text).

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

Reply to question asked by the Honourable Senator Pouliot on May 6, 1965, respecting the jurisdiction of the Government of Canada for signing treaties with foreign countries. (English text).

Reply to question asked by the Honourable Senator Hollett on May 31, 1965, respecting scholarships awarded under Vote 20 of the Department of Fisheries. (English text).

Reply to question asked by the Honourable Senator Hollett on May 31, 1965, respecting the Public Servants Inventions Act. (English text).

PRIVATE BILL

UNITED BAPTIST WOMAN'S MISSIONARY UNION OF THE MARITIME PROVINCES —FIRST READING

Hon. A. J. Brooks presented Bill S-16, respecting United Baptist Woman's Missionary Union of the Maritime Provinces.

Bill read first time.

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

DIVORCE

REPORTS OF COMMITTEE PRESENTED

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the committee's reports Nos. 146 to 204, inclusive, and moved that the said reports be taken into consideration at the next sitting.

Motion agreed to.

FINANCE COMMITTEE

ADDITION TO MEMBERSHIP

Hon. William H. Taylor, with leave of the Senate, moved:

That the name of the honourable Senator Gelinas be added to the list of senators serving on the Standing Committee on Finance.

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-120, intituled: "An Act to amend the Customs Tariff", and the corresponding rates in effect prior to the 1965 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, perhaps I should say a word about this motion. In past years, when the Customs Tariff Act has come before this house for amendment, it has been found to be a source of great convenience to all senators to know what the previous rates were and what the new rates are. For that purpose, therefore, it is proposed that these be printed in the *Minutes of the Proceedings* of this date so that they will be available when the bill is explained tomorrow.

Hon. Mr. Brooks: Agreed.

Motion agreed to.

[*Translation*]

HON. C. G. POWER, P.C.

FELICITATIONS ON HONORARY DEGREE

Hon. J. M. Dessureault: Honourable senators, before the orders of the day are called, I should like to draw to your attention the fact that one of our colleagues received last June 12, in Quebec City, a very high distinction.

Senator Power received, from the hands of His Eminence Cardinal Maurice Roy, an honorary degree of Doctor of Laws from Laval University.

Such an honour is reflected, not only on Senator Power himself and his family, but also on all his colleagues in the Senate.

[*Text*]

It is not necessary for me to stress the qualities of Dr. Power. You all know him well for his ability as a lawyer, as a politician and as an organizer.

Nearly all of Dr. Power's colleagues of the district of Quebec, including His Honour the Speaker, were present at the ceremony, which was a most touching occasion.

Almost every week one or more of our colleagues is thus dignified. Before long I trust that you will all attain to such high distinctions. More power to Dr. Power and to you all!

I extend my sincere congratulations to Senator "Chubby" Power and Mrs. Power.

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY—ORDER STANDS

On the Order:

Resuming the debate on the motion of the Honourable Senator Bourque, seconded by the Honourable Senator Aird, for an Address to His Excellency the Governor General in reply to his speech at the opening of the session.—(Honourable Senator Fergusson).

Hon. Mr. Connolly (Ottawa West): Stand.

Hon. Jacques Flynn: Will honourable senators allow me to put a question concerning this Item on the Order Paper? I am wondering if this Address to His Excellency is distinct from the one that is forwarded by the House of Commons and if our delay is delaying the dispatch of the one which was passed by that house? Is it the custom of the Parliament of Canada, and that of the British Parliament, to send a separate address by the Upper Chamber?

Hon. Mr. Connolly (Ottawa West): If I may answer that question now, the practice in this chamber has been for the debate on the Address to continue much longer than the debate in the other place. The Address itself is engrossed, and when the Senate concludes its consideration of the Address, then both documents are presented on behalf of the ministry to the Governor General.

Hon. Mr. Flynn: Are there two addresses?

Hon. Mr. Connolly (Ottawa West): There are two addresses, and both documents are presented.

Order stands.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, June 23, 1965

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, 23rd June, 1965

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 23rd 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.

CANADIAN NATIONAL RAILWAY BILL

CONSTRUCTION OF A LINE OF RAILWAY IN COUNTY OF LAMBTON, ONTARIO— FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-124, respecting the construction of a line of railway in the Province of Ontario by Canadian National Railway Company from a point at or near mileage 3.2 of the Froomfield Spur of the Canadian National Railway near Sarnia in a southerly direction for a distance of approximately 12 miles to the property of Canadian Industries Limited in Sombra Township in the County of Lambton.

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.

INDIAN CLAIMS

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 Bill C-123, an Act to provide for the disposition of Indian Claims, with powers to report from time to time its observations and opinions thereon; send for persons, papers and records; 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 14 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.

DOCUMENT TABLED

Hon. John J. Connolly tabled:

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).

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 first report:

> Your committee recommends that the time limited for filing petitions for private bills which expired on Monday, May 17, 1965, be extended to Friday, June 25, 1965.

The Hon. the 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.

OTTAWA TERMINAL RAILWAY 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-3, to incorporate the Ottawa Terminal Railway Company and had directed that the bill be reported with the following amendment:

> Page 3: Strike out lines 33 to 35 inclusive and substitute therefor the following:
>
> "(g) furnish for hire in and about the cities of Ottawa and Hull such adequate and suitable service as is customary or usual for the pick-up, delivery and transfer of goods by means of trucks or".

The Hon. the 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.

This bill to incorporate the Ottawa Terminal Railway Company was considered by your committee on two occasions, the first of which was June 3, and the second this morning.

Perhaps I could deal first with the amendment which has just been read and which was proposed by the committee. It is an amendment in connection with the trucking services which the company will be authorized to carry on in and about the cities of Ottawa and Hull. The trucking industry objected to the rather too general wording of the original clause 10(g), but the clause just read by the Assistant Clerk has been agreed to by all parties in interest, including the railway companies. That is the only amendment which we propose to the bill at this time.

Honourable senators will recall that a bill very similar to Bill S-3 came before the Senate last session, was referred to the Committee on Transport and Communications and received quite prolonged consideration by that committee at several meetings. We suggested several amendments. The bill, with those amendments, received third reading in this house, but unfortunately the end of the session came before the bill could be considered by the other place. So that at this session we have before us substantially the same bill as we had to consider last year with the amendments which we had proposed last year, and one or two other minor amendments, the position thus being that we had in substance considered the whole matter very extensively last year and do not need to go into the question in such great detail this year.

However, a new element came into the matter. As honourable senators will recall, in the debate on second reading Senator Roebuck raised the point that the railway unions desired to be heard this year on the bill, although they had made no move to be heard last year. As I promised him at the time of the debate on second reading, we immediately got in touch with the railway unions and a number of their representatives, both operating and non-operating unions, were present at the meeting which we held on June 3.

The interest which the unions had in the matter was this. Here was a new company organized to take over the railway operations in and about the City of Ottawa, to which several hundred employees of both the Canadian Pacific and the Canadian National Railways would be moved when the new company was set up. The unions asked: What guarantee have we that the rights that these men now have under our union contracts with the Canadian Pacific and the Canadian National Railways will be honoured? What guarantee have we that their rights of seniority, and their rights to pensions and to passes, and all these other rights which formed the subject in years past of prolonged negotiations with the two railway companies, will carry over into the new company? Therefore, they

proposed an amendment to the bill to cover substantially those rights.

The representatives of the railway companies were present and took a very reasonable attitude. They said that the last thing they wanted to do was to deprive the unions, or members of the unions whose positions were going to be changed as a result of their being re-employed by the Ottawa Terminal Railway Company, from being in any way affected by the change. So after a good deal of discussion we suggested to the representatives of the unions and to the representatives of the railway companies that they sit down together and see whether they could not reach some agreement on the whole matter. I think Senator Croll was the first person to suggest that. We said to them, "All right, you sit down together and see what you can do, and come back to us in a fortnight's time and tell us whether you have been able to reach an agreement."

I am happy to be able to tell the house that this morning we had a second meeting of the committee and at that time the representatives of the unions and the representatives of the railways informed us that they had reached complete agreement as to the position of those men who were to be transferred. Letters which were exchanged between the railway companies and the unions were read into the record and will form part of the official proceedings of our committee.

The unions' representatives said they were perfectly satisfied that their objections had been met and that they did not now need any amendments to the bill, that they were happy with things as they were.

Honourable senators, I should say that a great deal of credit is due to the attitude which the unions' representatives and the railway representatives took in the matter. I should add, in a word, that I think something is due to your Committee on Transport and Communications for bringing about this happy result.

Hon. Senators: Hear, hear.

Hon. Mr. Hugessen: In any event, the bill is now before you, formally agreed to by all sides. I understand that it is desirable to send it to the House of Commons as soon as possible. Therefore, unless some senator has an objection, I intend to propose, if this committee report is approved, that the third reading be given today.

Hon. Mr. Brooks: Everybody is happy, including the truckers.

Report adopted.

THIRD READING

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

Hon. Norman P. Lambert: Honourable senators, I have no hesitation in asking leave of the Senate to move the third reading of this bill now.

Motion agreed to and bill read third time and passed.

PRIVATE BILLS

THE PACIFIC COAST FIRE INSURANCE COMPANY—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-14, respecting The Pacific Coast Fire Insurance Company, and had directed that the bill be reported with the following amendment:

Page 2, line 11: Strike out "ninetieth" and substitute therefore "thirtieth".

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 simply relates to a provision in the bill which stated that it would come into force on the ninetieth day following Royal Assent to the bill. The promoters of the bill said they would be ready earlier and would like to have it come into force earlier. Therefore, at their request, we changed it so that it would come into force on the thirtieth instead of the ninetieth day after Royal Assent.

Report adopted.

THIRD READING

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

Hon. John M. Macdonald: Honourable senators, on behalf of honourable Senator Thorvaldson, I move, with leave of the Senate, that the bill be now read the third time. I may say that the only reason for asking for third reading now is that we would like to get the bill to the House of Commons, as

there are strong rumours that that house may recess by the end of next week.

Motion agreed to and bill read third time and passed.

THE TRUSTEE BOARD OF THE PRESBYTERIAN CHURCH IN CANADA—REPORT OF COMMITTEE ADOPTED

Hon. Paul H. Bouffard, Chairman of the Standing Committee on Miscellaneous Private Bills, reported that the committee had considered Bill S-10, respecting The Trustee Board of The Presbyterian Church in Canada, and had directed that the bill be reported without amendment.

Report adopted.

THIRD READING

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

Hon. Muriel McQ. Fergusson 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.

EVANGELISTIC TABERNACLE INCORPORATED—REPORT OF COMMITTEE ADOPTED

Hon. Mr. Bouffard, Chairman of the Standing Committee on Miscellaneous Private Bills, reported that the committee had considered Bill S-11, to incorporate Evangelistic Tabernacle Incorporated, and had directed that the bill be reported without amendment.

Report adopted.

THIRD READING

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

Hon. John M. Macdonald, for Hon. Mr. Thorvaldson, 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 CANADIAN INSTITUTE OF MINING AND METALLURGY—REPORT OF COMMITTEE ADOPTED

Hon. Mr. Bouffard, Chairman of the Standing Committee on Miscellaneous Private Bills, reported that the committee had considered Bill S-12, respecting The Canadian Institute of Mining and Metallurgy, and had directed that the bill be reported without amendment.

Report adopted.

THIRD READING

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

Hon. Sydney J. Smith 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.

BUSINESS OF THE SENATE

On the notice of motion for adjournment:

Hon. John J. Connolly: Honourable senators, I move, with leave, that when the Senate adjourns today it do stand adjourned until Monday, June 28, at 8 p.m.

As honourable senators know, the House of Commons will not be sitting tomorrow. I think our program of business can be attended to adequately if we sit on Monday, June 28. It appears that we will have a crowded schedule next week, and I would ask for the co-operation of all honourable senators in dealing with the business before the Senate. If one can believe the Whip on the other side, we are working towards a summer adjournment by the end of this month.

Motion agreed to.

BANK ACT AND QUEBEC SAVINGS BANKS ACT

BILL TO AMEND—THIRD READING

Hon. Louis P. Gelinas moved the third reading of Bill C-116, to amend the Bank Act and the Quebec Savings Banks Act.

Motion agreed to and bill read third time and passed.

APPROPRIATION ACT, No. 4, 1965

THIRD READING

Hon. John J. Connolly moved third reading of Bill C-122, for granting to Her Majesty certain sums of money for the public service for the financial year ending 31st March, 1966.

He said: Honourable senators, before the bill is read the third time, I wish to refer to a question asked by Senator Grosart last evening. I have tried to get some information which might be of assistance, but the information I have may not be in the form in which he would like to have it. There are no figures available on the value of houses built during the winter season prior to the commencement of the program in question. There

is information on the total value of residential construction for the winter months, that is, October to March.

I am informed that the figures are as follows:

For the year 1962-63, the total value of residential construction for the winter months was approximately $733 million; for the year 1963-64, $979 million; and for the year 1964-65, $1,068 million.

I am also informed that while there are no figures available on the number of housing units constructed in the winter months prior to the commencement of the program, the Department of Labour estimates the figure was in the order of 15,000 to 18,000 units per winter season. In 1963-64, there were 35,000 housing units constructed, of which the department has a record, and in 1964-65, 39,000. That is the best information I have been able to get to date.

Hon. Mr. Brooks: That does not sound altogether reasonable. In 1962, with $733 million expended, there were only 15,000 houses constructed, and in 1963-64, with $979 million expended, there were 35,000.

Hon. Mr. Connolly (Ottawa West): No. Perhaps I did not make it clear.

Hon. Mr. Brooks: Perhaps I did not understand you.

Hon. Mr. Connolly (Ottawa West): In 1962-63 the total value of residential construction was $733 million. That includes single units and apartment buildings as well; it is all residential construction.

Hon. Mr. Brooks: In 1962?

Hon. Mr. Connolly (Ottawa West): In 1962-63.

Hon. Mr. Brooks: And there were 15,000 to 18,000 buildings constructed?

Hon. Mr. Connolly (Ottawa West): Not exactly. The figure of 15,000 to 18,000 units constructed prior to the opening of the program is for single unit residences and it does not include apartments.

Hon. Mr. Brooks: Then if you are making a comparison, the true picture would include apartments as well?

Hon. Mr. Connolly (Ottawa West): No. The program does not apply to apartment buildings; it applies only to single family dwellings. That is why I say the figures are not entirely satisfactory, because it appears, in a sense, as if one is comparing apples and oranges; but I did give the figures for the total value of residential construction for the years in question. The figures given last night dealt with the program with which we were immediately concerned, and for the winter just past.

Hon. Allister Grosart: Honourable senators, may I make a further comment on that? My question last evening was not intended to be critical of the program; it was intended to elicit some information which I think the honourable Leader of the Government would regard as important.

I am interested in finding out to what extent the $500 incentive has been effective. I am not saying it has not been effective; I hope it has been. I appreciate the difficulty that confronts the honourable leader in obtaining these figures. However, I am surprised that the department has not made them available, that it has not itself analysed its own program so that it could say to us today: We are reasonably certain that such and such a percentage of this—on the face of it a very substantial increase—is due to this program.

I say this because another program more or less in the same field was a failure. Again, I am not blaming anyone; it was a good try. But according to the figures the honourable leader has given us, in this area of residential construction there has been a jump from the year prior to this $500 incentive program from $733 million in 1962-63 to $979 million in 1963-64, and to $1.68 billion this year, if I took the figures down correctly.

Hon. Mr. Connolly (Ottawa West): It is $1.068 billion.

Hon. Mr. Grosart: Yes, thank you. I wonder if I could now ask the honourable leader if he would make further inquiries, and, if the department has not already done this essential job, ask them to do it.

Hon. Mr. Connolly (Ottawa West): I will certainly make further inquiries, but perhaps I could emphasize again that before the program was started, as I understand it, they did not keep separate figures for residential construction in the winter months for single family units as against multiple family units. But they have made an estimate of the single family units constructed in the year prior to the inauguration of the program, and that estimate is from 15,000 to 18,000 individual family units in that year. The following year their figures show that 35,000 individual family units were built, which is almost double the number built the year before. In the winter construction period just concluded

the number was 39,000. So there is considerable information available from an examination of those figures.

Hon. Mr. Grosart: The particular question I should like to have answered is: What percentage of this construction is due to this incentive program? We all know there has been a general rise in building construction in this period. We can assume that not all the houses involved in this increase were constructed because of the $500 incentive. I repeat my suggestion that the department should come up with the figures and say what is the attributable percentage increase. It can be done, because it is being done by the construction industry itself, and that industry is publishing the material from time to time. I would not like the impression to be left that the Department of Labour is not able to do this very simple job.

Hon. Mr. Connolly (Ottawa West): I will see what I can do.

Motion agreed to and bill read third time and passed.

CUSTOMS ACT

BILL TO AMEND—SECOND READING

Hon. A. K. Hugessen moved the second reading of Bill C-119, to amend the Customs Act.

He said: Honourable senators, this is a bill to amend the Customs Act. Perhaps I should first remind honourable senators that the customs legislation of this country really revolves around two principal acts. The first is the Customs Act, which regulates the administration of customs throughout the country and is a long act dealing with a great number of subjects. That is the act which this bill proposes to amend in certain respects. The second is the Customs Tariff. That is the act which actually imposes tariff duties on an enormous number of articles imported into Canada, the list of which appears in various schedules to that act. My friend Senator Hayden is going to deal with an amendment to the Customs Tariff, while I am confining myself to amendments to the Customs Act.

These are amendments that result from the budget resolutions introduced by the Minister of Finance at the time of the budget some months ago. There are four principal matters to which this bill relates, and with the permission of the house I shall discuss each of them rather briefly.

The first clause of the bill amends section 22 of the Customs Act. As the Act reads today an importer who wishes to withdraw goods imported by him from customs has, before he can do so, to pay the duty imposed upon those goods. Over the last eight years or so a system has grown up that has been of great use to the department itself and to the importers, under which the department has allowed importers to withdraw goods against a bond for payment of the customs duty in the future. It is a system which apparently works extremely well. It makes it much easier for the customs houses to operate, and it has the advantage of allowing an importer who is desperately anxious to get his goods out of customs in order to sell them or dispose of them, to do so without having to wait for some elaborate calculation of the duty to be made. After he has withdrawn his goods he receives a bill for the duty and pays it.

This has been a good system, but the trouble was that it has no legal sanction whatever. This clause of the bill proposes to give legal sanction to this exceedingly useful system which, as I say, has grown up over the last eight years.

The attention of Parliament was drawn to this fact by the Auditor General in his report of 1962, in which he said:

> There seems little doubt that the practice being followed facilitates the clearing of goods through customs and benefits both the department and the importer. However, sections 22 and 79 of the act appear specifically to prohibit what is being done, and the act should be amended if the practice is to be continued.

This is the amendment that overcomes that difficulty. In conjunction with it there is a substantive amendment, in clause 5 of the bill, to section 79, to make an exception of the new proposals under section 22.

The second amendment is perhaps the most important of all. It appears in clause 3 of the bill, which incorporates a new section 37A in the Act. I must admit that I was rather baffled when I read this section and the explanation of it. To one with modest mental powers like myself they are not easy to understand. I would draw the attention of the house to the fact that the proposed section 37A provides, and provides only, for the reduction of duties in certain eventualities by the Governor in Council. To that extent it is beneficial legislation. In fact, as old free traders like my honourable friend Senator

Roebuck and I would agree, any suggested reduction in any tariff is a good thing.

Hon. Mr. Roebuck: Hear, hear.

Hon. Mr. Hugessen: The circumstances under which such a reduction may be brought about under section 37A are such as to require me to keep very closely to my notes in order to be able to explain just what they mean.

The purpose of the section is to remove certain inequities that result from the trade levels and quantity rules found in section 36 of the Customs Act. Section 36 specifies that the value for duty of imported goods shall be the fair market value of like goods when sold for consumption in the country of export under the conditions that are laid down in that section. Under subsection 3, if an exporter is selling to a wholesaler in Canada while in the home market he sells only to retailers, his value for duty is based on the price to such retailers. The British claim that in certain cases the operation of this provision discriminates against United Kingdom exporters in favour of exporters in other countries, because the geographic size of the Canadian market and the lines of distribution in Canada are often longer than those in compact countries such as Great Britain.

In Canada, for example, goods must pass in turn from the manufacturer to a wholesaler, to a retailer, and finally to the consumer, while in Britain the manufacturer may sell directly to the retailer. Hence, the British argue that while they sell in Canada to the same trade level and in similar quantities as, for example, American exporters, the British must, because of the combined effects of section 36 and the anti-dumping law, price their goods as if they were selling in the much more compact British market to a lower level of trade and in smaller quantities. They are thus hard put to compete with other exporters who, because their domestic market is similar in structure to the Canadian one, are allowed to claim trade and quantity discounts denied the British in establishing values for duty under the present law. In effect, the existing legislation discriminates against certain countries by imposing a higher valuation base than would obtain if market conditions in those countries were similar to those in other exporting countries. Not only are ordinary duties assessed on the higher values, but, in respect of goods of a class or kind made in Canada, exporters are prevented from reducing their prices to competitive levels by the threat of anti-dumping duty.

I hope that what I have just said does not appear to honourable senators as so much gobbledygook, as it appeared to me when I read it for the first time. I should like to give honourable senators a practical example of what is meant by this.

Let us take, for instance, floor polishers. Suppose a British manufacturer of floor polishers wishes to export some of his production to Canada. Great Britain being a very concentrated country, his own domestic market there does not require him to sell to wholesalers, but permits him to sell to retailers at a higher price. When he comes to export his floor polishers to Canada the duty which he pays is based on the higher price which he charges retailers in his own country.

On the other hand, take an American exporter of floor polishers. His method of business is different. The United States is a very large country, and the American manufacturer has the habit of selling in large blocks to wholesalers all over the country at lower prices than those at which he would sell to retailers, and when he comes to export his floor polishers to Canada he only pays duty on the price which he charges his wholesalers, while the British manufacturer has to pay duty on the higher price that he charges his retailers. That is as simple an explanation as I can give.

This apparently has caused a great deal of comment and criticism in Great Britain and very strong representations have been made to our Government that this is a discrimination that exists against the British and perhaps other continental manufacturers, resulting, first of all, from the wording of our Customs Act as it stands at present and, secondly, from the difference in the methods of operation of manufacturers in smaller countries and that of manufacturers in large countries like the United States.

Hon. Mr. Brooks: Might I ask if this would apply to British cars?

Hon. Mr. Hugessen: I do not know whether it does. It may apply to British cars. All this section does is to permit the Governor in Council to inquire in the case of any particular industry as to whether these conditions apply. If after inquiry it should be found that they do apply to cars, then it will be open to the Governor in Council to make the necessary adjustments.

Hon. Mr. Hayden: I think it would apply to any class of goods being imported.

Hon. Mr. Hugessen: Yes, it would, provided the conditions apply, and provided there is competition between manufacturers in two countries where the methods of operation is different, thus establishing different bases for the value of the goods upon which our tariff is based.

The proposed new section 37A will provide authority to remove these inequities, while at the same time retaining sufficient safeguards against unfair practices. The application of the section will not, of course, be limited to Great Britain, but will be available to other countries against which the present law might discriminate.

The third principal change in the Customs Act is to be found in section 4 of the bill. It closes a rather interesting loophole that has been discovered in the Act. The section is designed to neutralize the effect of transshipping goods through a second country in order to obtain a lower fair market value than would obtain had the goods been shipped directly from the country of origin.

In valuing goods for customs purposes, we are normally concerned with the fair market value at the place from which the goods were shipped directly to Canada. This is in accordance with section 36 of the Customs Act. In the majority of cases, the country of export is also the country of origin.

However, because price levels, and hence fair market values, vary from country to country, goods may be shipped to an intermediate country with lower price levels than the country of origin and, subsequently, be imported into Canada at a lower value for duty than if imported directly from the country of origin.

You see the loophole. Apparently the Canadian manufacturers have made representations to the department that they would like to see this loophole closed, and it seems only reasonable that should be so.

Hon. Mr. Hayden: I think this led to a lot of "offshore companies," as they are called.

Hon. Mr. Hugessen: Perhaps so. I have dealt with section 5 which is consequential on section 1. Section 6 is the only one that remains, and it has to do with goods which are imported originally into Canada by another government, or for the use of another government—I think almost wholly for the Government of the United States—and which when they have served the purpose of that government are sold in Canada to Canadians. When they were imported from the United States for the use by the United States Government they were imported duty free, but when after use they are resold in either damaged or worn condition to other Canadians they then have to bear a tariff and a sales tax. It has been the practice of the department, in co-operation with the organization which carries on these sales, that is, the Crown Assets Disposal Corporation, to agree with that corporation that when the latter sells any of these United States goods to Canadians in Canada, 15¼ per cent of the purchase price shall be considered as being the equivalent of what would have been the customs and sales tax on those goods, and they have collected that from the Crown Assets Disposal Corporation.

Here again is a practice which has no sanction in law, but it has been very convenient because these goods for the most part are in the far northern part of the country, away up in the DEW line and places like that, and the Customs division has found that it would cost them far more to send men up to evaluate these things in the far northern part of the country than simply to collect the 15¼ per cent. So, it is a useful provision. As I have said, it has had no legal sanction up to the present time although the practice was studied by the Standing Committee on Public Accounts of the other house in its eighth report of December 7 last. That committee recognized the practice as being sensible and practicable, but recommended that an amendment be made to the Customs Act or the Customs Tariff that it has a right to be applied to the proceeds of all sales in Canada of United States government property by Crown Assets Disposal Corporation. That is what this section does.

I do not know if there is anything further I need say at the moment, honourable senators. If this bill should receive second reading, I shall move that it be referred to the Standing Committee on Banking and Commerce, where the senators can ask questions of the officers of the department in case there is any further information they should require.

Hon. Mr. Macdonald (Cape Breton): May I ask one question before the honourable senator concludes? Under section 3, or under any other part of the Act, is there any provision allowing for an appeal from the decision of the Governor in Council?

Hon. Mr. Hugessen: That question was raised in the House of Commons, and the answer the minister gave was this: Yes, there

is an appeal under the relevant provisions of the Customs Act, to the Tariff Board and then to the Exchequer Court.

I must add that the minister said he was not speaking as a lawyer, that he was advised to that effect; but he did not give an outright opinion.

Hon. John M. Macdonald: Honourable senators, there is not a great deal I wish to say at this time in regard to this amendment to the Customs Act. The honourable Senator Hugessen has explained it very clearly, and there are just one or two points to which I would like to draw attention.

In regard to section 1, which legalizes a practice which has been in effect, I was wondering if there is any time limit on when the duty must be paid. When an importer imports goods to this country and gives a bond or guarantee to pay the duty, are there any regulations whereby he must pay within a week or 30 days, or when the goods are sold, or something to that effect?

Hon. Mr. Hugessen: The information I received from the legal members of the department was that normally the delay is three days, because he gets the goods out and pays in three days.

Hon. Mr. Hayden: May I point out to the senator who asked the question that in section 1 of the bill, which is section (3) of the new section 22, it is stated:

> The Governor in Council may make regulations prescribing
> (a) the terms and conditions upon which goods may be entered into Canada free of any requirement that the importer shall, at the time of entry, pay or cause to be so paid all duties on the goods so entered inwards;

So that by regulation the time is going to be prescribed.

Hon. Mr. Macdonald (Cape Breton): I was wondering if a time limit had been determined.

Hon. Mr. Hugessen: I understand it is three days.

Hon. Mr. Macdonald (Cape Breton): Three days has been their practice. Therefore, in regard to section 1, I do not think there can be any objection to it. It has been the practice, and therefore it is bound to work well, and it is a good thing that it is now being put into legal form.

In regard to section 3, from what I have read I understand that it was the British car manufacturers who felt they were being discriminated against, and probably that is correct because of the way in which they distribute their cars and other articles by comparison with the United States.

I should point out that I believe the honourable Senator Hugessen was in error when he said this was a reduction in the tariffs which free traders would welcome. As I read it, actually it is only something to do away with the discrimination against British manufacturers, which has existed in the past.

Hon. Mr. Hayden: A rose by any other name!

Hon. Mr. Connolly (Ottawa West): You do not think this is a rose?

Hon. Mr. Macdonald (Cape Breton): No, I do not think it would be so regarded by those who thought they had been discriminated against in the past.

Hon. Mr. Connolly (Ottawa West): Maybe it is a rosebud.

Hon. Mr. Brooks: But does not smell like a rose.

Hon. Mr. Macdonald (Cape Breton): No. In any event, if there has been discrimination, and this will result in the removal of such discrimination, then of course we must agree with the principle, because certainly I know of no one who would want discrimination to be continued through our customs laws. However, it should be pointed out that while we agree in principle that this discrimination should be removed, we do not necessarily agree with the way it is being removed or with the machinery which is being used to remove the discrimination. Actually, if the British have been working under these difficult conditions I am somewhat surprised that they were not ingenious enough to devise some method whereby in their business relations they could have come under our existing laws. However, that is their business. If they felt that it was in their best interests to sell direct to retailers without setting up some kind of sales organization to sell to wholesalers, of course that is their business. Whether or not this is the best method of dealing with the problem is another question.

Here it is left to the Governor in Council to set out the means whereby duties can be reduced, if it is satisfied there was some kind of discrimination, and it must be satisfied on a report from the minister. In this case it will be the Minister of National Revenue. In other words, we are leaving it to the discre-

tion of that minister to determine whether or not this duty should be reduced. Personally, I am one of those who feel that as far as possible—I realize there must be exceptions—matters affecting the customs should be determined by the Tariff Board. I would be much happier if this section, which reads "where the Governor in Council is satisfied," had read "where the Tariff Board is satisfied" or even if it had gone further and said "where the Governor in Council is satisfied on a report from the Tariff Board" rather than "on a report from the minister." I believe that would have provided better legislation.

I heard the sponsor mention something of the difficulty in understanding the language. The same thought struck me. I believe the draftsmanship could have been improved. For instance, line 20 on page 4 of the bill reads: "section 36 or subsection (3) of section 36 is inequitable in that it results in discrimination". It would have been just as effective to leave out the words "is inequitable in that it" and have said "which results in discrimination". I am not satisfied that we need even the rider at the end about the "value for duty of goods imported", etcetera. That could well have been left out of the section without detracting from it.

My only objection to section 3 is that the discretion is left to the minister to report to the Cabinet that the duties should be reduced. It might have been argued that that is not the minister, that it is the Governor in Council; but I would expect that in a matter of this kind the Governor in Council would certainly act on the advice of the Minister of National Revenue.

In regard to the question of appeals from decisions of the Governor in Council, I too have read what the minister said in the other house. I would like to see it stated that there is an appeal to the Tariff Board. Of course, it is a question of law whether there is or is not one to the Exchequer Court of Canada. It would be difficult for any interested person to carry an appeal to the Tariff Board from a decision of the Governor in Council, for actually it involves governmental policy and I would expect that it would be difficult for members of the Tariff Board to feel they should alter such policy. I believe it would have been much better to put the responsibility on the Tariff Board in the first instance to say whether or not there was discrimination and, if they felt there was discrimination, to advise the Governor in Council that a reduction should be made and how much it should be.

I can understand, of course, that in the practical administration of the departments it might be difficult and take some time to have the Tariff Board look into these matters, but that should not give an excuse for not doing so if we believe in the principle that the Tariff Board should do this.

Section 6 apparently involves one of those cases of practical administration which has grown up over the years. While this may not be the best way, it is a realistic way, and they which to have it incorporated into the Act. I suppose the only other way would be to have these United States people who have brought machinery into Canada to take it back with them, but in many cases that would not be practical.

Hon. Mr. Hugessen: If I may interrupt the honourable senator, there is an agreement between the governments of Canada and the United States that the Government of Canada will take and dispose of all material which the United States Government has imported into Canada and no longer requires.

Hon. Mr. Macdonald (Cape Breton): I can understand that, and it is probably a wise provision. Generally speaking, I am in agreement with the amendments and I certainly agree in principle, but I object to the method whereby the Governor in Council, on the advice of the minister, is given the authority and the power to reduce tariffs in this or any other instance.

Honourable senators, I do not think there would be much benefit in sending this bill to committee. It is straightforward legislation and has been well explained, and I think I have raised the objections which could be raised to it. If the sponsor is so inclined, I should think it could be passed without sending it to committee.

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. Hugessen: If my honourable friend who has just spoken expressed the general desire or opinion of the house, that it is unnecessary to send the bill to committee, I would suggest that the bill be read the third time at the next sitting of the Senate. Is that agreeable to honourable senators?

Hon. Senators: Agreed.

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.

CUSTOMS TARIFF

BILL TO AMEND—SECOND READING—DEBATE ADJOURNED

Hon. Salter A. Hayden moved the second reading of Bill C-120, to amend the Customs Tariff.

He said: Honourable senators, this bill has the virtue of not being very long; also, it is in the usual form of a bill providing certain amendments to the Customs Tariff.

As a brief introductory word, I should point out that the Customs Tariff is really made up of three schedules, A, B and C. Schedule A is that schedule of tremendous length which carries all the rates of duty and lists the free goods. Schedule B consists of a list of items upon which drawback of duty is provided on goods for home consumption. Schedule C contains a list of prohibited goods.

You will see in the bill that the three schedules are mentioned. Section 1 of the bill deals with the Act itself under which these schedules are authorized. Section 1 adds a new section 17 to the Customs Tariff Act. The purpose of that is a matter of utility and to bring about the modernization of information facilities in the department. Also, it facilitates the preparing of statistical records since it permits the Governor in Council by order in relation to these schedules to give numeral designations to all the various items instead of having numbers and letters, as is presently the practice. It has proven difficult in the past to correlate the items in the tariff to the import figures and the identification of the items. It is expected that ultimately all tariff items will have numbers and that letters will disappear.

Then there follows the requirement that you must have authority for cross-referencing. That is, if an old tariff item number appears in an act and it has in the meantime been given a different number or if it has been given a new number in place of a letter, then you read it in the connotation of the reference which shows that it is in fact the same item that is being dealt with.

There is a provision for advertising in the *Canada Gazette* where any of these changes are made.

No matters of substance can be dealt with and no change may be made in the status of items as a result of the authority conferred by the Act.

Section 2 provides for certain amendments, which amount in effect to the repeal of about 11 items in Schedule A of the Customs Tariff and the re-enactment of those items with some change. If you look at the *Minutes of the Proceedings* of yesterday, you will see on pages 196 and 197 that these items dealt with in section 2 of the bill are certain items in Schedule A to the Customs Tariff that will carry the proposed rates of duty, and you are also given the rates in effect at the present time.

I should point out that of these 11 items, six simply extend for another year the application of the items, and those six items you will find under 209e, 210i, 263e, 440m, 440n, and 445z. There are four new items involved, 388, 541a, 695c, and 695e. A simple reading of these items will indicate the nature of the change. Let me illustrate for you by taking item 541a. That item as re-enacted is in the same wording as the existing item except that there is added the word "knitting" —Linen yarns for knitting. That feature is the only new element in the item.

In item 695c you will see certain words in the italicized form of print. This item deals with original sculptures. This language in italics is intended to provide safeguards so as to establish a minimum value under which this duty-free entry will not be permitted and so as to provide a maximum number of replicas which a sculptor may make of his original work.

In item 695e you have the same thing in relation to hand-woven tapestries, where the language provides a minimum value of $20 so that ordinary commercial tapestries will not be able to come in free under this particular item.

The only change in connection with item 445z is the inclusion in the item of electric razors—"dry shaving machines" is the term used—several parts which heretofore have been listed under a different tariff item and which were subject to duty. Problems of competition were presented when manufacturers of these razors in Canada had to pay duty on these particular parts and then compete with imported razors. The net result is that all parts of the type of razor described in this item are permitted to come in under the duty-free provisions found in the schedule.

I could go on and explain all these other items where the period of the application of the benefit or the tariff rate is extended for a further year, but we dealt with that

last year and the year before. In relation to most of these items over the last three, four or five years there has been an annual extension of the application of the tariff item and the rate of duty to that particular item.

You will notice that section 3 of the bill deals with Schedule B, which simply inserts another item and which, in the circumstances described in Schedule B, would entitle the person importing to a drawback of duty to the extent of 99 per cent. You will notice that this deals with knitted netting. I do not purport to be an expert on this, but I understand it has to do with the basic form for ladies' hats, for which, I understand, heretofore a form of buckram was used on which certain duty drawbacks were allowed. Buckram is some kind of cotton with stiffener put into it. The knitted netting is now taking the place of buckram to such an extent that the Government proposes that for milliners who import knitted netting for this purpose, that is, to constitute the form of the hat to be made, the knitted netting so imported will be subject to a drawback in duty of 99 per cent.

We come now to the next item which is in section 4 of the bill and which deals with Schedule C. This refers to goods the entry of which is prohibited. Schedule C, you will notice, deals with item 1220 in Schedule C to the Customs Tariff, and also deals with offensive weapons as defined in the Criminal Code. The changes occur in relation to items which are not affected by the prohibition in Schedule C. If you look at paragraph (b) in Schedule C, you will note that reference to Form 42 has been omitted. It says that the prohibition in Schedule C does not apply to

> firearms imported by a person who holds a permit in Form 43 or Form 44, issued with respect thereto, under section 94 of the Criminal Code.

Previously it included Form 42 which covered a weapon a permit for which had to be obtained before you could carry it around rather than maintain it in your own home. The Government felt that this was unnecessary since every person is required to register firearms, and so it was decided to eliminate it.

The other item is to delete from paragraph (c) the words "and military type rifles". If you look at paragraph (c) it reads:

> shotguns and rifles of the standard or auto-loading type....

As the item presently stands it includes "and military type rifles." It was felt that was a redundancy, and therefore those words are being removed from this particular item. That is all in Schedule C.

We come to section 5 of the bill, which may provoke a little discussion. That section purports to add a new item to Schedule C, which is the schedule of prohibited goods. The item to be added will be found in Schedule D to this bill. If I may summarize it, this has to do with the prohibition of entry of issues of non-Canadian periodicals in certain circumstances.

If you look at page 6 of the bill, item 1221 (1), one circumstance under which entry would be prohibited is this: Very often you have what are called split runs, or a regional edition, or a special edition of a non-Canadian periodical, and in that you will find mainly the material that will appear in the regular edition that is edited, printed and distributed, say, in the United States, but you will also find some inserts referable to Canada and to the Canadian market. What this first item under 1221(1) says is that if after September 30, 1965 you find an issue of a non-Canadian periodical coming into Canada which comes within the description of being a split run or a regional edition or a special edition, and the advertising in that is primarily directed to a market in Canada, then, in those circumstances, the admission of further issues of that periodical will be prohibited.

How this operates is that after September 30, if you find one of a series of four issues of a periodical that violates the conditions of this particular paragraph, then any further issues will be prohibited entry, and it will be up to the editor, the publisher, the distributor, whoever it may be, to make the necessary corrections. But here you will notice the prohibition of entry is on the basis that you have a special edition or a split run or a regional edition, which means it is devoted to a particular region.

I think the reasoning behind it is this: If a publisher in the United States, for instance, or any other country outside of Canada, publishes a periodical and he has a certain market for distribution of that in the States, or whatever the other country may be, and he makes an extra production of that periodical in which he inserts material by way of advertising that is primarily directed to a market in Canada, then that makes that periodical in those circumstances a special edition or a split run or a regional edition. I think the theory behind it, looking at it from the point of view of money, is that this is almost a free run at the Canadian market, because I am sure the cost

of printing and publishing the edition which has been distributed outside of Canada has been taken care of in the distribution that has been made.

The second basis on which an issue of a periodical may be prohibited is where you find that more than 5 per cent of the advertising space in the edition consists of advertising that indicates specific sources of availability in Canada, or specific terms of conditions relating to the sale or provision in Canada, of any goods or services. If those conditions exist, further issues will be prohibted entry. But there is an exception, and it is where the indication of such sources of availability or such terms or conditions were primarily directed to persons outside Canada. If you find, for instance, that the form of advertising in a periodical may conceivably be addressed to the tourist trade of the United States that may be contemplating visiting Canada, therefore, there is a distinction drawn between advertising in a non-Canadian periodical which is being distributed in Canada where the primary appeal is to a market outside of Canada that may be developed in relation to people who are going to come into Canada rather than addressed directly to the domestic market.

In this connection I should point out there are certain exceptions. For instance, this prohibition does not apply to a catalogue, newspaper, or periodical, the principal function of which is the encouragement, promotion or development of the fine arts, letters, scholarship or religion.

I should point out too that on May 25, 1961, a report was made by the royal commission which had been set up in the previous year to inquire into this whole phase of non-Canadian magazines, periodicals and newspapers, and their invasion of the Canadian market. I need hardly mention that we now have as one of our illustrious members the man who was chairman of that commission, Senator Grattan O'Leary. This particular proposal to be added to Schedule C of prohibited goods, and the prohibition therein of issues of periodicals in certain circumstances, does not go as far as the recommendation of the commission. The recomendation of the commission runs as follows:

> That the entry into Canada from abroad of a periodical containing domestic advertising be excluded under Schedule C of the Customs Tariff. "Domestic advertising" shall include postcards, coupons and inserts contained in a periodical and indicating the availability of a product or service in Canada.

You will note the descriptive language of the recommendation has been imported into this prohibitory item in the sense that they have used the language of "availability of a product or service" and of "domestic advertising," which in the item is transferred into "advertising primarily directed to a market in Canada."

So that while the proposed amendment, and the addition of this prohibition of periodicals coming into Canada in certain circumstances does not go as far as the recommendation of the commission, it does go a long way. I am not in a position to say—and possibly the chairman of that commission is in a better position—but if I were assessing the various percentages of damage to Canadian periodicals and publications caused by the intrusion of periodicals of the character that are being prohibited, and other phases that are being dealt with in other legislation, this might be relatively insignificant. That is an uninformed opinion and assessment I make. It might be entirely wrong; it is just a viewpoint I have.

This particular item with respect to the prohibition of issues of periodicals in certain circumstances will not become effective until January 1, 1966.

Hon. Mr. Lambert: May I ask the honourable senator who has just spoken if these prohibitive clauses will apply to special editions of very notable publications such as the *London Times*, the *London Economist* and the *New York Times*? These institutions publish certain editions for Canada which are of great interest and much attention is paid to them. These special editions carry advertising that is of interest, I presume, to the people of Canada by the manufacturers of, say, automobiles and other machinery in the countries in which the publications to which I have referred are located. In the past we have known of very interesting special editions being circulated in this country. Would this legislation prevent those publications from entering Canada?

Hon. Mr. Hayden: It might very well, if the special edition meets with the conditions contained in item 1221, paragraph (1), namely, if it contains advertising which is "primarily directed to a market in Canada." In other words, there must be that so-called Canadian content of advertising primarily directed to the Canadian market. If you have that, then

the prohibition can be applied under paragraph (1) of item 1221.

But, I should point out too that I am answering my honourable friend's question in the context of special editions, and it is only in item 1221 (1) that special editions are dealt with. Paragraph 2 deals with any kind of edition of a periodical.

Hon. Mr. Connolly (Ottawa West): The question of the "four immediately preceding issues" comes up, does it not?

Hon. Mr. Hayden: Yes, in both cases.

Hon. Mr. Leonard: Perhaps I should call attention to the fact that the qualification in paragraph 1 is that it must not appear in identical form in all editions of that issue. The special issues that Senator Lambert was referring to of the *London Times* and the *New York Times* are special editions in respect of Canada, but they always appear in all editions of those papers and are not directed primarily to Canada.

Hon. M. Grattan O'Leary: Honourable senators, I have no objection at all to this particular method the Government has adopted of excluding these newspapers. The Royal Commission on Publications considered what is contained in this clause, but felt—and we were so advised by people with expert knowledge—that this would lead to a great deal of administrative work, and that it would be simpler just to exclude them under a clause of the Customs Act.

This was, I must say, a minor part of our report, and I wish that the action taken by the Government supported the royal commission's report as fully as this clause does.

So far as the objection raised by Senator Lambert is concerned, it was not our intention ever to exclude special editions of, say, the *New York Times,* the *London Economist* or the *London Times.* I think they are covered by the definition in subparagraph (b) which says that a periodical subject to this exclusion, and in this context, is:

> ... a periodical, the issues of which, other than special annual issues, are published at regular intervals of more than 6 days and less than 15 weeks and are distributed as issues of a distinct publication or as a supplement to more than one newspaper, but does not include
>
> (i) a catalogue...

and so on.

I am interpreting it perhaps loosely, but I think that means that this measure does not in any way cover a special issue of, say, the *London Times,* which publishes such a special issue about twice a year, or of the *London Economist* which puts out a Canadian addition once a year. They would not come under this prohibition.

We had no intention whatever of interfering with special editions of the *London Times,* the *New York Herald Tribune,* the *New York Times* or with any such publication. We were concerned with those little advertising footnotes that you find in American magazines which say that certain goods may be purchased at a certain address in Toronto, or are available in Canada in such and such a city. There is a vast amount of this advertising coming into Canada, and we felt that if those publications that carry it were excluded that would end the matter, because no manufacturer would pay for advertising that is not going to reach the customer. If you allow them 5 per cent or 6 per cent, then you are going to have people constantly at the border to police these magazines coming in. We felt that this was difficult if not impossible to do. Therefore, we said they should be excluded altogether, and that would end the matter.

Hon. George S. White: Honourable senators, may I ask the honourable senator a question? He spoke about regulations. Under these regulations who is going to make the final decision whether it is 5 per cent above or below, or whether the advertising is directed to persons in Canada?

Hon. Mr. Hayden: I would expect, since no particular procedure is defined in this bill, that you will find it in the regulations prescribed by the Governor in Council. I think it was said in the other place when this bill was being debated that this matter would be dealt with by the departmental officers in the same way as any other item of business that comes into the department. They would, I think, make the determinations in the first instance.

Hon. Mr. White: I remind the honourable senator that he mentioned tourists as an example. If you look at any American paper or magazine today you will find pages and pages of advertising in respect of fall and winter cruises, and that type of thing. That is advertising that applies as much to citizens of the United States as to citizens of this country. How are you going to make a distinction there with respect to your 5 per cent rule as to whether it is directed to

Canada or the United States? Do you not think that there is going to be a difficult question to decide in that respect?

Hon. Mr. Hayden: From having dealt with the departmental officers over the years, I know they have great capacity, and I do not think this will present many problems to them. The illustration that Senator O'Leary (Carleton) gave is a pretty good one. An American company having an operation in Canada will, in its American advertising, carry a description of goods that are available in Canada, and the message that they may be purchased at such and such a place in Canada. How do you ascertain whether advertising is addressed to tourists in the United States coming to Canada, or directly to Canadians? I would be inclined, on that bald description, to say that that statement was primarily intended to be addressed to Canadians if the distribution of the periodical was being made in Canada.

Hon. Mr. White: Honourable senators, Senator Choquette wishes to speak on this bill. If no one else wishes to speak, I should like to adjourn the debate on his behalf.

On motion of Hon. Mr. White, for Hon. Mr. Choquette, debate adjourned.

INTERPRETATION ACT

BILL TO REVISE—SECOND READING

Hon. W. Ross Macdonald moved the second reading of Bill S-15, 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, though this is a rather lengthy and a very important bill, I shall not detain the house long this afternoon.

This is essentially a committee bill. When one reads the title one might think the subjects covered not very interesting, but that is not so. I am sure that honourable senators will find that some of the interpretations mentioned in the bill are worthy of second thought.

Before actually dealing with the bill, I would like to point out that this measure is being introduced first in the Senate—it did not come to us from the House of Commons. One of the reasons for that is that the bill has no financial implications. Honourable senators hear from time to time that we do not have the opportunity of introducing enough legislation in this house. Of course we all know that we cannot introduce legislation here which has any financial implications, that is to say, the enactment of a measure which entails the expenditure of money.

Honourable senators, I have taken the trouble of going through the legislation which has been introduced in the other house this year, and I find that all the legislation which has been introduced has been so called "money bills." That means that every piece of legislation which could be introduced in the Senate has been introduced here. I think we should thank our leader (Hon. Mr. Connolly, Ottawa West) for seeing that we get all the legislation we possibly can. We want legislation, and I am sure the country has confidence that we will deal with it in the proper manner.

Hon. Mr. Connolly (Ottawa West): I have merely followed in the footsteps of former government leaders.

Hon. Mr. Macdonald (Brantford): I appreciate what the leader has said. I have endeavoured to follow what he has been doing, and I have been happy about the success which he has had.

Another interesting feature about this bill is that it occurs to me that the first act passed by the Parliament of Canada after Confederation was the Interpretation Act. This indicates the importance that the first Parliament attached to an enactment of this kind.

This bill proposes the first general revision of the Interpretation Act since Confederation. Over the years, the Act has been amended from time to time and the amendments have been consolidated in the general revisions of the statutes which have taken place. However, the Act itself as it was passed in 1867, subject to these amendments, is still basically the same as the Interpretation Act which is being revised by us now. The importance of the statute over the years has not diminished, and if anything the extent and scope of today's statute make a measure of this nature even more necessary today than in 1867.

The purpose of the Interpretation Act is to facilitate an understanding of the drafting of statutes and other enactments.

As I have stated, this bill sets forth many interpretations. I shall not go through them in detail today; honourable senators may read them at their leisure. However, I was interested in one section, namely, section 28, entitled, "Definitions". In the definition of the word "holiday", which is to be found in subsection 19 on page 12 of the bill, I see no mention of St. Jean Baptiste Day as a holiday.

Honourable senators will realize that by establishing uniform definitions and expressions, and thereby eliminating the need for their repetition in the law, the drafting of statutes is simplified and their interpretation facilitated.

An Interpretation Act also serves the purpose of consolidating in one place rules of interpretation that have been developed over the years by the courts and by Parliament.

While the revised Act, that is the Act proposed by this bill, introduces some new provisions to aid in the interpretation of statutes and other enactments, it is essentially a rearrangement of the present Act and a revision of the language thereof in accordance with modern drafting standards. However, the new provisions that have been included are expected to make the Act even more useful and valuable. For example, provisions have been added to make it clear that the Act applies not only to statutes enacted by Parliament, but also to support legislation made pursuant to the authority of such acts. New provisions have been added with respect to the computation of time, with respect to quorum, to the appointment of public officers, and to other matters, all of which will be of considerable benefit and assistance in understanding the statutes.

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.

I think honourable senators will agree with me when I say that this bill is in the class that might be termed "lawyers' law." It is essentially a lawyer's bill. It is, without doubt, the type of bill that should go to a committee so that it can be given careful study by all those interested in its provisions. The officers of the Department of Justice will be available to assist the committee in all its deliberations. If the Senate gives approval to second reading of the bill, I shall move that it be referred to the Standing Committee on Banking and Commerce, because I believe there are more lawyers serving on that committee than on other committees.

Hon. A. J. Brooks: Honourable senators, I believe Senator Ross Macdonald has expressed the opinion of all honourable senators here when he said that this is not a bill which requires a long debate in this chamber. There is no principle as such in the bill, but it deals with a great many matters, such as definitions, modes of expression and so on, which makes it entirely a committee bill.

I join with Senator Macdonald in congratulating the honourable Leader of the Government in having this bill brought before the Senate. I also congratulate Senator Macdonald on his homework in going through and examining all the previous bills introduced in the other house during this session. Of course, it could not have been a tremendous job because more time has been spent on other matters than on bills. Sometimes one wonders why more time is not spent on bills and less on some other matters which are becoming quite time consuming.

Hon. Mr. Connolly (Ottawa West): In the way we do.

Hon. Mr. Brooks: Yes, in the way we would like to do.

This is an interesting and important bill, as the honourable sponsor emphasized. It is one of the important bills, so far as the carrying on of the legal affairs of our courts is concerned.

I also want to compliment the draftsmen of this bill. Frequently we complain that bills come to this house without explanatory notes. I read through this bill quite hurriedly, but the explanatory notes are particularly good, and I think the draftsmen and the department deserve congratulation.

The various sections of the bill will have to be dealt with by the Banking and Commerce Committee, and I am sure they will be studied there. When the bill is reported back to the house, any necessary changes will be made.

Honourable senators, I shall not take any more time of the house. This is a committee bill, and the sooner it gets to committee the better.

Before concluding, I would like to ask whether the barristers' societies across Canada have had anything to do in recommending the bill or some of its interpretations. Is it the result of some work done by a barristers' society, or is it solely the product of the Department of Justice?

Hon. Mr. Connolly (Ottawa West): I am afraid I cannot answer that question the way I would like to, but I will get an answer for Senator Brooks. I know that at meetings of the Canadian Bar Association, and indeed at meetings of provincial bar associations, matters of this kind are uppermost in the minds of the lawyers. Normally the provincial associations would deal with their attorney general on their own Interpretation Act, but I should think that a great deal of the work done here has flown from decisions which have been taken by the courts with reference to the interpretation of statutes. In addition, there have been changes in and improvements made in draftsmanship that are sought to be incorporated here. If Senator Brooks thinks that officials of the Canadian Bar Association ought to be invited to attend sittings of the committee, that can be done.

Hon. Mr. Brooks: Not unless they wish to come.

Hon. Arthur W. Roebuck: Honourable senators, I agree that this is a job for a committee rather than for the house itself. This is a mere definition of words. One may be as arbitrary as one pleases in defining words which are later used or concurrently used in a statute, but it is important that the words should be defined in their ordinary meaning and not in an extraordinary meaning. These definitions of words must be borne in mind when one is reading a statute. They modify the meaning of the statute.

Let me take an illustration that I notice here. There is a definition of "land". It is new, so the explanatory page says, and it defines land or real property, to include lands and also to include buildings. Of course that is not a political economy definition by any means. In some respects it may be a lawyer's definition, although I think such an extraordinary definition would not be so. Land does include water, as a matter of law, because water lots are land, but certainly buildings are not land.

When you read in a statute something that refers to land, and find later that it includes the buildings, it is not common sense nor is it reasonable. This is only one clause I have noticed. If I went through the various clauses, I might find much that is extraordinary and unnecessarily extraordinary.

The definition of real property is another matter. "Real property" does include land and buildings, but the word "land" alone does not include buildings and, in my judgment, it should not be made to do so arbitrarily.

I hope that the committee will give this matter a very complete study. I think it is a job for a subcommittee of the standing committee, as we did with the Criminal Code.

Hon. Mr. Connolly (Ottawa West): Exactly.

Hon. Mr. Roebuck: This should be a case where two or three men should sit around the table, with the officials before them, and study the effect of each one of the definitions, with particular attention to the numerous statutes which have already been enacted. In that respect the new definitions become exceedingly important because they refer back to statutes now in effect. I think that such a small committee should study this matter carefully and at considerable length, and then should refer it to us and of course we will honour their report.

I am glad to see that the bill is to go to a committee, and I hope that there will be no rushing of the work of this committee.

Hon. Mr. Connolly (Ottawa West): I hope that you will be a member of that committee.

Hon. Mr. Roebuck: I thank you for that—though, perhaps I should not do so. This is not a matter to be passed over lightly. It affects the meanings of acts already on the statute book, as well as those which will be passed in later years. It affects the very meaning of an act and therefore it requires the most careful attention.

Hon. Allister Grosart: Honourable senators, I noted the warning given me by honourable Senator Macdonald (Brantford) that this is a "lawyers' law" and perhaps I can be accused of some temerity in rising to speak on it. However, I think it should be said that laymen have an interest in our laws and an interest in being able to read and understand them. I know lawyers sometimes advise their clients that that is a dangerous thing to do and that it could at times be expensive. However, one remembers that it is not so long ago since the professional theologians were giving exactly the same advice about the Scriptures to laymen.

This long delayed revision and consolidation of the Interpretation Act will be a boon to many of us who find it necessary often to read the statutes for our guidance, and not always are we able to provide ourselves with or can afford the luxury of a lawyer at a particular time.

I should like to congratulate the Department of Justice, not merely on this but on

many other activitives which it has taken in this field. It seems to me that there is taking place a sort of precentennial spring cleaning of our statutes, regulations and orders in council. As a layman, I find that most useful.

I should particularly refer to a recent publication by the Department of Justice under the name of Mr. E. A. Driedger, who is known to all honourable senators, which has been of valuable assistance to many laymen in understanding the principles behind drafting and even the ordinary day-to-day nomenclature to be used in quoting statutes and in quoting from statutes.

The interpretations that I find listed here are of interest to me because I find they touch on some subjects in which I have been interested personally or professionally over the years. I think immediately of the law of copyright with which I have been identified now for some 15 years in one capacity or another. I think also of the Commonwealth, which is the subject of definition in this bill.

I realize that second reading is not the place to go into the bill in detail, but I would like to make this comment on the definition of "Commonwealth," which is found at page 11, as an example of what Senator Roebuck mentioned a moment ago. One would hope that definitions in such a bill as this would not be legalistic at the expense of understanding by those who must rely on common usage in the normal interpretation of words in statutes.

The clause proposes that we take over the word "Commonwealth" and that whenever we use it in one of our statutes or regulations it would always mean what we know as the "Commonwealth of Nations." I would suggest that that definition be considered carefully, as we might quite properly wish to refer to the Commonwealth of Australia or the Commonwealth of Puerto Rico. It seems rather presumptuous for us to try to make that word apply so specifically.

Hon. Mr. Roebuck: The Commonwealth is changing almost daily. This does not say whether it is the Commonwealth of today, of when the act was passed, or of when the matter is under consideration.

Hon. Mr. Grosart: With respect, I think it does make allowance for the addition of new members to the Commonwealth. In the schedule on page 21 it lists the present 21 members, but it takes care of the contingency which Senator Roebuck has mentioned.

I should like to make a short comment on some matters which deal with copyright. There are definitions suggested of "broadcasting" on page 11 and of "radio" on page 13. These are two words in common usage, the content of which is rather fluid, because of mechanical advances. "Broadcasting" and "radio" do not mean quite the same thing today that they may have meant in earlier times.

The purpose of this act is obviously to bring these definitions up to date. I do not intend at this time to engage in the type of comment that would more properly be made in committee, but it is my intention when the matter is in committee to propose the addition of a definition of "radio communication." I will do so because the phrase "radio communication" is used in the Copyright Act in a very important relationship to the rights and restrictions of that act—in section 2 which is the interpretation section and in section 3 which is the section conferring the sole right of copyright in certain circumstances. It should be more clearly defined than it is at the present time. I will therefore suggest in committee that the definition of "broadcasting" which appears in paragraph 4 of clause 28 on page 11 of the bill be the definition to be given to the phrase "radio communication." I shall not take up the time of the Senate any further in reading these proposed definitions, I mention it now only because it may be important for those who are called before the committee to examine this suggestion of mine in advance.

I have a further duty here to congratulate the Leader of the Government (Hon. Mr. Connolly, Ottawa West) on bringing this bill before the Senate. I do that at this time because when I spoke in the debate on the address in reply to the Speech from the Throne I omitted to pay a special compliment I had intended to pay to the Leader of the Government. I now take this opportunity to join with others in paying my compliments to him not only for bringing this bill before the Senate but also on the work he has done for the Senate and to improve, if I may use the expression, its public image. I know that many of my colleagues on this side of the house would also wish to congratulate him and to give him credit for the very hard and useful work he has done in that respect.

Hon. Mr. Macdonald (Brantford): Honourable senators—

The Hon. the Acting Speaker (Hon. Mr. Croll): If Senator Macdonald (Brantford)

speaks now it will have the effect of closing the debate.

Hon. Mr. Macdonald (Brantford): I shall not detain the house too long. I am pleased that all honourable senators are in accord with my suggestion that the bill should go to committee. I have also noted the suggestion of Senator Roebuck that a subcommittee of the standing committee should be established to give special consideration to the bill. That, of course, is a matter for the committee itself to decide.

Senator Grosart has made many suggestions of which the committee will no doubt take note. I am sure he will be present to see that the committee does take note of them. I was particularly interested to hear him say, "I will bring certain matters to the attention of the committee." I looked up the new Interpretation Act for the interpretation of the word "will" and I cannot find it. I find on page 13 that the word "may" shall be construed as permissive. On the same page, in subclause 35, I find that "shall" is to be construed as imperative. But there is no interpretation to say whether "will" means "shall" or "may."

Honourable senators, if the bill receives second reading I shall move that it be sent to committee.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Macdonald (Brantford), bill referred to the Standing Committee on Banking and Commerce.

FISHERIES IMPROVEMENT LOANS ACT

BILL TO AMEND—SECOND READING

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Connolly (Halifax North) for the second reading of Bill C-121, to amend the Fisheries Improvement Loans Act.

Hon. Malcolm Hollett: Honourable senators, I had intended to make some remarks about this bill but I know I shall have ample opportunity to do so at a later date. I feel it is much more important that this bill should be given Royal Assent this afternoon, if possible, because there are many fishermen all over Canada, and particularly in Newfoundland, who may be able to take special advantage of the provisions of the bill. I hope that all our fishermen, again particularly those in Newfoundland, will be made aware of the substance of these amendments to the act. I do hope that the suggestions made in this chamber and in the other place—and I have read every word spoken there on this bill—will be seriously considered. I listened with particular interest to honourable Senator Connolly (Halifax North). Senator Connolly is an Irishman who can talk and talk and be heard. There is another Irishman behind me so I have to be careful of what I say. Senator Connolly gave an excellent explanation of the bill.

I hope the bill will receive third reading this afternoon.

Motion agreed to and bill read second time.

THIRD READING

The Hon. the Acting Speaker (Hon. Mr. Croll): 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.

Motion agreed to and bill read third time and passed.

DIVORCE

REPORTS OF COMMITTEE ADOPTED

The Senate proceeded to consideration of reports of the Standing Committee on Divorce Nos. 146 to 204, inclusive, which were presented yesterday.

On motion of Hon. Mr. 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. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the following resolutions:

Resolution 143, for the relief of Joyce Eleanor Cross Mansell.

Resolution 144, for the relief of Tina Almira Hunter Young.

Resolution 145, for the relief of Antoinette Jakobine Gerritse Worsley.

Resolution 146, for the relief of Donna Lynn Cummings Wing.

Resolution 147, for the relief of Jacques Gauthier.

Resolution 148, for the relief of Myrna Adele Perry Joiret.

Resolution 149, for the relief of Edward Czerniak.

Resolution 150, for the relief of Ronald Charles L'Herault.

Resolution 151, for the relief of Marie Rose Ouimet Moore.

Resolution 152, for the relief of Roland Garnier.

Resolution 153, for the relief of Eugenie Fortin Sansregret.

Resolution 154, for the relief of Fleming Funder.

Resolution 155, for the relief of Bela Varhegyi.

Resolution 156, for the relief of Roger Leroux.

Resolution 157, for the relief of Lucy Virceri Denique, otherwise known as Lucy Viceri Denique.

Resolution 158, for the relief of Norman Craig.

Resolution 159, for the relief of Rene-Leon Caron.

Resolution 160, for the relief of Stephen MacMartin Blair.

Resolution 161, for the relief of Evelyn (Evelyne) Michaela Niculescu Catonoiu.

Resolution 162, for the relief of Frederick Philip Gibaut.

Resolution 163, for the relief of Jean Murray Reid Palmer.

Resolution 164, for the relief of Virginia Pell Boudot.

Resolution 165, for the relief of Muriel Patricia Colligan St. Amand.

Resolution 166, for the relief of Josephine Edith Bonfield Archer.

Resolution 167, for the relief of Myrtelle Christina Drysdale Cook.

Resolution 168, for the relief of James Takeo Akazawa.

Resolution 169, for the relief of Germain Lebrun.

Resolution 170, for the relief of Toini Mirjam Salonen Virsunen.

Resolution 171, for the relief of Roselyn Moss Weiss Schachter.

Resolution 172, for the relief of Pierre Roy.

Resolution 173, for the relief of Helen Julienne Rahal Osborne.

Resolution 174, for the relief of Beverley Almeda Poole Wyatt.

Resolution 175, for the relief of Mary Rita Lynch Sievert.

Resolution 176, for the relief of Herbert Wilhelm Eduard Gebhard.

Resolution 177, for the relief of Joan Sheila Goldberg Chandler.

Resolution 178, for the relief of Raymond Lariviere.

Resolution 179, for the relief of Anna Kathleen Snow Bonner.

Resolution 180, for the relief of George (Georges) Tatigian.

Resolution 181, for the relief of John Staines.

Resolution 182, for the relief of Kontilo (Condilo) Giannoukla Tsatsalidis.

Resolution 183, for the relief of Colin Peter Brading.

Resolution 184, for the relief of Anne Elizabeth Irwin Raman.

Resolution 185, for the relief of Norman Hart Bureau.

Resolution 186, for the relief of Elizabeth Gunter Jackson.

Resolution 187, for the relief of Caroll Landerman Jones.

Resolution 188, for the relief of Hugh Henry O'Boyle Cooke.

Resolution 189, for the relief of Simone Durand Langlais.

Resolution 190, for the relief of Marie Melancon Koffend.

Resolution 191, for the relief of Carmella Restivo Dardis.

Resolution 192, for the relief of Imants Klaise.

Resolution 193, for the relief of Wlodzimierz Miskiewicz.

Resolution 194, for the relief of Joseph Euclide Adrien Marcel Denault.

Resolution 195, for the relief of Irene Elizabeth Sliogeris D'Alton.

Resolution 196, for the relief of Marjorie Joyce MacRae McIntosh.

Resolution 197, for the relief of Thelma Ross Clarkin.

Resolution 198, for the relief of Joan Wiseman Lafleur-Burns, otherwise known as Joan Wiseman Lafleur.

Resolution 199, for the relief of Jacques Charette.

Resolution 200, for the relief of Gisela Karthun Carl.

Resolution 201, for the relief of Charlotte Jean McAndrew Boyd Bonnier.

RESOLUTIONS ADOPTED

The Hon. the Acting Speaker: Honourable senators, when shall these resolutions be taken into consideration?

Hon. Mr. Roebuck: Honourable senators, if there is no objection I think it would be wise to pass these at once rather than set them over until a later date. There appears to be a desire on the part of all parties to clear the Order Paper as rapidly as possible. Under these circumstances, if there is no objection and I have the permission of the house, I move that these resolutions be now adopted.

Resolutions adopted, on division.

The Senate adjourned during pleasure.

At 5.45 p.m. the sitting was resumed.

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 Central Mortgage and Housing Corporation Act.

An Act to amend the Bank Act and the Quebec Savings Banks Act.

An Act to amend the Fisheries Improvement Loans Act.

The Honourable Lucien Lamoureux, Deputy 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 His Excellency the Governor General was pleased to give the Royal Assent to the said bill.

The House of Commons withdrew.

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

The sitting of the Senate was resumed.

The Senate adjourned until Monday, June 28, at 8 p.m.

THE SENATE

Monday, June 28, 1965

The Senate met at 8 p.m., the Acting Speaker (Hon. George S. White, P.C.) in the Chair.

Prayers.

INDIAN CLAIMS

JOINT COMMITTEE—COMMONS MEMBERS

The Hon. the Acting Speaker informed the Senate that the following message had been received from the House of Commons:

> Ordered: That the Joint Committee of the Senate and House of Commons, established Tuesday, June 22, 1965, to consider Bill C-123, an act to provide for the disposition of Indian Claims, be composed, in so far as the House of Commons is concerned, of the following members: Messrs. Basford, Blouin, Brewin, Brown, Godin, Gundlock, Howard, Konantz (Mrs.), Laprise, Legault, Patterson, Rhéaume, Stefanson and Watson (Châteauguay - Huntingdon - Laprairie).
>
> Ordered: That a Message be sent to the Senate to acquaint Their Honours thereof.

Ordered, that the message do lie on the Table.

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. Baldwin had been substituted for that of Mr. Brewin on the Joint Committee on Indian Claims.

CHILDREN OF WAR DEAD (EDUCATION ASSISTANCE) 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-125, to amend the Children of War Dead (Education Assistance) 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.

ARMY BENEVOLENT FUND 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-126, to amend the Army Benevolent Fund 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.

INCOME TAX ACT AND THE FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS 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-118, to amend the Income Tax Act and the Federal-Provincial Fiscal Arrangements 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. Salter A. Hayden, with leave of the Senate, moved the second reading of the bill.

He said: Honourable senators, Bill C-118, which is now before us, comes in this form annually and proposes a number of changes and additions to our tax law on taxation of incomes.

This year the bill is about as lengthy as usual. It contains 28 pages and 30 sections, and in many of its aspects is slow and difficult reading.

Over the years, I have tried to find some simple way of explaining the income tax amendments, but it seems to take about the same length of time to do so each year. However, I will try to shorten my explanations, if possible. The net result may be that if the explanations are short, the additional information may be obtained either by asking questions at this stage or waiting until the bill goes to committee. I should point out to you that the first items I am going to speak about, in a series of items, are those which I would classify under the heading of deductions.

The first one you will find in section 9, page 10 of the bill. This amends section 33 of the act by adding a new subsection. It

provides for a reduction of tax otherwise payable by an individual for a taxation year, of an amount equal to the lesser of $600 or 10 per cent of tax otherwise payable, except that for the year 1965 you will read the $600 as $300, and you will read the 10 per cent as 5 per cent. This is a flat percentage from tax otherwise payable, called "basic tax" in section 33.

The tax is computed before deducting any abatement on account of provincial tax or any foreign tax credit, but it does not include Old Age Security tax.

In section 6 on page 8 of the bill you have an extension of the deductions which are permitted in respect of a wholly dependent person. This implements budget resolution No. 2 and extends this right of deduction, on the same basis as it presently exists in relation to a wholly dependent person, to a niece or a nephew. The language of the section is somewhat along these lines: A niece or nephew of the taxpayer, or his spouse, resident in Canada in the year—that is the qualification. The deduction is on the same basis as others who are wholly dependent are now provided for, but there are three additional conditions: one, if the mother of the niece or nephew was divorced or separated and was not in receipt of alimony or similar payments; or, two, if the father of the niece or nephew was mentally or physically infirm; or three, if the father was deceased and the mother was not remarried. The deduction is $300 if the niece or nephew was a child qualified for Family Allowance, and $550 if not so qualified.

You should note that it is not necessary for the nephew or niece to live with the taxpayer, but such nephew or niece must be wholly dependent; and in those circumstances the income of such nephew or niece cannot exceed $950 a year.

The second of those deductions which you find in section 6, on page 8, implements resolution 3 of the budget. This deals with an aunt or an uncle, and it extends a deduction for dependents to an aunt or uncle of a taxpayer or his spouse who was resident in Canada and dependent for support by reason of mental or physical infirmity. The amount of entitlement is an amount not exceeding $550 a year expended by the taxpayer.

You will note here that the word is "dependent," not "wholly dependent" on the taxpayer. It is not required that the aunt or the uncle should live with the taxpayer. It is also permitted that some other person may as well contribute to the support of such aunt or uncle; but the aunt or uncle must be incapable of self-support by reason of mental or physical infirmity.

There are two consequential amendments, which I shall not deal with, for the purposes of avoiding a double benefit to the taxpayer in these circumstances.

Honourable senators, you will find in section 2, at the bottom of page 1 of the bill, dealing with retiring allowances, that it provides for the conditions under which a retiring allowance may be excluded from the income of the taxpayer in the year in which he receives it. This provision is that if in the year in which the taxpayer receives a retiring allowance, the allowance is transferred by him into a registered pension plan, or a registered retirement savings plan, or a deferred profit sharing plan, then he would be permitted to exclude the proceeds of that retiring allowance from his income for the year. At the present time the taxpayer is not entitled to do that. If the contribution were a lump sum pension payment, he would under the present law be entitled to make that deduction in those circumstances. It is therefore bringing the retirement and retiring allowances into conformity with lump sum pension payments.

In addition to that you will find in the bill provisions for other deductions. These you will find in section 2, subsection 2, on page 2 of the bill. I will give you the series of them. The first one provides for the deduction of contributions to the Canada Pension Plan or to a provincial plan as defined in section 3 of the Canada Pension Plan available to employees, employers and self-employed. This deduction is in addition to those already provided for in respect of a registered pension plan, a registered retiring savings plan and deferred profit-sharing plans.

The allowable deductions in this group are as follows: The amount paid for the cancellation of a lease if the parties are dealing at arm's length. Heretofore, the amount paid for cancellation of a lease was classified as a capital payment. The amount paid by a taxpayer in the year for the landscaping of grounds around a building or other structure of the taxpayer that is used by him primarily for the purpose of gaining or producing income therefrom or from a business. Heretofore this was regarded as part of the cost of the land.

Another item is the amount paid by the taxpayer in making any representations in relation to a business carried on by him, to

the government of a country, province or state or to a municipal or public body performing a function of Government in Canada, or to an agency of a government or of a municipal or public body referred to above that has authority to make rules, regulations or by-laws relating to the business carried on by the taxpayer. In connection with this particular paragraph there is provision that if these items are substantial in amount and if the taxpayer is not desirous of writing them off in one year since it may well be that his income is not such that he will benefit by doing that, then he may spread the deductions evenly over a period of 10 years.

The next item of deduction is an amount paid by a taxpayer for investigating the suitability of a site for a building or other structure planned by the taxpayer for use in connection with a business carried on by him. This previously was included in the cost of the building, but by virtue of the Act costs of this character are deductible whether or not the site is used.

The next item of deduction is the cost of clearing land, levelling land, laying tile drainage for the purpose of carrying on a farming business. The amounts paid for the above purposes may be deducted in computing his amount for that taxation year. That closes that series of deductions.

Section 7 on page 9 of the bill implements budget resolution No. 5. You will see that it repeals subparagraph (i) of paragraph (ca) of subsection 1 of section 27 of the Act. The effect of this repeal is to permit the deduction of annual membership dues or trade union dues which at the present time are tied in with this optional $100 deduction for medical and charitable purposes. This provision now permits the deduction of trade union dues as a separate item.

Hon. Mr. Connolly (Ottawa West): Do professional dues fall into this category?

Hon. Mr. Hayden: I am afraid not. I do not know any professions which have unions.

If you would look at section 10 on page 11 of the bill you will see that in subsection 2 of section 10 certain amendments are proposed to section 36 with respect to payments received after April 26, 1965. These amendments would have the effect of limiting the amount received, which is subject to the election provided under section 36 and which provides substantial tax benefits on the payment of certain sums out of pension plans or deferred profit-sharing plans, together with payments in recognition of long service or in respect of a loss of office or employment.

The limit now proposed with respect to pension plans, profit-sharing plans and preferred profit-sharing plans is $1,500 times the number of years during which the employee was a member of the plan. With respect to single payments upon retirement and with respect to loss of office, the limit is $1,000 times the number of years during which the employee was an employee of the employer who made the payment.

These limitations—and I shall tell you the purpose of them—are intended to eliminate certain abuses which have recently arisen by the creation of very substantial past service benefits in private companies primarily for the benefit of officer shareholders of such companies. There has grown up a practice of creating very substantial payments, perhaps of the order of $1 million, which were a direct charge against the earnings of the company, and taking these sums out of pension plans or profit-sharing plans upon termination of employment of such officer shareholders. The proposal will effectively limit the amount that could be taken out in this way subject to extremely beneficial tax rates.

In case you do not recall readily the beneficial tax rates, in substance you are permitted to divorce that income from the rest of your income. The formula for arriving at the tax rate is the average of the tax you pay on your income—not on your taxable income, but on your income—for three years prior to the year in which you receive these payments. So it does produce a very beneficial rate of tax, and one can see why various people were busy finding a way by which the largest amount possible could be developed through a pension plan or profit-sharing plan and taken out at these very acceptable and low rates of tax.

Hon. Mr. Connolly (Ottawa West): Is that the "golden handshake?"

Hon. Mr. Hayden: I do not know whether that is the key to it or not; I could not tell you. I suppose it might be of that type. I am not even sure that was one of the conditions, that you even had to shake hands.

With respect to the limits as to single payments on retirement or on loss of office, the amount is purely arbitrary. I say that with respect to the limitation on the amounts in relation to superannuation, pension plan, profit-sharing plan or deferred profit-sharing plan, particularly under a pension plan, the

limit would seem to be unfair. I say this because the amounts which are payable on a current basis under a pension plan and subject to deduction are $1,500 contributed by the employee and $1,500 contributed by the employer. This amount of contribution would appear obviously not to be an abuse, as suggested by the Minister of Finance. In the circumstances, it is my view it might be more equitable to increase the $1,500 in so far as there is an application to pension plans, in this situation arising in relation to pension plans, to $3,000.

Hon. Mr. Connolly (Ottawa West): Is there a vested interest anywhere in the $3,000 as it is paid in?

Hon. Mr. Hayden: Various pension plans differ, but all these pension plans now have to be revised. First, it is in light of the Ontario plan where you must have a vesting of contributions at age 45—I think was the latest age. But in earlier plans, vesting was deferred for a very long time in many cases.

Hon. Mr. Hugessen: What is the limit on retirement payments, $1,000 per annum?

Hon. Mr. Hayden: It is $1,000 times the number of years.

In section 12 on page 14 you will see a section dealing with tax transfer payments. This provision is in the bill because it became necessary to arrange for profit-sharing of tax deductions with the provinces—in circumstances, for instance, where an employee may move from one province to another in a year, or may live in one province and work in another. There are many illustrations of that, and you would not have to go any further afield than people living in Hull and working in Ottawa or people living in Ottawa and working in Hull, where the deductions differ as between Ontario and Quebec.

In regard to the Tax Appeal Board and the Exchequer Court dealing with income tax appeals, some of the strait jacket sort of provisions are being loosened now. For instance, after this bill becomes law no longer will a notice of objection be invalid only because it was not served in duplicate and by registered mail.

Hon. Mr. Connolly (Ottawa West): Which section is that?

Hon. Mr. Hayden: Section 13 on page 15. Possibly you should have a look at it. It is section 13 on page 15, and also section 14 at the bottom of page 15 and continuing on page 16. On page 16 there is a provision that where a notice of objection or an appeal to the Tax Appeal Board or the Exchequer Court has not been made or taken in the time limited by the Act, an application may be made, when this bill becomes law, to extend the time limit in certain circumstances for an appeal to the Tax Appeal Board or to the Exchequer Court. Those circumstances you will find enumerated on page 16 in a new section of the Act, section 61(A).

Then, in section 23 on page 25 of the bill you will see that when this becomes law, no longer may an appeal be barred because a correct number of copies have not been filed nor the fees paid.

Section 24 on page 25 deals with the question of reply in such proceedings before the Tax Appeal Board or the Exchequer Court. You will see that section 24 deals with the situation where a reply has not been filed as required or, if it has been, it has been struck out and a new reply has not been filed. There are provisions whereby the court or the board may proceed *ex parte* to dispose of the appeal and may make certain assumptions on the basis of the material which is before them, or they may provide for the giving of further notice. This is moving in the right direction, and, therefore—

Hon. Mr. Farris: Is that the only one of the rules and regulations?

Hon. Mr. Hayden: In the matter of appeals to the Tax Appeal Board, where possibly 97 or 98 per cent of appeals in a year are lost, I would say that the road to a successful appeal before that board is rough and can by no means be predicted with certainty.

If you look at section 26 of the bill you will see the additional provision in relation to solicitor-client relationships. You will recall that section 126A of the Act deals with this matter of solicitor-client privilege which may be claimed by a taxpayer in relation to correspondence or documents or oral statements as between himself and his lawyer. The additional provision here not only reaffirms the position of the solicitor-client privilege, but also makes the exception that:

> ...for the purposes of this section an accounting record of a lawyer, including any supporting voucher or cheque, shall be deemed not to be such a communication.

Then you will see in section 27, at the bottom of page 26, a simplification in the matter of proof that the taxpayer has not remitted the taxes which he should have remitted, and it simply provides that in any prosecution for an offence under the Act an

affidavit of an officer of the Department of National Revenue, who has charge of the appropriate records and states that an examination of them shows that an amount required under the Act to be remitted has not been remitted, shall be received as *prima facie* evidence. I would like to ask a question or two on that when we are in committee, because if anything turns on this particular aspect of it I would point out that there is very considerable value in the right to cross-examine, and it is difficult to cross-examine a piece of paper in a prosecution.

Hon. Mr. Connolly (Ottawa West): Or anywhere else.

Hon. Mr. Hayden: Yes, I agree with you—or anywhere else.

There are a few other items that I would like to deal with before I come to the *pièce de résistance*, namely, the magazine tax. I refer honourable senators to section 15 of the bill, which is found on page 17. This section has been designed to block a loophole which has developed in the law, because under the present practice where you have a trust it is taxable on its income at the same rate as that charged against an individual, but the rules of practice under the Income Tax Act, in determining what that amount of income is, have permitted you to deduct the amount of any distribution made to beneficiaries on the basis that the beneficiaries will be accountable for the tax, and the department is not losing any tax because the rate is still the individual rate.

What has developed, however, is that limited partnerships have been set up in which there is a corporation as a general partner, and a trust or a series of trusts as limited partners. There has been registration under the Limited Partnerships Registration Act, and the beneficiaries of these trusts have been nonresident persons. It can be seen, therefore, that if the law remained as it is and the income of the trust is only the income that is left after distribution to beneficiaries, then this income, having been distributed to nonresident beneficiaries, would be beyond the reach of the taxing authority of Canada. I should say it would be beyond the reach of the taxing authority of Canada except for the element of withholding tax of 15 per cent. This amendment in section 15 attempts to correct that.

In section 20 of the bill, at page 22, you have a provision which, among other things, is designed to cover a loophole in relation to the proceeds of the disposition of oil and gas rights, and that extends for several pages. I would think that no matter what I would say on it tonight you would still want to ask questions in committee, so unless I am asked particular questions I should like to leave that to be dealt with in committee.

There are what I call certain relieving provisions in the bill. For instance, under section 16 on page 18 of the bill, a former member of the armed forces who transfers a gratuity or termination allowance to a pension plan or a retirement savings plan in the year in which he retires is given equivalent treatment to that which is presently available to any other taxpayer. In other words, by transferring his gratuity or termination allowance to a retirement savings plan or to a pension plan, that amount is not income taxable in his hands in that year.

If I may I should like also to refer you to section 18, on page 19, which deals with a limitation on the amount of earned income that a taxpayer may deduct as a premium under a registered retirement savings plan. At the present time the deduction as a premium or contribution to such a retirement savings plan is 10 per cent, with a maximum of $1,500 or $2,500, whichever is the lesser depending upon whether the person contributing to a retirement savings plan is also a member of a superannuation or pension plan. If he is a member of a superannuation or pension plan his premium deduction for contributions to a retirement savings plan would be the lesser of 10 per cent or $1,500. The figure of 10 per cent has been increased to 20 per cent, but the maximum limitation has not been changed. It still remains at $1,500 and $2,500. I suppose this amendment has some value where you are dealing with smaller amounts. I am not considerably worked up over the great advantage that this will have.

Hon. Mr. Connolly (Ottawa West): Is that 20 per cent of taxable income?

Hon. Mr. Hayden: It is 20 per cent of earned income, but with your dollar limitations. It is the lesser of the two.

Hon. Mr. Connolly (Ottawa West): Yes.

Hon. Mr. Hayden: Section 19 of the bill deals with the prospector's exemption that has existed for some time in our Income Tax Act. If a prospector goes out and stakes a property, or if one person grubstakes another person to go out and stake mining claims, and the claims are subsequently disposed of

on the formation of a company with the prospector receiving shares, then whatever he receives or whatever he realizes on those shares, under the law as it presently stands, is exempt from income tax and need not be included in his income for the year. But, by reason of a decision made by the Tax Appeal Board it is now felt necessary to reaffirm what the department thought was the law, and that is that this exemption does not exclude from income for the year anything of the character of rent, royalties or similar payments that may have been received. In other words, it was never intended that you should receive those as part of your tax-free benefit.

Then we have a provision which I suppose might be designated as a further attempt to get at what are called tax havens. You will find this in section 28 of the bill, subsection 4, at the bottom of page 27. The method of doing this is simply to say that the residence of a Canadian company at all times shall be the place where it was incorporated.

Over the years many Canadian companies have changed their place of residence and have become nonresident with the idea of avoiding the incidence of tax, and then in some cases proceeding to those foreign jurisdictions where the tax climate may be very favourable to doing such things as dividend stripping and taking out of accumulated income without having to meet the tax requirements in Canada.

The effect of saying that the test of residence will be where the company was incorporated is to make every Canadian company, if it has purported to acquire non-resident status by moving its head office and doing its housekeeping outside of Canada, a company still having Canadian residence and subject to Canadian tax on all of its income wherever in the world it earned that income. Of course, there is a practical question still remaining, and that is if the removal has been not only the removal of the residence of the company and the change in the location of its housekeeping, but the removal of all its assets from Canada then, of course, a problem is presented that would appear to me could not be expected to be dealt with by a tightening-up of this kind.

I direct the attention of honourable senators to section 22(2), which is at the top of page 25. This subsection deals with the question of mortgage reserves. It is a little relieving and, therefore, I commend it to you. This amendment increases the rate at which a taxpayer who is in the business of lending money on mortgages may build up a reserve.

The Act, in section 85G permits a mortgage company to deduct an amount as a reserve equal to 3 per cent of the total amounts owing to it under mortgages on account of principal or interest. However, this reserve can be built up at the rate of only one-twelfth the full permissible amount each year. If a company is growing at a rate of more than one-twelfth a year it cannot, under the present law, get its reserve built up to 3 per cent of the amounts owing.

This amendment does not change the total amount of the reserve deductible for tax purposes. It changes merely the rate at which a taxpayer can build up his reserve to this maximum, which is changed from one-twelfth to one-sixth.

Section 17, on page 19 of the bill, deals with the sections we had before us several years ago on designated areas and new business. I would commend that to your careful consideration. If I can find my notes on it, and if you can bear with me, here is the reason and the thinking behind it.

This amendment has been made necessary by the passage of time. When the three-year exemption was introduced in 1963 one of the requirements for qualifying as a new business was that 95 per cent of the machinery and equipment owned or leased for use in the business must not have been used for any purpose before June 14, 1963. Machinery that was not used before June 14, 1963, but acquired and used shortly thereafter, may now have been used for nearly two years. This opens the way for existing businesses outside designated areas to move their machinery and business operations into an area to gain the tax concessions, or for businesses in designated areas that have enjoyed one or two years' tax exemption to re-incorporate and begin a new three-year period of exemption.

The amendment requires that machinery and equipment acquired after the date on which this bill received first reading must not have been previously used. It provides an exception for machinery and equipment acquired before the bill received first reading, if it was acquired pursuant to a written contract entered into before that date. This is intended to cover situations where machinery has been acquired with the plan of having it "run in" by an affiliated company during the period when the new business is being organized.

In the main, I think these are the substantial items. I have not touched upon all of them in the Act, but upon the ones that are more important. By reading some of them it

can be seen that their meaning is obvious and that no explanation is required. I wish there were more sections like that.

Now we come to the *pièce de résistance*—the so-called "magazine tax". This will be found to implement resolution 19 of the budget resolutions, and is also in section 4 of the bill, which adds a new section 12A to the Act, following the section 12 which already exists. This has to do with the deduction of advertising expense. Section 4 provides as follows:

> In computing income, no deduction shall be made in respect of an otherwise deductible outlay or expense of a taxpayer for advertising space in an issue of a non-Canadian newspaper or periodical dated after December 31, 1965 for an advertisement directed primarily to a market in Canada.

There is the general principle or proposition running through this whole section dealing with advertising and the conditions under which the cost of such advertising may not be a deductible item of expense when the taxpayer comes to reckon his income in taxes for the year. It will be noted that the limiting words are:

> . . . expense of a taxpayer for advertising space in an issue of a non-Canadian newspaper or periodical dated after December 31, 1965 for an advertisement directed primarily to a market in Canada.

Now, if you want to find the definition of a Canadian newspaper or periodical, you will look at page 6 of the bill. A Canadian newspaper or periodical is there defined as follows:

> "Canadian newspaper or periodical" means a newspaper or periodical the exclusive right to produce and publish issues of which is held by one or more of the following:
>
> (i) a Canadian citizen,
>
> (ii) a partnership of which at least three-quarters of the members are Canadian citizens and in which interests representing in value at least three-quarters of the total value of the partnership property are beneficially owned by Canadian citizens,
>
> (iii) an association or society of which at least three-quarters of the members are Canadian citizens,
>
> (iv) Her Majesty in right of Canada or a province, or a municipality in Canada, or
>
> (v) a corporation
>
> (A) that is incorporated under the laws of Canada or a province,
>
> (B) of which the chairman or other presiding officer and at least three-quarters of the directors or other similar officers are Canadian citizens, and
>
> (C) of which, if it is a corporation having share capital, at least three-quarters of the shares having full voting rights under all circumstances, and shares representing in the aggregate at least three-quarters of the paid-up capital, are beneficially owned by Canadian citizens or by corporations other than corporations controlled directly or indirectly by citizens or subjects of a country other than Canada;

And the issue of a non-Canadian newspaper or periodical has a very brief definition. It means an issue that is not a Canadian issue of a Canadian newspaper or periodical. So in order to get an understanding of the scope and extent of those words of limitation that I read a while ago, that is, an issue of a non-Canadian newspaper or periodical, it is necessary to look at the definition of a Canadian newspaper or periodical. Then "Canadian issue" is defined.

Also there are certain exemptions to which this rule in relation to the deductibility of advertising costs does not apply, as, for instance, an advertisement in a catalogue, or any publication the principal function of which is the encouragement, promotion or development of the fine arts, letters, scholarship or religion.

Then I refer to that part of section 4 of the bill which apparently has provoked a great deal of discussion. It appears as subsection 2 of the new section 12A to be added to the Act. This is where an exemption is provided, and where the cost of advertising is deductible even though it may be in an issue of a non-Canadian newspaper or periodical. Subsection 2 reads as follows:

> An issue or edition of an issue of any newspaper or periodical that is edited in whole or in part in Canada and printed and published in Canada and that was not on April 26, 1965 a Canadian newspaper or periodical shall be deemed, for the purposes of subsection (1), not to be an issue of a non-Canadian newspaper or periodical if—

Then there follow the conditions under which advertisers in certain newspapers and periodicals, although not meeting the definition which is set up, and which I read to

you, of a Canadian newspaper or periodical, are entitled to an exemption of their advertising expenses. These are as follows:

> (a) throughout the period of 12 months ending April 26, 1965 issues or editions of issues of that publication were being edited in whole or in part in Canada and printed and published in Canada at the usual intervals for issues of that publication and have since that date continued to be so edited, printed and published without interruption except for a reason other than the cessation of the business of publishing that publication; and—

This is of general application to general publications.

> (b) in the case of a periodical, the periodical is similar, in content and in respect of the class of readers to which it is directed, to the issues or editions of that periodical that were throughout the period of 12 months ending April 26, 1965 being edited in whole or in part in Canada and printed and published in Canada.

There follows another exemption, which provides as follows:

> (3) Subsection (1) does not apply with respect to an advertisement in a special issue or edition of a newspaper that is edited in whole or in part and printed and published outside Canada if such special issue or edition is devoted to features or news related primarily to Canada and the publishers thereof publish such an issue or edition not more frequently than twice a year.

There seem to be two points of objection that have been made to this proposal. One is in relation to the sanctions. By the sanctions I mean the loss of right in a taxpayer to deduct the cost of advertising if he advertises in an issue of a non-Canadian publication. The second is that there should be no exemptions in relation to non-Canadian newspapers and periodicals. I think that is a fair statement of the objections.

I do not know of any objection that is based on the requirement of citizenship of a company or the individual who may be the owner of the paper, or that is based on the percentage of the Canadian ownership that must exist in order that a newspaper may qualify for that classification of Canadian ownership.

It is interesting to note that, in the Report of the Royal Commission on Publications to which I referred the other day when I was dealing with the Customs Tariff Act, and of which the chairman was our very valuable and personable Senator O'Leary (Carleton), while the commission was limited in its inquiry to periodicals, it reached some conclusions there that are pretty well in line with the conclusions incorporated in the section which I have read. For instance, in dealing with the ownership, at page 77 of the recommendations, the royal commission said:

> The final determination of a periodical's character is made by its owner, and the simplest and most effective test of a periodical's responsibility is the citizenship duties of its proprietor.

Then it goes on:

> The Commission concludes:
>
> That a Canadian periodical is one published in Canada, owned either by Canadian citizens or, if a corporation, by a company incorporated under the laws of Canada or of one of its provinces, and which is controlled and directed by Canadian citizens and is not a licensee of or otherwise substantially the same as a periodical owned or controlled outside Canada.

I would say that this bill meets the citizenship requirement by the requirement of an individual being a citizen of Canada and by the percentage of Canadian ownership of voting shares and the Canadian personality of the directors and of the chief executive officer.

It is significant to note the importance which the commission attaches, as making for the character of the publication, to the citizenship duties of the proprietor of the paper.

When we come to consider the exemption, it has been very loosely stated that *Time* and *Reader's Digest* have been exempted under this bill. It is not so baldly stated in the section which I read to you, and which is subsection 2 of the new section 12A. No periodicals are named. The periodicals have to meet the test of conditions which are laid down; and if *Time* and *Reader's Digest* meet those conditions—as apparently it is assumed they do —then they are entitled to the exemption.

Hon. Mr. Choquette: Were the conditions drafted in such a way that it would please both?

Hon. Mr. Hayden: I would not think so. As a matter of fact, I would think that if any person suggested this, he would be making a rash assumption. I understand—and, again,

I am not as well informed on this as Senator O'Leary may be—that there may even be some newspapers in Canada which would meet the exemption test of these conditions.

Whether *Time* and *Reader's Digest* are the only periodicals that meet this, I do not know; but I know the exemption is drawn in broad terms. It simply gets down to a question on that point as to whether, when you have certain operations fully established in Canada, and you draw the line as to what would be the period at which they could be called fully established and the operation is being carried out in Canada, you are proposing to write a law which ousts them from Canada—even the previous Government did not think that was the way to deal with things.

I would refer you to The Broadcasting Act which was passed in 1958. It is chapter 22 of the Statutes of Canada of that year. I have read the report of the debate. Some of those who are still in this house participated in that debate. No question was raised as to how non-Canadian interests were being dealt with. Here is what section 14 provided:

> (1) The Board shall not recommend the issue of a licence or grant permission to operate a network of broadcasting stations unless the applicant therefor is
>
> (a) a Canadian citizen, or
>
> (b) a corporation incorporated under the laws of Canada or any province, the chairman or other presiding officer and at least two-thirds of the directors of which are Canadian citizens and at least three-fourths of the shares of which (having full voting rights under all circumstances) belong to
>
> (i) Canadian citizens, or
>
> (ii) a corporation other than a corporation controlled directly or indirectly by citizens or subjects of a country other than Canada.

Having read the definition of a Canadian newspaper or periodical to you, I would point out that certainly the words are almost repetitive.

Then, I find in subsection 2 this very interesting provision on this point for those persons and those operations that have become established in Canada in the meantime. It was thought so important that this provision was made:

> (2) The Governor in Council may exempt from the operation of this section, upon such terms and conditions as the Governor in Council may prescribe, any person who, at the time of the coming into force of this Act, was the holder of a licence and was not a person described in paragraph (a) or (b) of subsection (1).

That refers to a Canadian citizen or a corporation incorporated under the laws of Canada.

Therefore, in 1958 it was felt that even though the communications represented by broadcasting were of such value and were so important to the character and the development of the viewpoint of the people of Canada, that we wanted a Canadian citizenship test and we wanted the ownership and the management of these operations to be in Canadian hands, we still recognized, and the Government of that day recognized, that those which were established and operating at that time had a case to be heard.

It is interesting also to note what was said after the Royal Commission on Publications made its report. It made two main recommendations. One was that periodicals containing advertising that is primarily directed to the Canadian market be no longer permitted to enter Canada from abroad; and, two, that the deduction from income by a taxpayer of expenses incurred for advertising directed to the Canadian market for any foreign periodicals wherever printed be disallowed.

As reported at the time this matter was discussed in 1962, the then Prime Minister of Canada is reported to have said:

> It is the intention of the Government to implement the first of these recommendations; that is to say, the government proposes, in due course, to prevent the importation of periodicals containing advertising that is primarily directed to the Canadian market.

I say, in substance, that is what is done in the provisions of the Customs Tariff Act—not to the extent of 100 per cent, but that is what is substantially done.

Then, as to the second recommendation, the then Prime Minister of Canada is reported to have said:

> ...it is the intention of the government to implement it but with an important modification.

In discussing the position of people who were presently in Canada and carrying on, that is, those people who were in Canada at that time—and I assume it included *Time* and *Reader's Digest*—he said:

> They have established themselves in this country in good faith, they employ

> Canadian labour, and they attempt to supply Canadian readers with a specially adapted product.

Then he goes on further:

> When Canadian advertisers place advertisements in these latter magazines, their advertising outlays will continue to be deductible expenditures to the extent of 50 per cent. In other words, half the burden proposed by the Royal Commission will be removed from those non-Canadian periodicals that have established their operations within this country.

I suggest to you that by this, together with the provisions of the Broadcasting Act, the attitude of the then Prime Minister of Canada in 1962 indicated an appreciation of the responsibility of the Canadian Government to industry that has been free to come into Canada and to set up in Canada, to be properly and fairly treated when we are reviewing our laws in relation to communications, whether they are newspapers, periodicals or otherwise.

About this further suggestion that it was not in line with the recommendations of the royal commission as to citizenship, are we to assume or can we assume fairly and reasonably that having regard to the nature, development and content of the periodical, a citizenship test and the requirement of Canadian ownership is most important to that setup and is equally important to Canadian newspapers? Therefore, I would say that the recommendation of the royal commission supporting citizenship and Canadian ownership of periodicals is the strongest argument in the world for its extension to newspapers.

When it comes to the question of the sanction there have been an infinite variety of suggestions as to what the nature of a sanction should be. It has been suggested that we might go to the newspapers and say, "You be good boys, and voluntarily agree not to sell your shares in the newspapers to non-Canadians." It has even been suggested that we should pass a law providing for Canadian ownership of newspapers. If I know anything about constitutional law—I do not pretend to know all there is to know about it; I always defer to Senator Flynn who has quite a viewpoint on constitutional law—I cannot see how the Canadian Government could pass a law which would be constitutionally sound under which they could prescribe that only Canadian citizens and companies incorporated in Canada could own newspapers. I would think such a law would be a very substantial invasion of the property and civil right of the provinces. What has been done by saying that a taxpayer who advertises in a non-Canadian publication is not entitled in certain circumstances to a deduction from his tax of the amount of money spent in this way, is completely within the jurisdiction of the federal Parliament because a deduction from income tax otherwise payable lies within the legislative right of the federal Parliament, which can say what amount shall be paid. Therefore the Government is on very strong, firm, legal ground in making that approach. Whether that sanction is too arbitrary is a matter of opinion. A sanction to have any value must be such that its violation will hurt the person violating it. In our method of operation I am not sure that persuasive sanctions work too well.

I explained earlier this evening the efforts to amend provisions in the Income Tax Act which we had thought were reasonably sound and yet means of circumventing them had been found. If one were moralizing or attempting to be persuasive one would say, "It is not the intent of Parliament, and one should not do this or that but should behave properly as good boys." But, as I have said, a sanction to be effective must hurt those who violate it.

It has been suggested that such a sanction may be an interference with the freedom of the press. That, in my view, is nonsensical. First of all, to say to a taxpayer who places an advertisement in a non-Canadian publication and who therefore cannot deduct the sum spent in this regard from his income for income tax purposes, that this is interfering with the freedom of the press, is going beyond the beyond. The freedom of the press is not interfered with in any way. I understand freedom of the press to cover editorializing and the reporting of news. We are now dealing with the field of advertising, and there is nothing to prevent any newspaper in Canada, whether Canadian or not, from attracting advertisements. It may be, however, that the taxpayer will not advertise in a particular newspaper, the ownership of which does not comply with Canadian law, but to say that this constitutes interference with the freedom of the press is to draw a conclusion from completely unrelated situations.

Whether the sanction proposed is the best one or not, I do not know. But it certainly is better than any of the others I have heard about the voluntary agreement or the passing

of a law which would bring about a constitutional crisis right away. Once we accept the view, as we have in this Parliament, by the terms of the Broadcasting Act, which deals with another method of communication, and once we accept that it is important that the viewpoint or the approach to those publications should keep in mind the consideration that such means of communication should be dealt within terms of Canadian viewpoint and Canadian education, then we must take whatever means are necessary to achieve that result. As I have said, I do not know whether this is the best sanction available to us, but I have not heard of any others that even approach its value to assure the desired results.

Hon. M. Grattan O'Leary: Honourable senators, the distinguished senator who has just taken his seat has shown by the ease and lucidity with which he explained this rather complicated measure why he has risen to such eminence in his profession. I want to say immediately that with everything he has said about press freedom and about the measure regarding newspapers I agree wholeheartedly. In fact, I propose going even further than he has gone.

In fifty years I have not seen or heard so much agitation by members of my profession against what they fear to be an invasion of press freedom. Now this in a sense is not a bad thing. In our society, freedom of expression and therefore of the organs of expression is so firmly entrenched that it requires almost overwhelming justification of anything that might be construed as interference by the state. But, honourable senators, having said that, there are a few other observations I feel I should make.

The first thing I must say is that this legislation with respect to newspapers is only an extension of what a royal commission with which I was connected recommended with regard to periodicals. I must also say that having examined it as thoroughly as I can, I cannot find in it a sentence, a word or a syllable that threatens, even remotely, the freedom of the press, rightly understood. I think I should say too that in saying this, I am not speaking for any party or for any newspaper group, and certainly not for the owners of my own newspaper. They take a different view. I speak for myself as an individual, as a member of this Senate, and as one who has been a member of the newspaper profession for more than fifty years. I do not question the sincerity of my newspaper colleagues who fear this legislation. I am sure they are perfectly sincere, but I am equally sure that they are wrong, wrong because of a hoary, sanctified myth—the hoary, sanctified myth that the press in some way enjoys privileges and immunities denied to ordinary citizens. Honourable senators, there are no such immunities and no such privileges. All that press freedom means is that the right of free speech has been extended to the printing press, nothing less and nothing more. And that right of the printing press is enjoyed by some little printer in a garret just as surely as it is enjoyed by the powerful publisher of the greatest newspaper. It is the printing press alone, not some newspaper, the printing press alone which has been granted freedom in these matters. And I think it should be said—and perhaps I am the one to say it—that the freedom of the press never undertook to underwrite the profits of a newspaper. This great constitutional theory cannot be reduced to a commercial convenience. The marvel to me is that intelligent men who keep raising this cry about the freedom of the press seemingly have not read the judgments over the years of the greatest jurists in the United States, Canada and Great Britain. I will quote just one from the United States, Mr. Justice Coleman of the United States District Court. In a judgment in 1955 he said:

> Freedom of the press is a constitutional guaranty. Yet this does not give immunity to the press . . . but merely secures to the press the same basic rights and immunities as are enjoyed by the public at large.
>
> Nothing more and nothing less. This idea that in some way the newspaperman has some special privilege in the state is simply not true. All that he has is the freedom given to every citizen by the Constitution, the Bill of Rights or whatever.

And Lord Shaw, whom lawyers in this house will remember as one of the past great figures of the Privy Council, delivered this judgment in 1938:

> Their Lordships regret to find that there appeared in one side of this case the timeworn claim that some kind of privilege attached to the profession of the press as distinguished from members of the public. The freedom of the journalist is an ordinary part of the freedom of the public . . . his privilege is no

other and no higher. No special privilege attaches to his position.

We have heard in this debate in recent weeks people quote the First Amendment of the Constitution of the United States. Well, what does it say?

> Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof; or abridging the freedom of speech, or of the press.

Note that freedom of speech comes first, and then the press, this being merely an extension of freedom of speech to the printing press.

I have heard quoted in the past few weeks a judgment of Sir Lyman Duff in what is popularly known as the "Alberta Press Law." Well, what was the Alberta Press Law? It sought to impose upon newspapermen the obligation of printing anything the Government of Alberta might send to them in reply to their criticism. If they dared to criticize the Alberta Social Credit Government, then the government said, "We shall send you a reply. We shall compel you to print our reply in any way we write it, exactly as we write it, and at whatever length we write it." That, of course, was an invasion, not only of the rights of a newspaper, but of the ordinary human rights, and the Supreme Court of Canada, with Sir Lyman Duff writing the judgment, declared it unconstitutional. But in that same judgment, too often overlooked, Sir Lyman Duff stated:

> But the right of public discussion is subject to legal restrictions, those based upon considerations of decency and public order, and others conceived for the protection of various private and public interests.

I repeat:

> ...the protection of various private and public interests.

In other words, what Sir Lyman Duff was saying here was that press freedom is not an absolute; that newspapers have no special dispensation from the laws and regulations which society lays down for the government and security of citizens within that society; that no right includes a privilege to injure the society granting it.

During all of my very humble career as a newspaperman I think I have always understood this, that I have no special rights in the community. And as an editor I never thought you could give some reporter a writing pad and pencil, and send him down the street and invest him with some special significance. Honourable senators, this is nonsense, and I think it is time that newspapermen themselves realized that it is nonsense.

I have been attending newspaper meetings in Canada for years, and have heard newspapermen rise and quote that poetic declamation of Milton:

> Give me the liberty to know, to utter and to argue according to my conscience, above all other liberties.

That, as I said, was a splendid poetic declamation, but, if you look at it carefully you will find that no more unintelligent and no looser statement has ever been written in the English language. Give me the right, according to my conscience, to utter treason! Give me the right, according to my conscience, to utter language endangering the security of the state! Give me the right, according to my conscience, to incite to riot! Give me the right, as Mr. Justice Holmes put it, to rise in a crowded theatre and shout "fire!" Actually, Mr. Milton was a noble poet, but as a champion of liberty he was an awful bust. Mr. Milton, this great champion of liberty, urged the authorities in Britain to declare that the religious tracts of his opponents should be printed only in Latin, when he knew that not one per cent of the people of England spoke or read Latin. More than that, he ended up his life as a well-paid censor.

Then you hear newspapermen—and the senator who just took his seat referred to this—speaking about the terrible danger of taxing advertising. Honourable senators, advertising has been taxed in this country for years on end. If I take up this evening's print of the Ottawa *Journal* or the Ottawa *Citizen* I venture to say I would find that 65 per cent of the revenues in those papers come from advertising. Multiply that by 300 prints in a year, and you get a tremendous amount of revenue, and on that revenue the Government imposes a tax of 48 per cent. Actually, under an arrangement with the Post Office Department, if the Ottawa *Journal* or Ottawa *Citizen*, or the Toronto *Star* or the Toronto *Telegram* today carries an excess of advertising with respect to their reading matter the Post Office collects on that excess. Newspapers are not immune from the laws of Government or municipalities: they never have and they never can be. They are under Government supervision and Government control with respect to wages, with respect to working conditions, with respect to sanita-

tion; and, more than that, practically everything that goes into the production of a newspaper is taxed. If you think newsprint is not taxed, go and ask the newsprint producers. Newsprint, metals and ink are taxed. Almost everything that goes into newspaper production is taxed, and what in the name of common sense has this to do with the freedom of the press? As I said, the doctrine of the freedom of the press never guaranteed the profits of a newspaper, and it never intended, as I have already said, that the publisher of a newspaper should have some special dispensation from the ordinary laws of the nation.

Now, honourable senators, having gone that far in supporting a contention of my friend Senator Hayden, I want to take the most violent exception to what he has said about periodicals. One of the worst things that he said was that in some way he thought *Time* and *Reader's Digest* might not be exempt from this law. Well, if he is not sure he had better go and ask the Minister of Finance, because he seems to be certain, so certain that last week in the House of Commons he said, "Why, yes, we have exempted these people. And why did we exempt them? Because they have been in this country for 20 years." Well, I hope to show presently what they have been doing in this country during the last 20 years.

I think I should lay a foundation for what I am going to say by recalling that in 1961 or 1962 I was asked to become the chairman of a royal commission on publications, directed

> to make recommendations to the Government as to possible measures which, while consistent with the maintenance of the freedom of the press, would contribute to the further development of a Canadian identity through a genuinely Canadian periodical press.

The philosophy, the underlying principles, with which we approached and carried on our inquiry were stated in the report of our commission. We said:

> But it is in the sphere of criticism, of informed debate and discussion, in the search for truth, that the character of communication becomes important. Socrates saying that the unexamined life is unfit to be lived is as applicable to a nation as to an individual. A society or community, deprived of searching criticism of its own, among its own and by its own, has within it seeds of decay . . .
>
> Our sole purpose has been to find a way to guarantee for Canadians their own communications media.
>
> That guarantee, we are convinced, is vital. For while Canada and the United States may have the same basic cultures, they each at the same time have domestic and other tasks and problems—political, social and economic—which differ widely. Canada's particular responsibilities, her government, her constitutional structure, her ideals and aspirations, her memories and milestones, even her discords, are facts in her existence which cannot be approached understandingly or usefully by communications media owned or controlled in another country, even though that country be friendly. Only a truly Canadian printing press, one with the "feel" of Canada . . . can give us the critical analysis, the informed discourse and dialogue which are indispensable in a sovereign society.

Some honourable senators may ask: What about our newspapers? What about the discussion you find there? Well, the answer to that is that Canada, in fact, has no national newspapers. We have no London *Times;* we have no *Guardian* of Manchester; we have no London *Sunday Observer* or *Sunday Times.* We have no national weekly review such as the *Economist,* the *Spectator,* the *New Statesman* or the *Tribune,* and we have no intellectual monthly publication such as *Encounter.*

The report of the royal commission went on:

> Therefore, so far as the printed word is concerned, it is largely left to our periodical press, to our magazines big and little, to make a conscious appeal to the nation, to try to interpret Canada to all Canadians, to bring a sense of oneness to our scattered communities.

This did not mean, and it was never intended to mean, that there should be provided a protected haven or storm shelter for Canadian periodicals, and least of all a sanctuary for mediocrity. Our sole aim was to try to secure a climate of competition in which Canadian publications, serving Canada worthily in a vital area, should have a chance to survive. To this end we studied the situation exhaustively.

During eight months we held 32 public hearings. We sifted through 4,500 pages of transcript. We travelled 7,000 miles in six

provinces, and received and studied 188 briefs and 200 memoranda. We examined the books of all Canadian publications and carried out our own research program with a substantial staff of economists, lawyers and accountants. Also, we asked to come before us, and did bring before us, publishers from the United States, France and Canada.

Well, what did we find? We found, in brief, that Canadian periodicals were, in fact, subject to competition, unfair, unjust and crippling. I am not going to weary you tonight with statistics or descriptions of what are known as "split runs" or "regional editions" or even "overflow circulation," but I do want to deal briefly with what are known as Canadian editions represented by *Time* magazine and *Reader's Digest*.

A Canadian edition, so-called, is a periodical whose editorial content is lifted in whole or in large part, from a parent edition outside Canada, and then used in Canada to attract Canadian advertising. In other words, outside or foreign editorial matter is dumped into Canada—in fact, is dumped into Canada in a way that adds up to the most vicious form of dumping.

The truth is that the printing of "Canadian editions" is not a publishing endeavour at all; it is an importing business. Businessmen discovered that editorial material developed for foreign markets could be re-used as a structure to entice Canadian advertising. With a product already paid for by a market ten times larger and twelve times wealthier, the businessman need only set up offices for the solicitation of advertising. And that is exactly what was done.

At the time of the commission's hearings, *Time's* Canadian edition was edited in New York, printed in Chicago and trucked into Canada for mailing. There was a drop-mail box in Toronto for subscription returns which were then sent on to the United States for processing. *Time's* entire investment in Canada for an operation that made $3 million in profit in five years was three advertising offices, a few reporters and a chain of "stringers."

Between 1955 and 1959 the Canadian advertiser spent over $31 million with *Time* and *Reader's Digest*, leaving them with a profit of $6,500,000. In that same period, all major Canadian consumer magazines put together got barely $45 million of advertising, leaving them with a loss of nearly $2,500,000. In other words, during the five-year period for which audited figures were available, two so-called Canadian editions took over 40 per cent of all Canadian magazine advertising expenditures, leaving less than 60 per cent to be divided among the nine Canadian consumer periodicals that we had at that time.

I might add that since then—since our report—these two magazines, these two so-called Canadian editions, are now taking about 50 per cent of all consumer magazine advertising.

In all, 15 of our periodicals publishing over 10 million copies a year have gone under between 1960 and 1965. I repeat that 15 of our periodicals publishing over 10 million copies a year have gone under between 1960 and 1965. When our commission was set up, nine magazines were regarded as being national. One died during the inquiry, and four have died since—two English and two French—and the total circulation has fallen from 3.5 million to 2.5 million.

Even more disastrous is the revenue picture. Advertising revenue of Canadian periodicals has dropped $8 million, from $17 million to $9 million, or by 45 per cent. But, in the meantime, the Canadian editions, so-called, have had a gain of 26 per cent in circulation, and a gain in advertising of 2 per cent.

Honourable senators, a few years before his death, that great American, John Fitzgerald Kennedy, said, in a message to *Life* magazine, that:

> the great organizations of communication in this country have an obligation and a responsibility unequalled in our national life, and basic to our national future.

And quoting that statement, the *Life-Time* organization claimed for America's magazines two vital functions: The encouragement of America's national development, and the preservation of America's national heritage. Still later, less than a year before his death, President Kennedy told the American newspaper editors that "American communications media is as vital to the United States as our military defences."

Honourable senators, those words by President Kennedy are as true of Canada as they are true of the United States, and accepting their truth, our commission postulated that Canadian advertisers had a moral obligation, a patriotic duty, to support their own periodicals. We therefore defined a Canadian periodical as:

> one published in Canada, owned either by Canadian citizens or, if a corporation, by a company incorporated under the laws of Canada or of one of its provinces,

> and which is controlled and directed by Canadian citizens and is not a licensee of or otherwise substantially the same as a periodical owned or controlled outside Canada.

And our main recommendation on that basis was—and it was quoted tonight by Senator Hayden—that the deduction from income by a taxpayer of expenditures incurred for advertising directed at the Canadian market in a foreign periodical wherever printed be disallowed.

I ask you to note that the only interest affected by this recommendation was the businessman who dumps cheaply obtained editorial matter on the domestic market, thus diverting by cut-rate prices Canadian domestic advertising from Canadian media. But the right to own a press, and to print and distribute from it whatever is permissible under the law, was in no way trespassed. The commission's recommendations involved no regulation of the preparation, content or free-flow of the editorial material of foreign periodicals; the reader was in no way denied the periodical of his choice.

Honourable senators, I ask you to note clearly what has happened. What has happened is that the Government, by this legislation that is proposed here tonight, and approved by the Commons, has accepted the principle of our commission's recommendations, and then proceeded to make a mockery of the principle—to strangle the principle in its cradle.

They say that deduction from income by a taxpayer of expenditures for advertising in a foreign periodical shall be disallowed; but then, almost in the next breath, they go on to exempt *Time* and *Reader's Digest*, the two principal perils to Canadian periodicals, despite all that the distinguished senator said, and, in effect, to confer Canadian citizenship, for the practical purposes of this law, upon Mr. Henry Luce of New York City, and upon Mr. Dewit Wallace of Pleasantville, New York. These two gentlemen, owners of the so-called Canadian editions I have been describing, are in effect issued Canadian passports—given a green light to go ahead with their destruction of our Canadian periodicals.

When Mr. Henry Luce appeared before our commission and was subjected to cross-examination, he made this statement:

> I may be in some disagreement with my colleagues. But you said, sir, you want me to be very plain. I do not consider *Time* a Canadian magazine.

Mr. Henry Luce says, "I do not consider *Time* a Canadian magazine." This legislation says it is a Canadian magazine, and grants it all the benefits accordingly. More than that, not only are these two magazines exempt from this law, they are entrenched in their present position.

As someone remarked in the other place last week, they have locked the hen-coop door, but they have left two of the biggest foxes inside.

Honourable senators, this law was not for the purpose of protecting Canadian magazines and periodicals from American magazines that are not here. This law was to protect Canadian magazines from American competition which is here. But instead of doing that, they protect and perpetuate the two magazines which have brought about the destruction in our magazine industry, which I have already noted, and which in a few years, if I know what I am talking about, will have a more deadly effect than now.

There is something more than that.

In the other place last week, when the Minister of Finance was being hard pressed about these exemptions he finally said that *Time* and *Reader's Digest* were entitled to exemptions because they had been in Canada for 20 years. Well, honourable senators, I have tried to show you what *Time* and *Reader's Digest* have been doing in Canada for those 20 years, and the Minister of Finance knows the facts as well as I do. Yet this is what he says to them, in effect:

> You are practising unfair and crippling competition against our Canadian periodicals, but seeing that you have been doing it for 20 years, you have earned the right to go on doing it.

Honourable senators, if more illogical, inconsistent and fantastic legislation has ever been presented to a parliament anywhere, I do not know when or where it was. I can only conclude one thing, and I know this same conclusion has been reached by many Canadians who have been watching this situation, and there is all too much evidence to support it. There is the statement of the United States Under Secretary Ball, and of the Secretary of the Treasury, Dillon, in which they practically threatened retaliation if this measure were passed. I say to you that Ottawa has been placed in this ludicrous and false position of introducing legislation of this character, by pressure from Washington. I do not think there is any shadow of doubt about it; and if you read what members of

the Liberal press are saying, you will see that they go even further than I do.

Honourable senators, in conclusion, I say with all the earnestness I can command, that if this house votes for this legislation it will be voting for the proposition that Washington has a right to interfere in a matter of purely Canadian concern, and voting a probable death sentence on Canada's periodical press, with all that that can entail for our future voyage through history.

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

WAR VETERANS ALLOWANCE ACT, 1952

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-127, to amend the War Veterans Allowance Act, 1952.

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 the second reading at the next sitting.

Motion agreed to.

DOCUMENTS TABLED

Hon. Mr. Connolly (Ottawa West) tabled:

Report of the Civil Service Commission of Canada for the year ended December 31, 1964, pursuant to section 76(1) of the Civil Service Act, chapter 57, Statutes of Canada, 1960-61. (English and French texts).

Copy of a letter, dated June 25, 1965, addressed by His Excellency the Ambassador of Japan at Ottawa to the Minister of Finance, together with an Annex, concerning voluntary quotas on certain Japanese exports to Canada for the year 1965. (English and French texts).

Order in Council P.C. 1965-1054, dated June 10, 1965, authorizing under section 21 of the Export Credits Insurance Act, contracts of insurance by the Export Credits Insurance Corporation for the additional sale of 100,000 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).

Report of the Army Benevolent Fund Board for the fiscal year ended March 31, 1965, 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 text).

Statutory Orders and Regulations published in the *Canada Gazette*, Part II, of Wednesday, June 23, 1965, pursuant to section 7 of the Regulations Act, chapter 235, R.S.C., 1952. (English and French texts).

Statutory Orders and Regulations published in the *Canada Gazette*, Part II, of Friday, June 25, 1965, (Canada Labour Code Regulations (General)) pursuant to section 7 of the Regulations Act, chapter 235, R.S.C., 1952. (English and French texts).

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

PRIVATE BILLS

GENERAL MORTGAGE SERVICE CORPORATION OF CANADA—FIRST READING

Hon. T. D'Arcy Leonard presented Bill S-17, 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 Wednesday next.

Motion agreed to.

AETNA CASUALTY AND SURETY COMPANY OF CANADA—FIRST READING

Hon. Eric Cook presented Bill S-18, to incorporate Aetna Casualty and Surety Company of Canada.

Bill read first time.

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

Hon. Mr. Cook: With leave of the Senate, now.

Some Hon. Senators: No, not now.

Hon. Mr. Lambert: At the next sitting. It is a private bill.

Hon. Mr. Cook 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.

CUSTOMS ACT

BILL TO AMEND—THIRD READING

Hon. A. K. Hugessen moved the third reading of Bill C-119, to amend the Customs Act.

Motion agreed to and bill read third time and passed.

CUSTOMS TARIFF

BILL TO AMEND—SECOND READING

The Senate resumed from Wednesday, June 23, the adjourned debate on the motion of Hon. Mr. Hayden for the second reading of Bill C-120, to amend the Customs Tariff.

Hon. Lionel Choquette: Honourable senators, in speaking to this motion, I must confess that I was unable to be present during the extended explanation of the bill by Senator Hayden. However, I have since had the opportunity of reading the debate in which several honourable senators participated, and it seems to me that the clear exposition of the mover of the bill and the answers given to the questions raised do not require any lengthy remarks on my part at this time.

It is a familiar experience for me to discuss the proposals contained in the Customs Tariff bill which is before us. I cannot honestly pretend that I regularly enjoy the experience. However, I did go through with a measure of survival, if not complete success, the "class or kind" episode of some years ago. It has been said, and I am afraid wisely, that if you have proved yourself capable of carrying trunks upstairs, you will be carrying trunks upstairs all your life.

In a more serious vein, honourable senators, I have looked at the present bill with reasonable care and I have had the benefit of studying the discussions which took place in the other place, at both the resolution stage and on the motion for second reading of the present bill.

I do not oppose it and will vote for second reading, though there are a number of matters which could stand clarification by the officials who will appear before the Standing Committee on Banking and Commerce. I refer particularly to the provisions regarding the exclusion of periodicals with a split run containing more than the maximum permitted percentage of advertising directed to Canadians. This of course is related, at least in part, to the more controversial matter raised in the proposed amendments to the Income Tax Act. I would personally hope that these more controversial matters might be dealt with by the Senate before we consider the passage of the present measure.

I do believe, however, that some further explanation would be desirable with respect to schedule D to the bill, so that no one will be in any doubt as to the over-all effect of the present legislation, considered in conjunction with the proposed amendments to the Income Tax Act, with respect to periodicals. I do not propose to expatiate upon the controversial matters raised in the other legislation, but fortunately we have available on this side of the house a senator who yields to no one in the matter of expertise. I refer, of course, to Senator Grattan O'Leary who has made the attitude of those of us on this side of the chamber clearly and forcibly known.

The sponsor of the bill, as reported at page 261 of the *Debates of the Senate,* said, in answer to a question put to him by honourable Senator White:

> From having dealt with the departmental officers over the years, I know they have great capacity, and I do not think this will present many problems to them.

Honourable senators, I have had the privilege, for a period of five years, of dealing with those men who look after the tariff legislation, and I am happy to say that I share wholeheartedly the confidence that Senator Hayden expressed in them. I found them alert; I always found that they were great experts in the field, and ready to co-operate with whoever sponsored a bill; they were always ready to brief us, and they did it most expertly.

Honourable senators, I do not know if this bill is going to the Standing Committee on Banking and Commerce, but under the circumstances I think it should. This bill and the one to amend the Income Tax Act should be dealt with at the same time.

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.

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-16, respecting United Baptist

Woman's Missionary Union of the Maritime Provinces.

He said: Honourable senators, I should like to give a short explanation of this bill. 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.

REFERRED TO COMMITTEE

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

Hon. Mr. Brooks: Honourable senators, I move that this bill be referred to the Standing Committee on Miscellaneous Private Bills.

Hon. Mr. Burchill: Is it necessary to send this bill to a committee?

Hon. Mr. Connolly (Ottawa West): Yes. It is a private bill.

Motion agreed to.

CANADIAN NATIONAL RAILWAY BILL

CONSTRUCTION OF A LINE OF RAILWAY IN COUNTY OF LAMBTON, ONTARIO— SECOND READING

Hon. John J. Connolly moved the second reading of Bill C-124, respecting the construction of a line of railway in the Province of Ontario by Canadian National Railway Company from a point at or near mileage 3.2 of the Froomfield Spur of the Canadian National Railway near Sarnia in a southerly direction for a distance of approximately 12 miles to the property of Canadian Industries Limited in Sombra Township in the County of Lambton.

He said: Honourable senators, this is a very short bill; the explanation will be very brief. Indeed, the branch of railway to be built will also be very short. It comes before us by virtue of the provisions of section 22, subsection 1 of chapter 29, of the Statutes of Canada 1955, the Canadian National Railways Act. The section reads as follows:

> 22. (1) With the approval of the Governor in Council and upon any location sanctioned by the Minister of Transport, the National Company may construct, maintain and operate railway lines, branches and extensions
>
> (a) if the line, branch or extension does not exceed six miles in length, and
>
> (b) in any other case, if Parliament has, in respect of the construction thereof, authorized the necessary expenditure or the guarantee of an issue of the National Company's securities.

This bill proposes to provide authority for the Canadian National Railway Company to build a branch line 12 miles in length, running from a point at or near the City of Sarnia, in the Province of Ontario, in a southerly direction to a place called Sombra in Lambton County, where there is being erected a plant by Canadian Industries Limited. The cost of the branch line will be $850,000, including the right-of-way. In addition to authorizing the expenditure of that sum of money, the bill also authorizes the company to provide an additional 15 per cent for contingencies.

There is no borrowing to be done in respect of this capital undertaking by the railway company, and there are no securities to be issued and no guarantee to be given by the company or by the Government. The payment will be made out of the capital resources available to the company at the present time.

Canadian Industries Limited is building at Sombra a chemical fertilizer plant, the capital cost of which, I am informed, will be $250 million. The annual production will be 400,000 tons, and I am told that 50 per cent of that tonnage will be shipped by rail. It is expected that the plant will be in production by April 1, 1966, but the early completion of the line is desired by the railway company because there is considerable inbound traffic resulting from the construction of the plant. The railway company will benefit from the revenues to be derived from this traffic. There is a traffic guarantee agreement between the railway company and Canadian Industries Limited which it is expected will lead to a relatively early term of repayment.

I am also informed that this development will provide a stimulus to the economy of the area and that employment opportunities will be greatly increased. I am also informed that east of the St. Clair River there are other lands totalling some tens of thousands of

acres which might well be developed independently as a result of the establishment of this line.

If the bill receives second reading I shall move that it be referred to the Standing Committee on Transport and Communications.

Hon. Harry A. Willis: Honourable senators, I do not think anyone on this side of the house will oppose this bill. However, I have a few questions to ask which I consider to be timely and pertinent.

Why should Canadian National Railways spend $850,000 when there is already in existence an adequate railway, the Chesapeake & Ohio, which runs almost parallel to the proposed line and which could carry the manufactured goods from the C.I.L. plant which, I understand, will be distributed largely in the counties of Kent and Essex? The best answer I have had to that question up to this time is that the Minister of National Revenue stated in the other place that the Canadain National executive had examined the situation fully. I do not accept that as being a good answer, and I think other means should be explored and that consideration should be given to the use of an existing railway, the roadbed of which is in excellent condition.

Furthermore, the proposed location of this plant in the Township of Sombra is within easy trucking distance of the St. Lawrence Seaway ports. I cannot for the life of me understand why Canadian National Railways want to build a spur line 12 miles long to take their main line into the plant.

There is another point which concerns me and which I feel is of concern to the country as a whole. Whenever industry comes into an area the railway companies jump to do everything they can. But what are they doing with lines which were established years ago for the benefit of the pioneer people of this country? They are abandoning them. Even at the present time there is an application by Canadian National Railways for the abandonment of 12 miles of railway line, exactly the same length of railway from Glencoe to Alvinston in the same area. And this is happening all over Ontario. I speak only for Ontario. I do not know about the rest of Canada. While Canadian National and Canadian Pacific are asking for authorization to construct these new branch lines, they are making applications to abandon other branch lines.

A branch line in the area in which I grew up, running from Toronto to Owen Sound, and which was first incorporated as the Credit Valley Railway, was guaranteed by bonds by the farmers and the people in the surrounding area who agreed that they would put up part of the cost. Whereas years ago there were two trains a day, one north and one south, and the same at night, we now wind up today with only two trains a week. That is happening all over the place. I think it is time the Government took a look at what the railway companies are doing with respect to depriving the ordinary citizens of Ontario of railway transportation to and from the major centres. It seems strange to me that while they are abandoning these lines they are willing to spend $850,000 to build a spur line to carry the product from this plant which could well be carried by the Chesapeake & Ohio Railway which, as I said, is there even now.

I shall support the bill because it requires no expenditure on the part of the Government, but I ask the Government to take a close look at applications made by the railway companies to abandon lines and thereby affect the lives of people. The people in my area can travel to Toronto by rail only two days a week.

Hon. Mr. Connolly (Ottawa West): Do many of them want to go?

Hon. Mr. Willis: I think they would if they could. I know what my friend is referring to. On one occasion in the United States when a commission was considering a similar application, as each witness was called, the only question which counsel for the railway asked was, "How did you come here today?" And the reply in each instance was, "By car."

However, I do think some consideration should be given to commuter trains, within 60 or 70 miles of Toronto.

In 1940 or 1942 the Canadian Pacific Railway applied for the abandonment of a line from a station called Cateract to Elora, Ontario. I opposed that on behalf of the municipalities, and a line had to be built four miles around Belwood Lake in order to satisfy the people. At that time we produced bonds that the people in that area had signed many years earlier, before the railway would come in there.

I think both railways should make a close examination of this situation, and they should not do something merely because C.I.L. wants to erect a new plant in the township of Sombra.

Hon. John J. Connolly: Honourable senators—

The Hon. the Acting Speaker: I should remind honourable senators that if the honourable senator speaks now it will have the effect of closing the debate.

Hon. Mr. Connolly (Ottawa West): Honourable senators, perhaps I should say just a word in reply to Senator Willis. In the first place, I think the points he raises are ones which might well be dealt with in committee. Therefore, I think it highly appropriate that this bill be referred to committee. As between the Chesapeake & Ohio line, to which the honourable senator referred, and the Canadian National Railways' proposal, I gather the C.N.R. got the business, and that is why it is proposed that the line should be built. Moreover, I gather from the information supplied to me that it will be profitable business for the Canadian National Railways, and I assume it would be a desirable service to be rendered to Canadian Industries Limited. So it looks as if all the parties to the proposal set up by this bill are very happy about it. And the Chesapeake & Ohio did not get the business; they are not in the contract. However, we could deal with that in 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 Transport and Communications.

INDIAN CLAIMS

APPOINTMENT OF SENATE MEMBERS TO JOINT COMMITTEE—CONSIDERATION STANDS

Hon. John J. Connolly: Honourable senators, perhaps it would be a convenience to the Senate if I placed upon the record now the motion that deals with this and the succeeding item, not with a view to having it debated tonight, but in order that the names of the members of the joint committee be set out in our records.

Hon. Senators: Agreed.

Hon. Mr. Connolly (Ottawa West): I move, seconded by Senator Hugessen:

> That the Senate do unite with the House of Commons in the appointment of a Joint Committee of both Houses of Parliament to consider Bill C-123, intituled: An Act to provide for the disposition of Indian Claims, and to report from time to time its observations and opinions thereon;
>
> That the Senate designate ten Members of the Senate to be members of the Joint Committee, namely, the Honourable Senators Aird, Beaubien (Provencher), Belisle, Boucher, Gershaw, Gladstone, Macdonald (Brantford), McGrand, Quart and Smith (Kamloops);
>
> That the Joint Committee have power to send for persons, papers and records; 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.

Order stands.

PENITENTIARIES

APPOINTMENT OF SENATE MEMBERS TO JOINT COMMITTEE—CONSIDERATION STANDS

Hon. John J. Connolly: Honourable senators, under the approval with respect to the previous item, may I move, seconded by Senator Hugessen:

> 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 the Senate designate nine Members of the Senate to be members of the Joint Committee, namely, the Honourable Senators Cameron, Cook, Croll, Fergusson, Fournier (Madawaska-Restigouche), Gouin, Inman, Irvine and O'Leary (Carleton);
>
> 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.

Order stands.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Tuesday, June 29, 1965

The Senate met at 3 p.m., the Acting Speaker (Honourable George S. White, P.C.) in the Chair.

Prayers.

DOCUMENTS TABLED

Hon. John. J. Connolly tabled:

Report of Operations under the Civil Service Insurance Act for the fiscal year ended March 31, 1965, pursuant to section 21(2) of the said Act, chapter 49, R.S.C., 1952. (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 of Canadian Patents and Development Limited for the fiscal year ended March 31, 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 Crown Assets Disposal Corporation, including its Accounts and Financial Statements certified by the Auditor General, for the fiscal year ended March 31, 1965, 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).

CANADIAN NATIONAL RAILWAY BILL

CONSTRUCTION OF A LINE OF RAILWAY IN COUNTY OF LAMBTON, ONTARIO—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-124, respecting the construction of a line of railway in the Province of Ontario by Canadian National Railway Company from a point at or near mileage 3.2 of the Froomfield Spur of the Canadian National Railway near Sarnia in a southerly direction for a distance of approximately 12 miles to the property of Canadian Industries Limited in Sombra Township in the County of Lambton:

> 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 ADOPTED

Hon. Mr. Hugessen, Chairman of the Standing Committee on Transport and Communications, reported that the committee had considered Bill C-124, respecting the construction of a line of railway in the Province of Ontario by Canadian National Railway Company from a point at or near mileage 3.2 of the Froomfield Spur of the Canadian National Railway near Sarnia in a southerly direction for a distance of approximately 12 miles to the property of Canadian Industries Limited in Sombra Township in the County of Lambton, and had directed that the bill be reported without amendment.

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 this bill be read the third time now.

Honourable senators will recall that yesterday evening in the discussion on second reading of this measure, Senator Willis raised the criticism that the branch line of railway which this bill proposes is parallel to an existing line, and that therefore its construction is unnecessary because the existing line could be used for the purpose for which this branch is asked. The facts are entirely correct. Authority is asked to build this branch line for a distance of 12 miles due south from Sarnia, parallel to and about a mile to the east of the St. Clair River, to a chemical fertilizer plant which Canadian Industries Limited is proposing to build at the place called Sombra.

There is at the present time another line of railway paralleling this proposed branch, belonging to the Chesapeake & Ohio Railway, which runs substantially along the shore of the St. Clair River, and both of them will run into or through the proposed C.I.L. plant.

The answer to the question whether this branch is really necessary was a subject to which your committee directed particular attention this morning when the officers of the railway appeared before us, in view of the criticism which had been made by Senator Willis yesterday evening. The brief answer is that this project is so enormous that there will be ample traffic for both lines of railway and that a second line of railway is required.

Canadian Industries Limited propose to spend about $50 million on this plant. The raw material for the plant consists, I understand, of pyrites or some sort of rock formation which will come from the southern United States and will be brought to it by the present Chesapeake & Ohio Railway Line. The ultimate output of the plant when it is in full production is expected to be of the order of 400,000 tons a year of chemical fertilizer, of which the Canadian National Railways will transport about half, that is, 200,000 tons a year. If you divide 200,000 tons by the number of days in the year, that comes to a figure of between 600 and 700 tons of freight per day. This in itself is no small amount of freight.

Canadian Industries Limited were very anxious to have the Canadian National come in with this branch. You can understand the reasons why. In a plant of this size, which is producing many hundreds of tons of material a day, it is essential to get that material out and distributed as quickly as possible; otherwise, it will pile up in enormous and unmanageable quantities. That is the reason why the Canadian Industries Limited were very anxious to have the use of two lines for that purpose. They felt that if, for instance, one line should go out of commission for even a few days—by reason of a washout or an accident or a strike—they would need to have an alternative route so as to keep their plant in operation.

Some honourable senators will probably recall that the same question came up about two years ago in connection with a branch line which I think the Canadian Pacific Railway wished to build to one of these enormous new potash plants in Saskatchewan. I think my friend Senator Aseltine was in charge of the bill. In that case the Canadian National was already there, but the Canadian Pacific wanted to build a branch to the new plant. We were given the same argument, that where you have this enormous production per day it is almost essential for the proper operation of the plant that there be alternative facilities for distribution. That, in brief, is the reason why this branch is required.

Honourable senators, I should add two things. The first is that in the consideration by the committee there was no objection taken on behalf of the Chesapeake & Ohio Railway. They did not appear to tell us that they were being interfered with or that this was unfair competition. There was no opposition of any kind. Secondly, we were informed that the agreement which is being made between the Canadian Industries Limited and the Canadian National Railways gives the Canadian National Railways a guarantee of sufficient freight revenue from that line to amortize the entire capital expenditure within 10 years.

Honourable senators, I thought these explanations were due to the Senate, and particularly to Senator Willis because of the criticisms he made last evening.

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. 205 to 220, inclusive, and moved that the said reports be taken into consideration at the next sitting.

Motion agreed to.

LINDSAY PETITION—REPORTED DEATH OF RESPONDENT

Hon. Mr. Roebuck: Honourable senators, in connection with the proceedings of the Divorce Committee may I make a report of a rather unusual character. It is with respect to a petition by Monica Shackleton Lindsay for a divorce from her husband and in connection with which a resolution has been passed in favour of a divorce. It now appears that the respondent had died before the resolution was passed. I have here a letter from the Senate Commissioner, which reads as follows:

> I have now received from petitioner's Attorney certified extract from the Registrar of the Ormstown Presbyterian Church attesting to the burial there on

May 15th, 1965 of Harold Alexander Lindsay who died in New York on May 10th, 1965.

Since the Resolution was adopted by the Senate on May 20th, 1965, it was, according to the opinion of Mr. E. R. Hopkins, the Law Clerk and Parliamentary Counsel, null and of no effect.

It is my understanding however that you wish to report this to the Senate, and I believe the information in this letter is what you will require for that purpose.

I make this statement so that it may be placed on record that our resolution was passed without knowledge that the respondent had died previously, and also to place on record that in the opinion of our Law Clerk the action of the Senate on that occasion was null and of no effect.

DUTCH ELM DISEASE

ACKNOWLEDGEMENT OF REPLY TO QUESTION

Hon. Arthur W. Roebuck: Honourable senators, before the Orders of the Day are called there is a matter to which I would like to call attention.

Honourable senators will recollect that some time ago I asked for information with regard to the new chemicals which are advertised for the control of Dutch elm disease, and I called attention to the great importance of this development to a large number of people, if not everyone, within the Province of Ontario.

I have received a letter in reply to my inquiry from the Leader of the Government, in which he says:

> You will recall on May 31st last when the Senate had for consideration an Interim Supply Bill, that you asked for information respecting the use of Bidrin for Dutch elm disease control. The Departments of Agriculture and Forestry have furnished me with a reply to your inquiry, and I am enclosing it herewith.

That reply is as follows:

> Several large-scale trials using Bidrin for suppression of insect species that carry and spread Dutch elm disease have been carried out in Wisconsin, Ohio, and New York. These trials have produced some promising results but as yet there is no clear indication that the disease has been curtailed by the use of this chemical.
>
> Bidrin 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 toxicity to trees makes it difficult to use. (c) Insufficient evidence of its effectiveness in disease 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.

That is the reply; it is disappointing. I call attention to the fact that nothing is said with regard to the activity of these federal departments in the matter of the investigation of the disease and its control. I wish to say publicly that I would like to see either the Department of Forestry or the Department of Agriculture apply for an appropriation to cover the expense of investigating this matter and, if possible, to make some recommendation of an effective character. I am sure that everyone in this chamber would be very glad to vote supply for such a purpose.

Hon. John J. Connolly: Honourable senators, perhaps I should say a few words on this point.

Senator Roebuck did reply to the letter I wrote him containing the answer that he has read to the house today. In addition to supplying and tabling answers to honourable senators who asked questions in the debate on interim supply and the supplementary estimates, I have referred them to the Chairman of the Standing Committee on Finance, and I am informed that they have been tabled in the committee.

It is appropriate, I think, to suggest that in due time at one of the forthcoming meetings of the committee the points raised by

Senator Roebuck and other senators might be the subject matter of further inquiry. With respect to an issue such as that raised by Senator Roebuck, I think we will be rendering a service if we take advantage of that forum to have these matters aired and to press the appropriate department into action.

INCOME TAX ACT AND THE FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS 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 C-118, to amend the Income Tax Act and the Federal-Provincial Fiscal Arrangements Act.

[*Translation*]

Hon. Jacques Flynn: Honourable senators, I shall be as brief as possible. The thirty sections of Bill C-118, an act to amend the Income Tax Act and the Federal-Provincial Fiscal Arrangements Act can be divided in three categories. The first category would include all sections, except sections 4 and 9. Section 4 is in a class by itself as it establishes a new principle, that is, the tax on non-Canadian periodicals, as it has been called quite improperly. In this regard, I agree with Senator Hayden. This section establishes a new principle containing an exception which I would qualify, for the moment, as rather extraordinary. Finally, the third category relates to the provisions of section 9 reducing personal income tax by 10 per cent.

As for the provisions I have placed in the first category, they are all of a remedial or corrective nature. Most assuredly, the committee is the proper place to discuss such provisions. In that connection, may I say that I always have great pleasure in listening to Senator Hayden speaking on the Income Tax Act. If we were to judge the Act before us from his words, we might find it well constructed and clearly drafted. This is far from being true. He has a talent for making what is undoubtedly the most complex legislation in our statutes appear simple. As an example, one needs only to read section 30 of the Act. However, I will not inflict such pain to the honourable senators this afternoon.

I now come to section 4. I have little to add to what Senator Grattan O'Leary said and with which I agree. He made a strong and accurate speech. He threw the necessary light on the subject matter of this clause. The Government's intention, namely, to protect Canadian periodicals, is evidently excellent. A solution to this very acute problem has been sought for a long time.

We all agree that Canadian periodicals play a fundamental part with regard to the creation, if not the preservation, of a truly Canadian spirit. Of course, competition from American periodicals is for our own periodicals a very serious threat of extinction. The O'Leary Commission investigated that matter and submitted recommendations. Here is the solution proposed by the Government in clause 4:

> . . . that an expense of a taxpayer for advertising space in an issue of a non-Canadian newspaper or periodical dated after December 31, 1965, may not be deducted in computing income if the advertisement is directed primarily to a market in Canada.

This way we assume that advertising will be channelled towards Canadian periodicals. I am not sure that this will be definitely the result, but the method which is suggested here is certainly worth a try.

However, with subsection 2(a) of section 4, the Government exempts from that principle

> issues or editions of issues of that publication being edited in whole or in part in Canada and printed and published in Canada at the usual intervals for issues of that publication . . .

through the twelve-month period ending April 26, 1965.

Senator Hayden told us yesterday that this description did not single out *Time* and *Reader's Digest*—I do agree—but obviously, this provision could only apply to these two periodicals. There is no doubt that this provision is aimed only at non-Canadian periodicals that were edited and written, totally or partly, in Canada before April 26, 1965. Therefore, there is no doubt that some particular well identified cases are intended to be covered. The principle itself is not being amended or modified, but an exception is being made concerning periodicals published before April 26, 1965.

If the intention had not been to put on an equal footing with purely Canadian periodicals—according to the definition given a little further down, that is the property of Canadian individuals or Canadian groups—such periodicals that do not meet this definition, but are published or written partly in Canada, then a special treatment could have been

devised for such periodicals. It was alleged, rather, that the intention was to recognize vested rights of some designated non-Canadian periodicals that were being published prior to April 26, 1965. As a result, *Time* and *Reader's Digest* are the only American periodicals complying with the exception provided in paragraph (2) of section 4. Therefore, an exclusive monopoly is being set up for them. Not only are their vested interests being recognized, but they have the guarantee that no other non-Canadian periodical will compete with them. Not only is the integrity of their empire being recognized, but above all, that empire is being fortified by the setting up of a barrier against other American or non-Canadian periodicals that might eventually wish to follow in their footsteps and have part of their issues published or edited in Canada.

I say that in that way the Government has completely destroyed the principle it intended to lay down in paragraph 1 of section 4. It has practically destroyed it, for Senator O'Leary clearly established yesterday the share of the advertising market held together by *Time* and *Reader's Digest*. Now, the Government has seen to it that those two periodicals will not have that share of the market curtailed. On the contrary, it will be strengthened by the elimination of any competition, except for that of Canadian periodicals, which is nonexistent because their weakness is the very reason for this legislation.

Indeed, I definitely have the feeling that this provision is making the situation worse than the one that prevailed until now and to which a remedy was being sought.

I would even go so far as to say that the Government is thinking in this case—as it did in other circumstances concerning other legislation we had an opportunity to discuss not so long ago—that it is more important to seem to do something than to do it in reality. Indeed, it is more important for the government to give the impression that it is doing something than to really act.

I admit that perhaps the solution is not easy; but we are faced with a more serious mess than that which existed previously. So far as I am concerned, when this measure is considered by the committee, I will certainly introduce an amendment to eliminate paragraph (2) of section 4, if others do not beat me to it. I hope that the committee will agree to recognize that *Time* and *Reader's Digest* certainly do not need charity and that we must not sacrifice beforehand the objective we endeavour to reach, in granting them this unjustified and unjustifiable special treatment.

I come now to section 9 which provides for a general reduction of 10 per cent, or a maximum of $600 of the personal income tax. Many observers have suggested that for the expansion of economic activity, it would have been better for the Government to grant a reduction in corporate income tax. I will make no comment on this matter, because I do not think I am qualified. Moreover, we are theorizing, and, in my opinion, even the experts would not be able to arrive at definite conclusions.

However, I suggest that such reduction—and there is no similar phrase in French—that this "across the board" reduction is not entirely equitable. I think it would have been better if the Government had made some adjustments in the basic exemptions: increasing by $500 or $1,000 the personal exemption, or increasing the children's exemption, which, in my opinion, would have been a very good decision to make since these are the people who are most in need of money and who could, while spending that money, give a shot in the arm to our economic activity. I think the Government erred in this connection. Subjectively, I cannot complain, since people who will benefit the most from this are apparently those included in the income bracket of senators. It remains that such a 10 per cent reduction will benefit a very small number of taxpayers. The greater number of them will see their net income increase by a few dollars only—perhaps the equivalent of $1 or $2 per month; this total gain will not even be sufficient to pay the contribution to the Pension Fund, which becomes operative on January 1, 1966.

Now, another remark on this reduction. Senator Hayden, in his speech yesterday, mentioned that the reduction will apply to the tax before deduction of the amount payable to the provinces. I would like to agree with him. However, I would be curious to know what effect this method of calculation will have on the revenue which the provinces derive from income tax and what portion of the personal income tax will go to the provinces. Nevertheless, as I pointed out last year—and in this connection Senator Hayden agrees with me—it is becoming increasingly urgent that the taxpayer should know what he is paying to the Crown, at the federal and provincial levels. It is high time that the tax rates set by the Federal Income

Tax Act be real and effective tax rates. At the present time, they only serve as a basis to figure out, after deducting this and that, what is finally owed to the federal treasury.

Under the circumstances, the taxpayer cannot really know what he is paying to this or that level of government and, depending on what he is paying, what he is receiving from each level of government. This, of course, could be discussed further in committee.

In short, a series of corrective measures is proposed on which everybody agrees: a tax reduction which will be more substantial for some than for others; but what is worse, while it is quite desirable to protect Canadian periodicals, the Government is making an exception which, I think, will simply make the situation worse.

Hon. Arthur M. Pearson: Honourable senators, I am not going to take up much time on this bill. We have already heard three very fine speeches from the honourable Senators Hayden, Grattan O'Leary, and Flynn. However, I should refer to the part of the measure which affects the farmer. I would like some explanation so that we can be sure the administrators of the Income Tax Act will not be troubled too much in making decisions when they come to hear appeals by farmers.

Section 2, subsection 3, at page three of the bill, adds a new subsection 16 to section 11, which reads as follows:

> Notwithstanding paragraphs (a) and (b) of subsection (1) of section 12, there may be deducted in computing a taxpayer's income for a taxation year from a business that is farming, amounts paid by him in the year for clearing land, levelling land or laying tile drainage for the purpose of carrying on the farming business.

There are a number of things to which it might refer in the clearing of land. I put them in the form of questions. Does it mean cutting down the bush and clearing off the stumps? Does it mean removing the cobblestones or any other stone or rock that may be on the land? Does it mean removing fencing so that the farms can be enlarged? I am thinking in particular of some of the old rail or wooden fences in Ontario and Quebec. Does it mean the removal of old buildings?

I think that these items, and possibly others, in the way of clearing land, should all be specified in the Act so that there is no question, either on the part of the farmer or the Income Tax Act administrator, as to the right to deduct the cost of clearing land.

It should also be clearly stated as to what is meant by levelling land. I am quite sure there will be endless discussion at the income tax offices next year when farmers undertake to clear or level their land. The question is, would the cost of clearing and levelling of land, whether done by a farmer himself or by the hiring of persons to do his customary work, be considered as deductible? This confusion would not develop if the matter were clearly set out in the Act itself.

One further thought comes to mind. Before clearing brush off the land, all farmers should have the soil tested before they start cutting to make sure that the soil is suitable for agricultural purposes. We do not want to incur those tremendous losses which Ontario and Quebec, in particular, suffered as a result of cutting timber on land that was not suitable agricultural land. If that happens, it is going to cost the provinces a great deal to put these cleared lands back into forest.

One other thing about which I am not clear is the landscaping of grounds. Section 2, subsection 2, paragraph (z), page 2 of the bill states:

> (z) an amount paid by the taxpayer in the year for the landscaping of grounds around a building or other structure of the taxpayer that is used by him primarily for the purpose of gaining or producing income therefrom or from a business;

At the resolution stage there was merely a clause (b) of section 10 which stated:

> for landscaping property used by the taxpayer for the purpose of gaining or producing income.

Apparently there was some argument about this paragraph in the other place, and the Government has seen fit to add to this clause and thereby reduce the area that it may cover. It now reads, "for landscaping of grounds around a building or other structure." What does "structure" mean? Is it a brick building? Does this refer to urban areas only or does it also refer to the rural areas, particularly with reference to farms?

Honourable senators, that is all I want to say at this time. I trust that I may have an answer to these questions, either from the Leader of the Government or when the bill is before the committee.

Hon. Allister Grosart: Honourable senators, I shall confine my comments to clause 19

of the bill. Perhaps because of the great deal of attention paid in the discussion and debate so far to other and more controversial clauses such as clause 4, the effects of the changes to be brought about by clause 19 have been overlooked.

I was surprised to learn that when the bill was in committee in the other place and was examined clause by clause, there was no comment whatsoever on the effects of this clause. I hope it will be very carefully examined in committee and that the committee will call from the Department of National Revenue or elsewhere some witnesses who would justify the course of action which is proposed in this clause.

I object to the clause personally on three grounds.

In the first place, I think it brings about an unwise, possibly unfair, and certainly discriminatory action against primary prospectors and developers of mining operations in Canada. Secondly, I object to it, because it reverses what appears to me to have been a very wise principle of income taxation asserted by the Exchequer Court of Canada and upheld by the Supreme Court. In the third place, I object because it seems certain that it will retroactively deprive taxpayers of rights that they have now, many of which are rights held under existing contracts.

I say it is discriminatory against Canadian developers of Canadian mining properties because at the present moment these developers, in disposing of a property to a second developer, normally make a deal by which they will perhaps take a small down payment but the major part of their capital payment in royalties. It was this principle that was strongly supported by the Exchequer Court. Later the Supreme Court of Canada rejected the appeal of the Minister of National Revenue against the decision of the Exchequer Court upholding the right of the taxpayer at that time to avail himself of section 83 of the Income Tax Act to regard those royalty payments as being not taxable as income.

The principle that was asserted, I think honourable senators will agree, was a sound principle of income taxation, namely, that this exemption should be allowed because the return on the capital investment of the prospector could be realized only through the development of the mine. This is not an ordinary case of renting a property or obtaining royalties from a patent. These are cases where prospectors or a prospecting company have been involved often in large capital expenditures, certainly in great risks of time and money, to find and bring to early development a mining property. At the present time they can hope to obtain some return on that capital perhaps from a down payment, on sale or rental or lease; but the essential thing is that they must rely on the development of that mine for a return of the capital that is put into it. It is not usual for a prospecting or developing company to be given in return for a lease or rent the whole of the capital invested. They must rely on royalties, because it is only through the development of a mining property that the capital investment can be returned.

This is the principle asserted by the courts which this clause now seeks to reverse.

If honourable senators wish to read the case, it is reported in Supreme Court Reports, and in summary form in Canadian Tax Cases (1963) at page 51, and also in Dominion Tax Cases (1963) Volume 17, at page 1031.

If honourable senators will read the reasoning of the court in establishing judicially the exemption which this clause seeks to reverse, they will reach the conclusion that the courts were much wiser, much fairer and much more conscious of the importance of encouraging Canadian initiative in prospecting and developing mines than was the Minister of National Revenue.

The effect of the clause is simply explained. I will not read it, as it is a very long clause. The explanatory note says that these two amendments—that is, the amendments to subsection 2 of section 83—would add the underlined words, to provide that rental from royalty received as consideration for an interest in a mining property may not be excluded from income. It goes on to say that this implements paragraph 16 of the Income Tax Resolution. Having said first that the tax exemption subsists where the mining property is sold for a consideration or where the prospector receives capital shares of the corporation, the underlined words add:

> unless it is an amount received by him in the year as or on account of a rent, royalties or similar payment.

My comment is: Why add those underlined words? Why say that he may not in the ordinary course of business say, "I wish to recover my capital and a profit by taking whatever you can give me as a down payment and then recover the rest as you prove up my faith in this mining property"?

I want to emphasize that this is not similar to other cases which could be cited in income tax practice where continuing annual payments from investment are taxed. This is a case where the prospector or the prospecting company simply must rely on something such as a royalty payment to get back the capital, let alone a share in the future development of the mine.

Clause 7(3) says:

> This section is applicable to the 1965 and subsequent taxation years.

I take it that this means that even if there is an existing royalty contract under which a prospector or prospecting company has made a deal to recover part of his or its capital in royalties—believing the Act as it stood to protect that construction—the Parliament of Canada is now asked to say "No," retroactively—"You were right at the time; you had every right to expect to receive this money tax free, but now, in spite of the fact that the Exchequer Court and the Supreme Court of Canada upheld that right, we now say it is all off from here in. Your deal is off; you will have to pay tax on that money regardless of any consideration in your mind when you undertook to take part of your capital return in royalties and only a small part, perhaps, as a down payment."

I believe, as I said at the start, that this clause 19 is unwise legislation, that it is an unwise reversal of a sound principle of taxation supported by the courts; that it is discriminatory in the extreme in that it is retroactive in relation to existing agreements and existing contracts. I would hope, since I am not aware that there will be any representations before the committee, that the committee will itself take some account of the observations I have made and perhaps find some merit in them. Knowing the chairman as I do, I am sure that will happen.

It may occur to honourable senators to ask why, if this situation is as I have reported it to be, there have been no representations made during the course of the passage of this legislation. I am unable to answer that question. I speak today on my own; I speak without briefing on the matter; I speak only from some experience I have had and from the fact that the injustice of this was drawn to my attention in a letter. It has occurred to me that the reason may be the intolerable haste with which legislation is presented to Parliament towards the end of a session or shortly before a recess. Once again we have a pile-up of such legislation.

If there is merit in this particular case as I have put it before the Senate, what chance is there for a thorough examination and, if necessary, amendment if we are faced with a timetable such as we are given to believe is presently before us? This haste marks the whole passage through the other place of this legislation. In committee there was no reference whatever to some of the clauses, including this particular one, except a note in *Hansard* of the other place that clauses such-and-such to 19 were passed. They were not even called individually as far as *Hansard* goes.

I make this as one more protest against this piling up of legislation, and I think one is entitled to suspect, at least, if not to assert that this hasty presentation of legislation is becoming an instrument of government. I hope that is not the case. I hope this delaying of legislation until we are all "under the gun" is not a device of government to get it through speedily. If this is the practice, I hope that it will be discontinued by the present Government.

Hon. Salter A. Hayden: Honourable senators—

The Hon. the Acting Speaker: I must inform honourable senators that if Senator Hayden speaks now it will have the effect of closing the debate.

Hon. Mr. Hayden: Honourable senators, may I deal first with the points raised by the last speaker. I would point out to him that I too have voiced complaints at times about the rush of legislation towards the end of a session. It occurs to me that in this case, however, the budget resolution came down when the budget was presented in April of this year; so that from that time until the end of June there has been time for the realization to sink in that this change was being made in this section dealing with prospectors. I should also point out to my friend that the function of the court is to interpret the law, and the function of Parliament is to legislate. One cannot conclude from anything that the court has said or from its reasons for judgment that it was in any sense legislating. It was interpreting the section as it existed in the law at that time.

I would also point out to my friend that it is one thing to say that the consideration that a prospector receives for mining claims he may have staked is excluded as a matter of law from his income, and then to go the further step and say that that exemption

should extend to the exclusion of royalties payable and based on production from that property. You might use the same kind of argument in saying that if the prospector receives shares from a company which acquires those claims from him, the dividends payable on those shares should at some future time also come within the exemption because the dividends, as the royalties, result from the operation and production of the property.

Hon. Mr. Grosart: It might not be a bad idea if it were part of the capital consideration.

Hon. Mr. Hayden: First of all we are not discussing what is a good idea or what is not. What we are discussing is the law, and the law as Parliament thinks it should be, and since the Supreme Court of Canada has determined that within the language presently used in the section of the Act, the rent and royalties element received by a prospector is exempt from income. Parliament is now saying that it was never intended that this should be so because rent and royalty partake of the character of income from the operation of the property, and therefore that is not the kind of consideration we were exempting.

I think most of the questions my friend Senator Pearson asked can be dealt with in committee. As to what is a structure and what is a building, I am sure if Senator Pearson were asked that question he could answer it himself. I suppose a bridge might be a structure, especially if there was a tollgate beside it. I suppose a radio tower might be a structure, and it might be a business and income might be received from it; and if one did landscaping in the area, it would be a cost deductible from the income received from the operation of the business or from the tower or from the building.

On the other questions as to how far landscaping goes, and to what extent the cost of installing tile drainage would be allowable, those are all items in respect of which I expect there will be regulations laid down in accordance with the usual practice of the Income Tax Department, and there will be definitions which will bring about uniformity in the interpretation and application of these provisions throughout the whole taxation system across Canada.

Now I come to the points raised by Senator Flynn, who never disappoints me. I was interested today when he said that we were really granting a monopoly to *Time* and to *Reader's Digest* in doing what we have done, and that as a result of what is proposed at the present time the last state of Canadian periodicals is going to be worse than the present state.

I was curious, and I went back and read again what the former Prime Minister of Canada said on this subject in January 1962, when, if I am not mistaken, my friend was a member of that Government. It seems on that occasion that the Government proposed in relation to magazines of the character of *Time* and *Reader's Digest* to allow 50 per cent of the cost of advertising in those magazines as a deductible item. I would then expect that the vigour with which my friend opposed that suggestion at that time could be measured in terms of being 50 per cent as vigorous as the vigour he put into his presentation today when the disallowance is 100 per cent of the cost of the advertising. It becomes a matter of whether you subscribe to the principle, as even the former Prime Minister of Canada did, that if you have a business that is established in Canada and is carrying on an operation in Canada and has done so for some time, you are then going to change the ground rules to such an extent that that business may be put on terms under which it would have difficulty in carrying on such business in Canada. That is the principle. You must decide whether the situation in relation to those periodicals is such, and the financial position of those periodicals in Canada is such, that we must prevent all competition to the Canadian periodicals. I am not prepared to accept that, but when we are in committee we can ask the questions and see what lies behind it.

After a business comes into Canada, takes on a Canadian operation and invests money in Canada, pays its corporate income tax when it makes a profit in Canada, and pays withholding tax on dividends when they go out of Canada as a result of a successful operation, I say it is a bad principle to create abroad the atmosphere that at any moment when it suits our purpose or the view of those who have authority to do it, we can change the ground rules. It is bad to earn a reputation for having that kind of uncertain atmosphere in business in Canada and that uncertain approach by Government to business. I think even the previous Government recognized that in relation to the Broadcasting Act, because at the time that Act

came into force there were a number of radio stations in Canada that were not Canadian owned, and some of them were not subject to the statute at the time it came into force because they had a licence. But when they had to apply for renewal of that licence they became subject to the Act, and on renewal they were granted by order in council under the provisions of the statute an exemption from having to meet the citizenship requirements.

Hon. Mr. Brooks: May I ask the honourable senator a question? The O'Leary Commission, we understood, was set up more or less for the guidance of the Government in connection with what is being done now with regard to magazines. Perhaps it was not primarily for that purpose, but that was one of the matters which were to be given serious consideration. I would like to hear the honourable senator's comment on that.

Hon. Mr. Hayden: I do not appreciate your question.

Hon. Mr. Brooks: You were stating that a few years ago certain action was taken. Subsequent to that there was a commission set up to make a study, which we understood was more or less for guidance of the Government in matters of this kind. Instead of an improvement being made, the opinion is that matters are worse as far as *Time* magazine and *Reader's Digest* are concerned. I am just asking the honourable senator if the O'Leary Commission recommendations were taken into consideration at all in this matter.

Hon. Mr. Hayden: Well, as my friend knows, the scope of the inquiry of the O'Leary Commission was to investigate every aspect of the Canadian periodical publishing industry, with a view to ensuring its place in Canada's way of life. In due course there was made a report containing a number of recommendations, which I discussed last night. The Government that had the first opportunity to deal with those recommendations was the previous one, of which I believe the leader opposite was a member.

Hon. Mr. Brooks: Not at that time.

Hon. Mr. Hayden: Were you not?

Hon. Mr. Brooks: At one time, yes.

Hon. Mr. Hayden: Yes. And the crystallization of the recommendations of the O'Leary Commission at that time was that certain magazines were prohibited entry under Schedule C. But the recommendations that the cost of advertising by a Canadian in non-Canadian periodicals should be disallowed 100 per cent was not accepted by the Government of the day in 1962, for reasons which were given and which I stated last night and again today. And that recommendation is not being accepted in the present legislation.

This becomes a matter of Government policy. It becomes a matter of weighing the pros and cons of all the things a government must look at when it is settling policy that may have a serious effect upon the business reputation and the stability of government and business and the approach of government to business in Canada. These are all factors. As a result, we have policy. The policy in this case is reflected in this bill. In other words, if you have been conducting your business in Canada, no matter whether you be wealthy or not so wealthy, and you are doing a good job and are paying your taxes, the question then is: Should you be put at a disadvantage of this kind and discriminated against? This bill says "No."

Hon. Mr. Flynn: This is exactly why I put the question I did to the honourable senator. Could any other American or non-Canadian periodical which wanted to establish itself in the same manner as *Time* and *Reader's Digest* in the future, benefit by the treatment afforded those periodicals by this legislation?

Hon. Mr. Hayden: No.

Hon. Mr. Flynn: That is the point I was trying to make, that you are creating a monopoly.

Hon. Mr. Hayden: The answer is that any publisher who wants to come into Canada is on notice as to what the state of the law is in Canada. My friend Senator Grosart was complaining bitterly a few minutes ago about retroactivity in connection with clause 19. Cannot we get together on it, or is retroactivity the kind of thing that is sometimes good and sometimes bad, depending on what proposition you are supporting or criticizing?

Hon. Mr. Flynn: I am not discussing that. I hope the honourable senator realizes that by this legislation *Time* and *Reader's Digest* have acquired a status which will make it impossible for any other non-Canadian periodical to compete with them. Therefore, this is a monopoly. It is in that sense that I used the word "monopoly."

Hon. Mr. Hayden: I do not agree with my friend that as a result of this legislation they are acquiring this status.

Hon. Mr. Flynn: Yes, they are. In fact, they have it by the law now.

Hon. Mr. Hayden: They have enjoyed it for the years they have been operating in Canada, and it is not being taken away from them.

Hon. Mr. Flynn: It is fortified by the law.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

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

Hon. Mr. Hayden: Honourable senators, I move that this bill be referred to the Standing Committee on Banking and Commerce. May I at the same time direct your attention to the fact that the committee is meeting this evening at 8 o'clock.

Hon. Mr. Croll: And in the morning?

Hon. Mr. Flynn: If necessary.

Motion agreed to.

CHILDREN OF WAR DEAD (EDUCATION ASSISTANCE) ACT

BILL TO AMEND—SECOND READING

Hon. David A. Croll moved the second reading of Bill C-125, to amend the Children of War Dead (Education Assistance) Act.

He said: Honourable senators, this bill makes the day a significant one. Lest we forget, it reminds us that the nation does not forget and the money spent under this bill is put to a good purpose.

The Children of War Dead (Education Assistance) Act came into force on July 1, 1953. Its purpose was to assist the children of members of the forces who lost their lives on service during wartime, and afterwards from causes deemed to be related to their wartime service, or from causes directly attributable to peacetime service, in obtaining the advantages of higher education at a university, college or other approved school of higher education. Under this Act service in Korea is deemed to be wartime service, but service on peace-keeping activities, whether in Cyprus, the Congo or Sinai, has not yet been so designated although the matter is now under active review by a committee of the Departments of National Defence and Veterans Affairs.

The assistance given under the original Act of 1953 takes two forms. There is a basic allowance fixed at $25 a month. This was set in 1953 and has not been added to since. There is an additional allowance of $54 a month payable for those over 21 years of age who continue post-secondary studies or training. This provision was enacted in 1958. The amount of $54 was established at that time as representing the value of a pension paid to an orphan under 21 years. The second form of assistance is in the payment of prescribed fees on courses of study or training.

The number of persons who have benefited under this legislation can best be illustrated by some tables and graphs which I hold in my hand, the first of which shows the number of applications approved for training from 1953 to 1964, and estimated to 1968. The second indicates the number of students in training at the year end 1953-54 to 1964-65, and estimated to 1971-72. The third table lists the expenditures from 1953-54 to 1963-64 with estimates to 1971-72. I ask the permission of honourable senators to place these tables on *Hansard*.

Hon. Senators: Agreed.

For tables and graphs see Appendix, pp. 313-18.

Hon. Mr. Croll: The number of students approved for assistance to date is 3,559, and the cost of the program up to the present is $2,386,237. The costs of fees and administration have amounted to $2,325,977, for a total sum of $4,712,214. I can only repeat what has been said already, that the Parliament of Canada has never expended such a small sum of money with such beneficial results.

This bill amends the original Act of 1953, and proposes changes in respect of the allowance paid. The basic allowance is to be increased from $25 to $34 a month, an increase of approximately 35 per cent, which is intended to parallel the increased cost of schooling in the past ten years.

The bill does more than that, because it also proposes to increase from $54 to $60 a month the additional allowance for those over 21 years of age who are pursuing post-secondary schooling. The Act is so worded that whenever the annual rate of a pension payable to orphan children under the Pension Act is changed, there will be a corresponding automatic increase in the additional amount which may be paid to a student after he has attained the age of 21 years.

Furthermore—and this will tickle the heart of Senator Grosart—this bill provides that it shall be deemed to have come into force on September 1, 1964, which is the date on which the increase in pensions authorized last December came into force, and that is the reason for the increase from $54 to $60 a month.

The Act has been of great value to the children it was designed to serve, and in the past eleven years a goodly number of children received university education as the result of this legislation.

I sum up by indicating that this is the kind of bill that appeals to the Senate, in that moneys are used for a worthwhile purpose and paid to those who are most deserving and in respect of whom, no matter how much we spend, we cannot compensate for their sacrifice.

I ask honourable senators to approve this bill without sending it to committee. I do not expect to be able to answer all questions, but I have had enough documents sent to me with respect to this bill to enable me to at least try.

Hon. George S. White: Honourable senators, we are indebted to Senator Croll for the complete analysis he has given of this bill, and I know that all members of this house agree with me when I say that this bill has our support.

Senator Croll has explained the principle of the bill very simply. It is to increase certain allowances paid to children to assist them to obtain an education. The tables to which Senator Croll referred have already appeared in *Hansard* of the other place, and they show in detail the number of children who have benefited under the Act, and the total cost. The tables also set out a summary of the anticipated cost to the year 1971-72, and the approximate number of children who will benefit.

This Act, like all other Acts under the Veterans' Charter, has been of great assistance. Therefore, it is only proper, in view of rising costs, and the increase granted last year in the amendment to the War Veterans' Allowance Act, that this increase be granted to those who are eligible.

We on this side of the house approve of the bill, and support it in every respect. We are satisfied that it is not necessary to refer it to committee.

Hon. Mr. Burchill: May I ask the honourable sponsor (Hon. Mr. Croll) a question? Why was the amount of $34 chosen?

Hon. Mr. Croll: The amount of $34 reflects the increase of 35 per cent in the cost of education over the last ten years.

Hon. Mr. O'Leary (Antigonish-Guysborough): What is the basis for the increase from $54 to $60?

Hon. Mr. Croll: That is a calculation of what a pension would be worth to one who is under 21 years of age under the Pension Act.

Hon. Mr. O'Leary (Antigonish-Guysborough): That does not answer my question. Why $60?

Hon. Mr. Croll: It is an increase from $54 to $60. This increase was granted as being compensatory and realistic in relation to the original sum fixed in 1958.

Motion agreed to and bill read second time.

THIRD READING

The Hon. the Acting Speaker (Hon. Arthur L. Beaubien): Honourable senators, when shall this bill be read the third time?

Hon. Mr. Croll: 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.

ARMY BENEVOLENT FUND ACT

BILL TO AMEND—SECOND READING

Hon. A. B. Baird moved the second reading of Bill C-126, to amend the Army Benevolent Fund.

He said: Honourable senators, the fund referred to in the title of the statute this bill amends was established in 1947 by Act of Parliament. The original net worth of the fund was $9,293,477, and this total represented the accumulated surplus realized in the last Great War by the canteen operations of the Canadian Forces and auxiliary services.

These surpluses were considered to be the property of Canadian Army veterans of that war, and were set up as a separate independent fund to be administered by an independent non-government agency for the benefit of war veterans and their dependants.

The Army Benevolent Fund Board has operated the fund as a form of insurance against unexpected contingencies, such as sickness, accident and death. The maximum grant the board makes is normally $300.

The moneys belonging to this fund are held in trust by the Receiver General of Canada, and the financial transactions under the act are audited by the Auditor General.

It is not my intention to go into greater detail about the operation of the fund itself. Perhaps the most comprehensive statement

ever placed on the record about this non-governmental agency was by the honourable Leader of the Opposition (Hon. Mr. Brooks) when he spoke to a similar measure to the one we have before us, in 1961. I would refer all senators interested in the detail of the organization of the Army Benevolent Fund to that statement.

To return to the bill before us, I might summarize its significance in this way. The Act, as passed in 1947, set an interest rate of 2½ per cent for the funds on deposit with the Receiver General of Canada. This was amended in 1952, when the rate of interest paid was increased to 3½ per cent on the first $5 million, and remained at 2½ per cent on the balance.

The next amendment was in 1961. On that occasion the interest rate was raised to 4 per cent on the first $5 million and to 3 per cent on the balance. The bill before us proposes a further increase in the rate of interest paid by the Government for the use of these funds to 4¾ per cent. This rate is to apply for a period of five years. At the end of the five-year period following the coming into force of this Act, the rate will be automatically reviewed and set by the Governor in Council for a further five-year period at the effective interest rate on long-term Government of Canada bonds. This quinquennial adjustment in the interest rate is to take place automatically for the life of the fund.

Perhaps some information about disbursement under the fund would be of interest. The balance at March 31, 1965 stood at $5,552,028. The number of recipients of assistance in the fiscal year 1964-65 totalled 3,085. Payments under the fund have been larger than expected, and the average annual outlay over the last 10 years has been $520,000. The net outlay in 1964-65 was $451,544.

The fund is probably in its peak years of activity, and undoubtedly the next decade will witness a decline resulting from a decline in the number eligible for assistance.

The new rate of interest will provide an additional $34,000 per year in revenue for the fund and this, of course, will be a benefit to all our veterans receiving assistance under this program.

One final note. The Government, in addition to paying interest on these moneys, makes a grant to assist in defraying the cost of the administration of the Army Benevolent Fund. The value of this annual grant is presently $18,000.

Honourable senators will note that this is something which comes not from the Government, but rather from the army itself. It is an accumulation of funds from canteens, which funds are in the hands of the Government, and for that consideration, naturally they are paying interest on it.

If there are any questions, I shall be only too pleased to answer them now.

Hon. A. J. Brooks: Honourable senators, it is unnecessary for me to make any extended remarks on this bill.

First, I wish to congratulate the sponsor (Hon. Mr. Baird) on his explanation of the bill, and also to thank him for the compliment he paid me as sponsor of the similar bill which came before us a few years ago. Frankly, I wish I had before me the remarks I made at that time, which would make my task easier at the present time.

The subject matter of this bill is well known to all veterans, as well as to others. The Act was passed in 1947. The fund has given tremendous help to many thousands of veterans all across Canada. It provides assistance to veterans who do not receive help from other funds, such as pensions, or the War Veterans Allowance, although at times the fund supplements both.

In many cases a veteran who has sickness, or whose family suffers distress of some kind, appeals to the Department of Veterans Affairs. Often it is found that such veterans cannot be helped by a pension because they are not pensioners, or that the War Veterans Allowance is not available to them. In many cases they are helped by this fund which, as the sponsor (Hon. Mr. Baird) pointed out, does not cost the Government anything. The fund was made up from receipts from canteens during World War II. The Canadian Legion contributed to the fund, as did the Knights of Columbus, the Salvation Army, and similar organizations.

The interest rate on the fund has been substantially increased. At first it was 2½ per cent, which the Government paid; then it was 4 per cent up to $5 million and 3½ per cent on the balance.

The fund, which originally stood at $9 millon odd, is now approximately $5 million, and the Government has guaranteed to pay 4¾ per cent. That is the situation today. This fund is expected to last, I understand, for 30 years, and it will continue to help our veterans.

Perhaps honourable senators would be interested to know some of the ways in which the Army Benevolent Fund has helped individuals. I obtained a report on the Army

Benevolent Fund, giving some examples. When I was Minister of Veterans Affairs I used to come in contact with many similar cases. This report of the activities of the Army Benevolent Fund is best told in terms of the people it has helped.

The widow of a veteran who died in 1959, and two of her children who were emotionally disturbed required financial assistance. A grant from the fund was used to permit the widow and children to return to her home town in Nova Scotia and to establish a new residence. A veterans organization assisted in finding part-time work for her.

A 61-year-old veteran who was forced to give up construction work due to ill health was helped. His wife had previously been employed in a small confectionery store which was up for sale. A grant was made to assist in this purchase. The store is being operated by the wife and it is expected that, if the veteran's health improves, he can engage in part-time employment to supplement the family income.

The eldest of five children of a War Veterans Allowance recipient was an honour student. The fund made arrangements under which the student aid facilities of a leading university would be made available to permit this student to enter university in the fall of 1964. The Army Benevolent Fund made a grant to provide transportation expense.

A 47-year-old veteran lost his wife through terminal illness. The plan of assistance arranged by the fund included a part-time housekeeper to look after the five surviving children, settlement of the medical and funeral debt, and transportation expenses for the veteran's mother to move from British Columbia to Ontario to care for the children.

Those are some samples of the work which this fund is undertaking and which is of immense help to the needy.

Honourable senators, I entirely agree with the sponsor of the bill (Hon. Mr. Baird) that it is unnecessary to refer this bill to a committee.

Hon. Mr. Burchill: May I ask the sponsor of the bill, who administers the fund and to whom applications should be made for assistance?

Hon. Mr. Baird: I think I covered that. There are committees in many different parts of the country.

Hon. Mr. Brooks: There is a central committee in Ottawa and one in each province.

Hon. Mr. Burchill: Are these provincial, regional committees?

Hon. Mr. Baird: Yes.

Motion agreed to and bill read second time.

THIRD READING

The Hon. the Acting Speaker (Hon. Arthur L. Beaubien): Honourable senators, when shall this bill be read the third time?

Hon. Mr. Baird: 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.

WAR VETERANS ALLOWANCE ACT, 1952

BILL TO AMEND—SECOND READING

Hon. C. G. Power moved the second reading of Bill C-127, to amend the War Veterans Allowance Act, 1952.

He said: Honourable senators, in speaking to this bill I almost wish to make a plea to be made eligible under it, because at one time it was known as the "worn-out veterans bill."

I confess that I sponsored a similar bill in the Commons back in 1930 and had the pleasure of appearing before Senate committees to defend it in that year and in subsequent years. I had what was sometimes called a pleasure, but at other times could be called a trial, being subjected to severe questioning by such veteran watchdogs of the Treasury as the Honourable Arthur Meighen on one side and the Honourable Senator Dandurand on the other. All I can say now is that if this bill got through the Senate in 1930, having been subjected to the kind of criticism it got here in those days, it must have been pretty sound legislation.

It was intended originally to provide for allowances to servicemen who had served overseas in an active theatre of war, but who, because there was no ostensible indication of a disability which they had suffered on account of their service or attributable to their service, were not pensionable or, if pensionable, received only a small pension. It was felt that it could be assumed that the hardship, the strain of service in the trenches —and, I repeat, in the front line—would be such as to have affected the mental and physical capacity of these men. If they had reached the age of 65 and were considered to be unemployable on account of this assumed incapacity, they were entitled to the

provisions of the War Veterans Allowance.

Since that time the act has been altered almost beyond recognition. Frankly, I am not responsible for many of the alterations and do not take any responsibility for them. It now embraces a large number of people who would not have been qualified when the Act was passed originally.

At the present time there are 84,000 veterans, widows and orphans who are recipients under the legislation, and the cost of allowances is approximately $91,500,000.

To the best of my recollection—and I am not entirely clear about this—at the time the bill was introduced it was felt that it would reach the peak of expenditure some time in 1949. Of course at that time there was only one war to take into consideration—there were no Second World War veterans. The amount that it was presumed would be involved in 1949 was a great deal less than this $91 million.

The bill provides for sanction by legislation of the increased benefits payable as War Veterans Allowances under the Appropriation Act of December 1964. These changes took effect on September 1, 1964, and they are incorporated in this bill.

Apart from that there are some relatively minor changes designed to improve the operation and administration of the Act. For instance, it is proposed that the maximum equity in real property allowed a recipient be increased from $9,000 to $10,000. I presume that is to allow for the increased cost of building a house since 1961, when $9,000 was allowed.

It is proposed to extend service eligibility to Canadians who served in the British and Allied forces only in the United Kingdom on the same basis as Canadians who served in the Canadian forces. Under the present Act, those people who saw service only in the United Kingdom are eligible if they served in the United Kingdom for a period of one year prior to November 12, 1918. This makes eligible Canadians who served in the Allied forces and in the Imperial forces, but never got beyond England.

There is certain eligibility for a widow if she remarries. Of course she loses the War Veterans Allowance, but should her husband die within five years she can be replaced on War Veterans Allowance.

There was in the Act—and I cannot remember just why—a provision whereby a recipient of a War Veterans Allowance who went to hospital was taxed $10 a month or some such small amount. Because he was hospitalized he was presumed to be maintained by the Government, and on that account they took away from his allowance an amount of $10 a month. I am told that this caused as much expense in the administration and accounting that the department judged it not worth while trying to collect.

For the same reason, under a certain section of the Act veterans who were only temporarily unemployed could register with the National Employment Service and if they became employed they went off the War Veterans Allowance Act. There have been very few such cases, and at the present time the departmental officers feel that it is not worth while making provision for them. At the moment, there are none at all.

There is wide discretion being given under the present legislation to the War Veterans Allowance Board with respect to widows of war veterans. Under legislation before this bill was introduced, if a veteran died within a year after his marriage, the widow did not receive the War Veterans Allowance unless it could be shown that the veteran, at the time he married, was in such a condition of health as to justify his having a life expectancy of at least one year. It has been found difficult to apply this rule, and the board has asked for discretion in dealing with such a case with respect to the life expectancy of a person who marries. Under this bill the board may in its discretion award the Veterans Allowance to the widow.

I think that covers all the clauses in the bill to which reference is necessary. There is, however, one clause that frankly I do not understand, and I hope I do not have to explain it. It deals with Canadians who served in the Imperial forces or in Allied services in England. In order to qualify under legislation existing for the last five or six years, they must have served 365 days in England prior to November 12, 1918. Now for some reason these people are being allowed to count as part of the 365 days the period from the date of their embarkation in Canada and, if they returned to Canada, the period from the date of their embarkation in England for their return. I cannot say I know the reason for this, but I am sure that this clause, including the 10 days' travelling time, would apply to only a small number of persons.

Hon. Mr. Brooks: I apologize for interrupting the honourable senator, but I do so to mention that it has been found in a number

of cases that veterans were three or four days short of the 365 required under the original Act, and the Legion and other veterans' organizations have been quite insistent that the time spent sailing should be included. I think there were a number of ships involved with some thousands of men on board, and by including the time spent in sailing this would allow a number of men to qualify who otherwise would not do so.

Hon. Mr. Power: I am sure the officers of the department will thank my honourable friend for defending them against my criticism. I accept his contribution in support of that particular clause.

Hon. Mr. Brooks: I think I was explaining it rather than supporting it.

Hon. Mr. Macdonald (Brantford): If they came from Vancouver, could they include the time spent on the train?

Hon. Mr. Power: I think my honourable friend Senator Hayden, who has been endeavouring to explain the semantics in the Income Tax Act, would be better able to tell you whether embarkation means embarkation on ship, train, bus, or walking on the street. I would say it meant on ship, but I am not sure.

Hon. Mr. Brooks: You can also embark on a venture.

Hon. George S. White: Honourable senators, we are indeed fortunate to have in the Senate two former ministers of Veterans Affairs. The honourable senator who introduced the bill has been known over the years as one of the very best friends of veterans in Canada.

In my opinion this bill is one of the pillars of the Veterans' Charter. I am sure every honourable senator has encountered cases in his own vicinity where the benefits payable under this Act have been of the greatest possible assistance to the veteran and his dependents.

Throughout the years since the First World War, from the time when we first had a department dealing with veterans' affairs, it has been the practice and custom in both houses that members of all parties have worked together to promote and improve legislation concerning the welfare of the veteran and his dependents.

This bill, as explained by honourable Senator Power, covers a number of amendments and changes in the Act. He has covered practically all of them. Certain new and varied definitions are included. There is a schedule to the Act showing the new allowances and their ceilings. As he pointed out, these allowances were increased last fall. There is now a provision dealing with payments where both husband and wife are veterans. Another amendment increases from $9,000 to $10,000 the exemption of the value the veteran's residence for the purpose of determining income under this Act. This is reasonable when one considers the increase in the value of houses and real estate each year. There is also provision for payment of allowances to the veteran and dependents while the veteran is in an institution, and new discretions are given to the War Veterans Allowance Board. Generally, when a discretion is given to a minister there are many complaints, but I know that nobody will complain because of the discretion given to the Board. There is yet a further amendment extending the eligibility of people who are to benefit by the Act, and I do not think anybody will object to that.

I have considered this bill very carefully and in my view all the changes and amendments are for the benefit of the veteran and his dependents. We support the bill, and we feel that it will not be necessary to send it to committee.

Hon. Malcolm Hollett: May I ask the sponsor of the bill if by any chance these amendments to the War Veterans Allowance Act will give a better deal to the Newfoundland Foresters. Though they served in England, they do not get the same benefits under the War Veterans Allowance Act as do the foresters from the mainland. I am going to fight until they do, and for that reason I would ask the sponsor if their position is to be improved under this bill. They served in England for three or four years.

Hon. Mr. Power: I think they were enlisted as civilians in the Imperial service. I do not remember the name of the particular act, but I know there is legislation which covers the payments to be made in such circumstances. I do not think there is a war veterans allowance applicable to such persons. Perhaps my honourable friend Senator Brooks knows the particular legislation I have in mind. These are what one might call semi-civilians; they were not actually in the armed services but were enlisted to do forestry work.

Hon. Mr. Hollett: But the distinction between the mainland forestry workers and the Newfoundland forestry workers was simply that you were able to pay for uniforms for yours, and we in Newfoundland could not afford to pay for uniforms for ours. There-

fore, they are not eligible for the same benefits.

Hon. Mr. Power: Am I right in thinking that the Newfoundland Foresters had no connection with the army whatever? I think they were civilians and were enlisted by the Imperial Government.

Hon. Mr. Hollett: Yes, but they are Canadians now, I hope. What is the definition of a Canadian at this particular point of time, in 1965?

Hon. Mr. Power: I am under the impression that there is nothing in this bill that covers them.

Hon. Mr. Hollett: Would it not be a good idea to insert a clause in this bill to cover these men? I know men who served as foresters in the First World War and who today are as old as I am and are incapacitated and get no recognition whatever.

Hon. Mr. Power: I am sorry, but I do not think that the Senate could insert any clause in this bill which would involve more expenditure for the Crown.

Hon. Mr. Brooks: I rather hesitate to get into this controversy, but as the honourable senator who sponsored the bill has said, the Newfoundland foresters who enlisted in the Second World War were enlisted as workers for the British Army. They were not taken actually into the British Army, but were civilians taken to Great Britain and worked there, mostly in Scotland.

Hon. Mr. Hollett: Just like mainlanders.

Hon. Mr. Brooks: No. The Canadians in the First World War were soldiers as such. Many of them enlisted in the army, and because of low categories were taken into the Forestry Corps, which was a branch of the service like the Railway Corps and others. These men you speak of were never in the army as were the foresters in the First World War. Many of them served in France and other areas.

Hon. Mr. Hollett: They were drafted.

Hon. Mr. Brooks: Yes, but they did that work because they were in the army. Once they did that, then, they would be in the army and would be looked after, but the men who did not enlist would be civilians.

Senator Power referred to a certain act, the name of which I do not recall. The firefighters, nurses and others were not in the army. If they were wounded by bombing or if they were hurt while serving, or if anything of that kind happened to them, they came under the act and they could get a pension or a war veteran's allowance. I do not think the British made provision in that way for these men you are speaking of.

Hon. Mr. Hollett: It is the duty of Canada today to make provision, not Great Britain, not only for those serving in the Second World War but also for those who served in the First World War. They are Canadians; they were fighting for Great Britain and Canada.

Hon. Mr. Power: I would not have qualified them at any time, even if they were Canadians and were in forestry.

Hon. Mr. Brooks: The veterans' organizations usually recommend people for consideration.

Hon. Mr. Hollett: In other words, a mainlander who enlisted in the army and went to England and the war was over and he was in England a year before returning to Canada, is taken care of; but a Newfoundlander who is now Canadian who enlisted in the forestry, went to England, spent a year or more there and then came back is not taken care of. What is the difference?

Hon. Mr. Power: As I said earlier, I was one of those who deliberately kept the foresters, Canadian and all foresters, out of the provisions of this Act because I did not think the occupation of forester was such that they suffered the strain and hardship of those serving in the trenches. This Act was originally intended to cover those who could be assumed to have disabilities that were not obvious but nevertheless were caused by the hardship and strain of serving in the trenches. I, for one, deliberately left out Canadian foresters who served in the Jura Mountains in France and in the Pyrenees, but those who have been dealing with this matter subsequently have been bringing more and more people in. I do not know why they do not let all the civilians in, because the persons mentioned by my honourable friend were civilians.

Hon. Mr. Hollett: And mainland foresters, because they wore a uniform were soldiers, but Newfoundlanders who did not wear a uniform but served in Great Britain like mainland foresters, do not come under this Act. I think it is time someone took notice of this situation.

Motion agreed to and bill read second time.

THIRD READING

The Hon. the Acting Speaker (Hon. Arthur L. Beaubien): Honourable senators, when shall this bill be read the third time?

Hon. Mr. Power: 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.

PRIVATE BILL

AETNA CASUALTY AND SURETY COMPANY OF CANADA—SECOND READING

Hon. Eric Cook moved the second reading of Bill S-18, to incorporate Aetna Casualty and Surety Company of Canada.

He said: Honourable senators, the purpose of Bill S-18 is to incorporate in Canada the Aetna Casualty and Surety Company. The American parent company has already been doing business in Canada for 47 years. It now wishes to incorporate a Canadian company for the purpose of transacting business in Canada in future.

The first directors of the new company will be the promoters named in section 1. The capital of the company is to be $5 million, of which $1 million in capital and surplus must be paid in before the company may commence business.

The head office of the company will be in Toronto, and by virtue of section 6 the company will be empowered to carry on business in the fire, casualty and surety fields, but not, of course, the business of a life insurance company.

Honourable senators, if the bill receives second reading, I shall move that it be referred to the Standing Committee on Banking and Commerce, where the promoters of the bill will be available to answer any questions which may then arise.

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.

SUSPENSION OF RULE 119

Leave having been given to revert to the order for notices of motions:

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

> That Rule 119 be suspended in so far as it relates to Bill S-15, intituled: "An Act to incorporate Aetna Casualty and Surety Company of Canada".

He said: Honourable senators, I understand that if Parliament does adjourn within the next few days, Bill S-18 cannot come before the Standing Committee on Banking and Commerce for perhaps a matter of months. As it is a very simple and somewhat matter-of-form bill, and as I am informed the committee will be having several meetings within the next few days, I move this motion.

Motion agreed to.

INDIAN CLAIMS

APPOINTMENT OF SENATE MEMBERS TO JOINT COMMITTEE

The Senate resumed from yesterday consideration of the motion of Hon. John J. Connolly:

> That the Senate do unite with the House of Commons in the appointment of a Joint Committee of both Houses of Parliament to consider Bill C-123, intituled: An Act to provide for the disposition of Indian Claims, and to report from time to time its observations and opinions thereon;
>
> That the Senate designate ten members of the Senate to be members of the Joint Committee, namely, the Honourable Senators Aird, Beaubien (Provencher), Belisle, Boucher, Gershaw, Gladstone, Macdonald (Brantford), McGrand, Quart and Smith (Kamloops);
>
> That the Joint Committee have power to send for persons, papers and records; 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. Connolly (Ottawa West): Honourable senators, I move consideration of the motion standing in my name.

Motion agreed to.

PENITENTIARIES

APPOINTMENT OF SENATE MEMBERS TO JOINT COMMITTEE

The Senate resumed from yesterday consideration of the motion of Hon. John J. Connolly:

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 the Senate designate nine members of the Senate to be members of the Joint Committee, namely, the Honourable Senators Cameron, Cook, Croll, Fergusson, Fournier (Madawaska-Restigouche), Gouin, Inman, Irvine and O'Leary (Carleton);

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. Connolly (Ottawa West): Honourable senators, I move consideration of the motion standing in my name.

Hon. John M. Macdonald: Honourable senators, before this motion is disposed of I would like to take a few moments to discuss it. I do not propose at this time to go in any detail into what has been proposed regarding the work of this committee. We know the essence of the resolution is that the committee will consider the state of penitentiaries under the control of the Government of Canada, and the plans of the Government in relation thereto.

This makes for a narrow term of reference. No doubt the committee will do most useful work by giving the public an authoritative report on the present state or condition of our penitentiaries, and also by reporting whether the plans of the Government in respect thereto are, in its view, adequate.

I understand that the terms of the resolution were drafted in a narrow sense because a commission with very wide terms of reference has been appointed. This commission is to examine and report on the whole correctional process from the very initial investigation of an offence through to the final discharge of a prisoner.

I have read some criticism of the appointment of this committee and, indeed, of Government plans for the building of new correctional institutions before the report of the commission is made. Under normal circumstances it might be better not to build new institutions until the report of the commission is received.

However, from what I have read—and my reading has included some of the addresses given by the Minister of Justice—the situation is such that delay cannot be permitted. Some, if not all, of our penitentiaries are old, and all are overcrowded. Indeed, the buildings as such are not now suitable, if ever they were, as correctional institutions. Some of them were built in the days when the idea was simply to punish the person who had been convicted of some offence under the Criminal Code. I dare say they were functional in those times and for that purpose; but, I believe that society has long since given up the idea that a person is sent to a penitentiary only as a punishment. At least, I hope we are more enlightened in our thinking, and that we are now concerned about a person who commits an offence against society; that we are concerned about him as a person, about his future, and about his family, if he has one.

It is my hope that the committee will interpret its terms of reference as widely as possible, and that it will discuss and hear discussions on many aspects of our penal system, even at the risk of duplicating some of the work of the commission. Indeed, since this committee will be reporting first I would hope it would have some discussion with the members of the commission because I feel their views will be of value to the committee.

Honourable senators, anyone reading statistics regarding our prison population must be concerned and alarmed. It is evident that our prison population is too high in relation to that of other countries. For example, it has been stated that the Canadian prison population rose from 22,747 in 1962 to 23,512 in 1963. In that same period Britain's prison population dropped from 31,700 to 29,000, and it must be remembered that the total population of Britain is much larger than ours. I do not know enough about the system in Britain to understand whether this is a good comparison, but in any event it causes one to wonder why our prison population is so high because, generally speaking, we are a law-abiding people.

It may well be that our probation system should be used to a larger extent. I appreciate the fact that there is, for various rea-

sons, a shortage of qualified probation officers, but surely this can be overcome. I should say here that I happen to have some knowledge of the work done by these people, and it is a useful and very valuable work. Probation officers are doing difficult work with patience, understanding and ability.

We know too that the Parole Board is working well in a sympathetic, yet realistic, manner, and is returning prisoners to society as soon as there is a reasonable indication that they will not return to crime. The board is especially sympathetic to those who commit what might be termed a casual crime—persons who have not offended before and who are not criminals in the sense that they have followed a pattern of lawbreaking over a period of time. However, we must realize that while probation officers are and the Parole Board are to be commended on their work, our prison population is increasing.

I sometimes wonder if persons are sent to federal penitentiaries when a shorter term in a municipal institution would suffice, provided there were sufficient such institutions with facilities for the proper care, training and employment of such persons. Indeed, I have known of instances where a judge after sending a convicted person to a federal penitentiary has mentioned that he would have sent him to a municipal jail had he not felt that such an institution was not a proper place for the convicted man.

Honourable senators, we all realize that the sentencing of persons convicted of offences is a complex and difficult matter. Anyone reading of sentences given in various parts of Canada for the same offence must be struck by the variation or inequalities of the terms imposed. No doubt some offences are regarded as more serious in some regions of the country than in others. It is to be expected that some judges will take a more serious view of certain types of crime than others, but it has occurred to me that it is perhaps time for us to take a new look at the administration of the criminal law in so far as the sentencing of persons convicted of indictable offences is concerned.

In my view, it should not be part of the duty of a judge to impose sentence upon a convicted person. After all, the main responsibility of a judge in a criminal case is to preside at the trial, to ensure that there is a fair trial according to the rules of evidence, and to properly instruct the jury, or, in a non-jury trial, to judge the evidence presented and to render a true verdict according to that evidence. As a general rule, before their appointment as judges, lawyers receive no special training in this work. A judge, upon his appointment to the Bench, has had no special training in the sentencing of persons to federal penitentiaries.

I put forward the suggestion that it might well be a better system if, after a person has been found guilty, the sentence not be imposed by the trial judge, but that there be a board constituted, not necessarily composed of either judges or lawyers, which would set the sentence. Such a board would have to be set up on a regional basis, and perhaps this type of system might be difficult to put into effect. If it is too difficult to put into practice, then it is my opinion that something else should be done in the near future.

I believe there should be an automatic review of all sentences that impose a term in a federal penitentiary, and such a review could be undertaken by boards set up in the various provinces for the purpose. If it is thought that that might not be the best way of dealing with the problem, then there should at least be an automatic review of all such sentences by the courts of appeal of the provinces.

If this could be done—if we could take away from judges the responsibility of imposing sentences, leaving that duty to another tribunal—then I believe it would have the effect of giving this matter a more uniform aspect across the country, and of doing away with the inequalities and variations in sentences that we read about. We would hear no more of cases in which a person is sentenced to a two-year term and another person sentenced to a ten-year term for what is apparently the same offence.

Of course, I quite understand that in some of these cases perhaps special circumstances are involved. However, I think it is time for us to take a new look at the administration of our criminal law in so far as the sentencing of persons convicted of indictable offences is concerned.

Honourable senators, I am afraid I have wandered far from the terms of the resolution proposed. I will conclude by saying that I believe the proposed committee can render a very useful and beneficial service, and knowing at least that some members of this chamber will be on that committee, I am sure such service will be rendered.

Motion agreed to.

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY—DEBATE CONTINUED

Then Senate resumed from Thursday, June 3, consideration of His Excellency the Governor General's speech at the opening of the session, and the motion of Hon. Mr. Bourque, seconded by Hon. Mr. Aird, for an address in reply thereto.

Hon. Muriel McQ. Fergusson: Honourable senators, as previous speakers in this debate have done, I congratulate the honourable Senator Bourque and the honourable Senator Aird for their very fine speeches as mover and seconder of a motion for an Address in reply to the Speech from the Throne. I also congratulate all other honourable senators who, before me, participated in the debate.

Many things are mentioned in the Speech from the Throne that are of great interest to me, and about which I would like to comment. However, some of them have already been covered adequately by other senators. I do not wish to go over the same ground, although I do want to say that I support all the legislation proposed in the Speech from the Throne, and especially those matters which I feel will be of particular benefit to the people of my own province of New Brunswick.

The proposed measures to assist family farms will mean a great deal to New Brunswick, where we have a large rural population and where many family farms have been abandoned because it was not economically possible for them to carry on. We hope that with the assistance the Government plans to give, this trend in New Brunswick to abandon farms will cease.

Because fishing is one of the chief sources of income of the people of my province, since the Speech from the Throne was delivered our people have been eagerly awaiting the proposed measures regarding an expanded National Fisheries Advisory Development program. One of the first measures to implement this program is the Fisheries Improvement Loans Act, which is Bill C-121, and was so ably explained in this house last Tuesday by Senator Connolly of Halifax North. He referred very favourably to the federal Minister of Fisheries, although on reading his speceh I could not find that he mentioned the minister by name.

I would like to say that in New Brunswick we are happy and proud that Canada's Minister of Fisheries, the Honourable Hedard Robichaud, comes from our province. The name of Robichaud, a French Acadian name, held by the Premier of our province, by the honourable Minister of Fisheries of the federal Government, and by a Justice of our Supreme Court, is a very well-known name in New Brunswick and very highly regarded there.

An article which appeared in one of our provincial papers recently stated that the Premier's family is descended from Charles de la Tour, who was a Lieutenant Governor of Acadia in the early days of the 17th century. One of the most interesting and romantic stories of early Canada is that of Charles de la Tour and his brave and dauntless wife. I understand that our Premier does not make any claim to this relationship, but it would certainly be interesting if it is true that our New Brunswick Premier is a descendant of this family.

Before the Honourable Hedard Robichaud, the federal Minister of Fisheries entered the political arena, he was for some years a most successful Director of Fisheries for our province. Through the experience he gained then he thoroughly understands the problems of fishermen and has given special attention to the needs of the small fishermen, which include very many all along the east coast of Canada who make their living in this manner.

Honourable senators will be interested to know that 80,000 Canadians fish for a living. Although Senator Connolly (Halifax North) told us that in 1963 the primary production of fish was valued at $129 million, its commercial value now exceeds $200 million annually. This places Canada's fisheries among the most important in the world.

Canada ranks third in the world in fish exports, and is surpassed only by Norway and Japan. Two-thirds of the fish landed by Canadian commercial fishermen are exported to other countries, with the United States being the biggest customer, but shipments to Britain and European countries are increasing every year. With such a large proportion of our fish harvest being exported, and thus bringing much money to Canada, it is easy to understand how important the fishing industry is to Canada's economy.

The policies of previous federal governments have given help to fishermen, but most of that help went to larger operators in the fish business. Since Mr. Robichaud has been minister, he has stressed the great need for help to the small operators as well, as is shown by Bill C-121.

Many things are taking place in New Brunswick which have been advocated by the Minister of Fisheries, who is New Brunswick's representative in the Cabinet, and have received his support at the ministerial level, such as the deep-water harbour at Belledune Point which, when completed, will have a depth of 42 feet and will be able to accommodate the most modern deep-draft bulk carriers. The port will provide initially for handling about five million tons of cargo per year. This tonnage will become available as a result of the $200 million smelter and industrial complex being constructed by the Brunswick Mining and Smelting Corporation and East Coast Smelting and Chemical Company Limited at the site. These two companies will share in the cost of the protective work and the wharves.

Two weeks ago Dr. M. J. Boylen, President of Brunswick Mining and Smelting Corporation, announced that, in addition to the $200 million complex already started, building would also start immediately at Belledune Point of a $20 million ammonia plant, which will provide more work and more cargo to be shipped from the new deep-water harbour.

Another project the Honourable Mr. Robichaud has supported is the construction of the new Grand Manan Ferry and Terminals at Black's Harbour and North Head, which are greatly needed, since the transportation in use at present is inadequate to accommodate the dwellers on the islands and even more inadequate to accommodate the very many tourists who every summer visit the Canadian islands in the Bay of Fundy, especially since the Roosevelt-Campobello International Park was established on Campobello Island in 1964.

The grant of $2½ million towards the construction of the Centennial Building in Fredericton, the new Air Terminals at Moncton and Fredericton, the increase in the federal share for the construction of the Trans-Canada Highway from 50 per cent to 90 per cent, the increase in assistance being provided for the construction of ships, particularly fishing vessels, the grant to the New Brunswick Research and Productivity Council of $1¼ million towards the building of a laboratory and associated equipment, and the approval of the federal Government to the grant, through the Atlantic Development Board, of $20 million to assist the Mactaquac hydro project, are all matters which the Honourable Mr. Robichaud has been supporting consistently and successfully. One of his outstanding accomplishments as Minister of Fisheries was the convening of the first Federal-Provincial Conference on Fisheries in history, which was held in January 1964, and the result of which is that a national development program in fisheries is being implemented.

I agree with Senator Rattenbury when he said in his excellent speech in this debate that New Brunswick needs power, adequate transportation including roads, more technical training and greater support for higher education. There should be also more opportunity for retraining those whose jobs may have become obsolete in this day of increasing automation.

Senator Rattenbury covered these matters very thoroughly and I will not repeat what he has told you, except that I would like to make it clear that I, too, support the Mactaquac hydro power project situated about 14 miles above Fredericton on the Saint John River where the Mactaquac River, a modest stream, flows into the Saint John. In the language of the Maliseet Indians, Mactaquac means "Big Branch," which is an appropriate designation for this tributary of the beautiful Saint John River. When completed, this development will produce 504,000 kilowatts of power from six units. Each of the six generators will have a capacity of 84,000 kilowatts and the first two units are scheduled to go on line in 1968. This immense development will supply much of the power New Brunswick needs for full development of its resources.

In agreement with both Senator Fournier (Madawaska-Restigouche) and Senator Rattenbury, I am also very much in favour of the proposed corridor road across Maine which will link New Brunswick and the other Maritime Provinces with Quebec. As so much passenger and freight traffic is carried these days by cars and trucks, this road, which is many miles shorter than any other road from the Maritimes to Quebec, will diminish transportation costs for freight and will increase the number of tourists who will visit the Maritimes. According to a spending formula developed by the Dominion Bureau of Statistics, the value of the tourist industry to New Brunswick for 1964 reached over $58,573,000, and we certainly favour anything that will increase this important industry. This corridor road will make the Maritime Provinces more accessible to tourists, particularly those from Quebec, Ontario, Manitoba, the Prairie Provinces and British Columbia, and it will also assist Maritime farmers and other producers to get their goods to the markets of Quebec and Ontario

and the western provinces more quickly and with less cost. It should also reduce the transportation costs on manufactured goods shipped from those provinces to the Maritimes.

Honourable senators, I am following eagerly the work of the Company of Young Canadians. For many years I worked with Canadian Girls in Training and with Girl Guides. I have the greatest faith in our young people. I find this project exciting beyond measure and look for great things to come of it. In the press I read that a member of the House of Commons has suggested it might be a good idea for Canada to organize a Company of Older Canadians as well. Studies regarding the fields of opportunities for Canadians who have reached what is now considered the normal retirement age but who are still alert and active, have made the members of the Senate Committee on Aging realize that in Canada opportunities for retired older citizens to do something useful are very limited indeed. Perhaps a Company of Older Canadians, whether called by that name or some other, is one of the recommendations that the Senate Committee on Aging might consider including in its report, for there are many worthwhile things such an older group, with their knowledge and experience, might do.

I cannot refrain from putting in a plea for increased federal assistance for our universities. Our Maritime universities are almost unable to cope with their financial problems. I am sure you know that the fees charged each student are far from enough to pay the expenses of keeping a student at a university. These problems are increased for New Brunswick universities because of the number of students attending our universities from outside our province.

The present formula regarding federal grants for higher education is based on the per capita population of each province. The amount assigned to a province under this formula is divided among the universities in the province according to the number of full-time students in the universities in that province. Our New Brunswick universities have a large number of students from outside Canada and from other provinces of Canada. Although we strive for excellence and are flattered that our universities are considered good enough to attract outside students, under the present formula for federal grants New Brunswick universities are at a great disadvantage. For instance, under this formula, for 1964-65 the national average paid to universities per student is $241. The amount paid per student in Newfoundland is $370. In Ontario the amount paid per student is $282, but in New Brunswick it is only $214 per student.

The Bladen Commission set up by the Canadian Universities Foundation in March 1964, of which our colleague the honourable Senator McCutcheon is a member, is studying the financing of higher education in Canada and is expected to report with recommendations in 1965. It is earnestly hoped in New Brunswick that this commission will recommend some formula, setting policies for the allocation of funds by governments for higher education, that will result in a more equitable allowance for higher education in New Brunswick. If such a recommendation is made by the Bladen Commission, we sincerely hope it will be implemented by the federal Government.

Hon. Mr. Farris: Why is that distinction made in the low allowance for New Brunswick students?

Hon. Mrs. Fergusson: University grants are based on the per capita population, and that determines how much each province will get. That amount is divided among the universities in each province, based on the number of full-time university students. Because the number of university students in New Brunswick is increased by many students from outside the province, the amount for each student is reduced. That is why we get the lower amount.

I am sure it is unnecessary for me to tell honourable senators that I am keenly interested in all the proposed measures which have to do with social progress, such as the Canadian Assistance Plan, the study to be made regarding the price we in Canada pay for drugs, the amendments to various acts to improve the position of veterans and their families, and several others.

Doubtless I will be speaking on a number of these bills when they come before the Senate and I will not refer to them further today. Before closing, however, I want to make reference to the paragraph in the Speech from the Throne which states that arrangements are to be made to decide the issue of capital punishment.

To me this is a most important issue. I had the experience of sitting on the Joint Committee of the Senate and the House of Commons on this matter and which began its meetings in 1954 and continued into June 1956.

In that committee we heard many witnesses who had close personal knowledge of the degrading and demoralizing effect capital punishment has, not only on the condemned but also on many others who, because of the positions they occupy, have to attend and take part in executions. I had a reasonably open mind on this subject when the committee started its hearings in February 1954. Long before the committee finished its hearings I had definitely decided that I could not conscientiously support retention of capital punishment, and I still hold those views.

I do not intend to make a prolonged speech at this time stating arguments on this subject, but I do want to say that I for one was convinced that no evidence was presented to the committee which proved to my satisfaction that capital punishment is a deterrent to crime.

I felt then and still feel it is morally wrong for the state to take life just as it is morally wrong for an individual to do so, and I also believe that the motivation behind such punishment is not retribution for a crime but is society's wish for revenge, which surely is an outmoded and unchristian motive.

I am not convinced that there can be no possibility of error in criminal cases involving the death penalty, and I am very conscious of the irrevocability of the death sentence. Certainly, if this matter is debated in this chamber I hope to enlarge on and add to these reasons for my support of abolition of the death penalty. Besides what I have said, I want to draw one fact to the attention of honourable senators.

The Joint Committee on Capital and Corporal Punishment and Lotteries reported to the House of Commons and the Senate on the matter of capital punishment in June 1956, but this report has never been debated in either house. Very often when I have listened to panel discussions or debates on this subject outside Parliament, I have heard reference made to the report of the joint committee on the matter of capital punishment and especially to the fact that the report recommended the retention of capital punishment.

Hon. Mr. Choquette: Hear, hear.

Hon. Mrs. Fergusson: I am sure from these discussions and debates that many people are of the opinion that if this recommendation was not unanimous it was supported by most of the members of the committee. As a matter of fact, at the meeting on June 21, 1956, when a vote was taken regarding the committee's stand on the matter of the retention of capital punishment, only 17 of the 28 members were present and although a majority of those present voted for retention, the votes in favour were a minority of the committee members. I had not been aware that this important matter was to be voted on by the committee on that day, and it may be that some of the 11 members who were absent did not know it either. However, a vote was taken of the committee members present on the question: Shall the committee recommend that capital punishment be retained? And the committee voted for retention by 10 to 7. A motion was then made in committee that because so many members were absent the absentees should be polled on the question. The chairman considered this to be irregular, but a vote was taken and this was negatived by a 10 to 7 vote of the committee members present. It was suggested that the recorded divisions be treated as secret, but the chairman held that this would be irregular and contrary to proper procedure unless the committee had been authorized to hold secret proceedings.

I recall very vividly inquiring at that time if a minority report by those who did not favour retention could be made, and I was told it was impossible to submit a minority report with a committee report. I was quite new in the Senate at that time and I did not know this myself. I now know that this is in fact the situation. I was told that if I felt strongly about this matter I would have an opportunity to present my views when the report was debated in the Senate. However, as I said, the report has never been debated in the Senate. The reason for this may have been that the Government of the day felt that the time was not opportune, or that the Canadian public was not sufficiently informed on the matter for the introduction of any legislation.

However, even though the studies of the joint committee and the report which contained some recommendations did not result in a debate in either house, the joint committee served a valuable purpose because the lengthy reports of the hearings which appeared in the press aroused great interest throughout the country and brought the matter to the attention of the public. Actually, although I feel sure it was not set up for that purpose, the committee proved to be an exercise in public education on this important matter.

I am making reference to this today because I want to point out that after the joint committee had studied the subject of capital punishment over a long period of time, not

all members of that committee, not even a large majority of them, voted for retention of the death penalty.

On motion of Hon. Mr. Smith (Kamloops), debate adjourned.

VETERANS' LAND ACT

BILL TO AMEND—FIRST READING

The Hon. the Acting Speaker (Hon. Mr. White) informed the Senate that a message had been received from the House of Commons with Bill C-128, to amend the Veterans' Land 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.

BUSINESS OF THE SENATE

On the notice of motion for adjournment:

Hon. John J. Connolly: Honourable senators, I think it will be agreed on all sides of the house that we have had a very busy and fruitful afternoon. I am very grateful to all honourable senators for the help and co-operation they have given at this particular stage of the session. There is talk that the summer recess may begin very soon, perhaps tomorrow. I do not think there is any likelihood that anything will happen tonight in the other place to affect our position or that would make it necessary for us to be here.

I now move, with leave, that when the Senate adjourns today it do stand adjourned until tomorrow morning at 11 o'clock.

In making this motion I know there is a certain risk involved because if they should conclude their legislation on the other side it may be that they will endeavour to have Royal Assent. Nevertheless, we have to do our own work, and we have a very important committee meeting at eight o'clock this evening to consider the Income Tax Act. For that reason and because of the information which I have been given, I feel it is appropriate that we should now adjourn until tomorrow morning at 11 o'clock.

Hon. Mr. Brooks: May I say that I entirely agree with the honourable leader. I think the course that he has suggested is appropriate and I do not see any reason why he should apologize to anyone.

Motion agreed to.

The Senate adjourned until tomorrow at 11 a.m.

APPENDIX

(*See p. 298*)

STATISTICAL INFORMATION RESPECTING EDUCATION FOR CHILDREN OF WAR DEAD

Table I

CHILDREN OF WAR DEAD (EDUCATION ASSISTANCE) ACT

Applications Approved for Training 1953-1964 and Estimated to 1968

Year	Cases Approved For Training	Projection of New Cases Anticipated
1953-54	306	
1954-55	187	
1955-56	186	
1956-57	193	
1957-58	234	
1958-59	300	
1959-60	330	
1960-61	367	
1961-62	448	
1962-63	374	
1963-64	354	
1964-65		275
1965-66		240
1966-67		180
1967-68		160
1968-69		130

Note: The projection in this table is based upon known potential students in secondary schools.

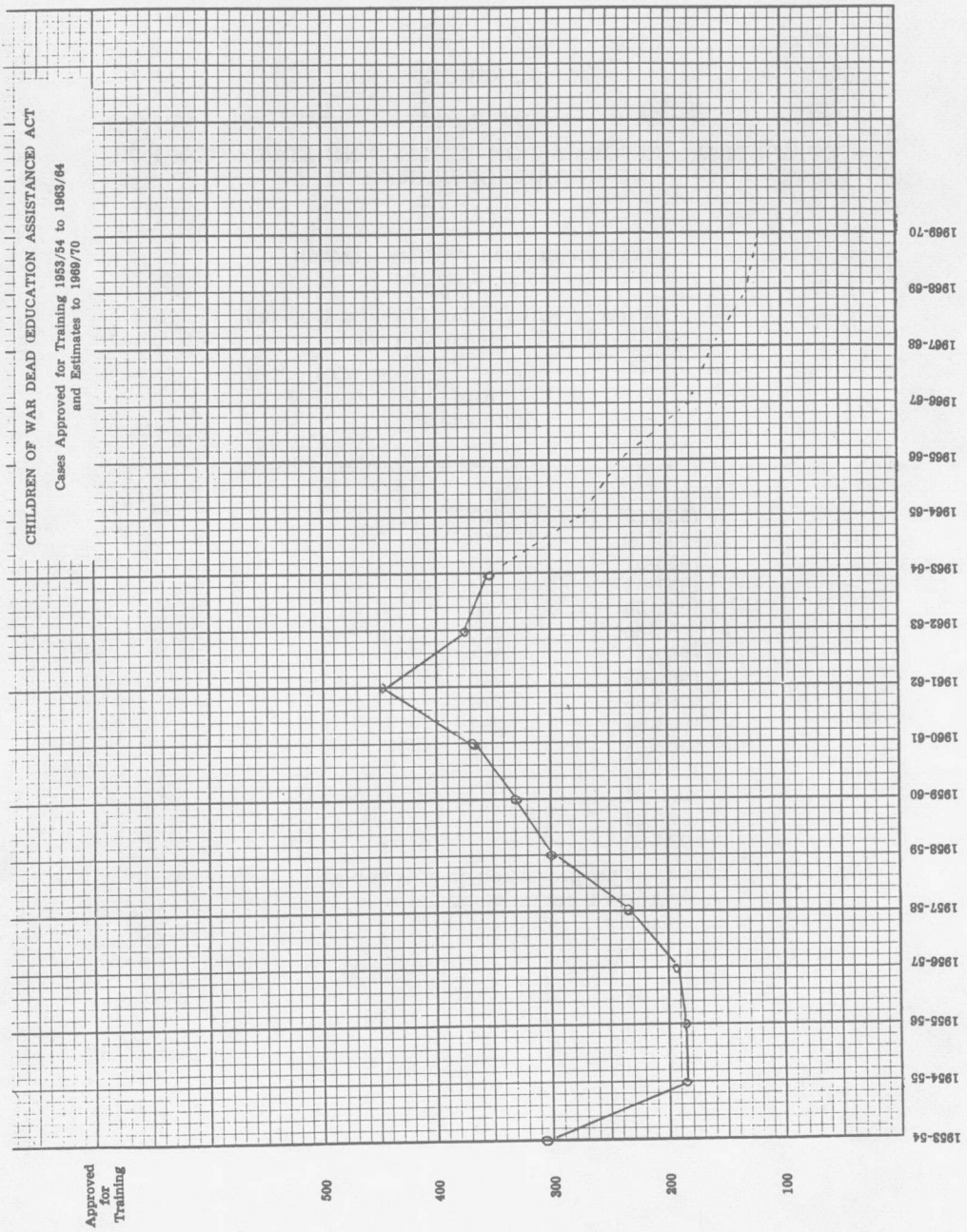

CHILDREN OF WAR DEAD (EDUCATION ASSISTANCE) ACT
Cases Approved for Training 1953/54 to 1963/64 and Estimates to 1969/70
Approved for Training
500
400
300
200
100
1953-54
1954-55
1955-56
1956-57
1957-58
1958-59
1959-60
1960-61
1961-62
1962-63
1963-64
1964-65
1965-66
1966-67
1967-68
1968-69
1969-70

Table II

CHILDREN OF WAR DEAD (EDUCATION ASSISTANCE) ACT

Number of Students in Training at the Year-end 1953/54 to 1964/65 and Estimates to 1971-2.

Year	No. of Students In Training at Year-end	Estimate of Active Training Strength at Year-end
1953-54	281	
1954-55	348	
1955-56	411	
1956-57	462	
1957-58	475	
1958-59	579	
1959-60	696	
1960-61	821	
1961-62	942	
1962-63	955	
1963-64	1,014	
1964-65	920*	
1965-66		840
1966-67		790
1967-68		700
1968-69		600
1969-70		500
1970-71		450
1971-72		420

* Based upon figures at December 31, 1964 —estimated to March 31, 1965.

Note: The estimates in this table are based upon current trainee load, estimated intake and a course length of 4 years for university and 3 years for nursing and technology courses.

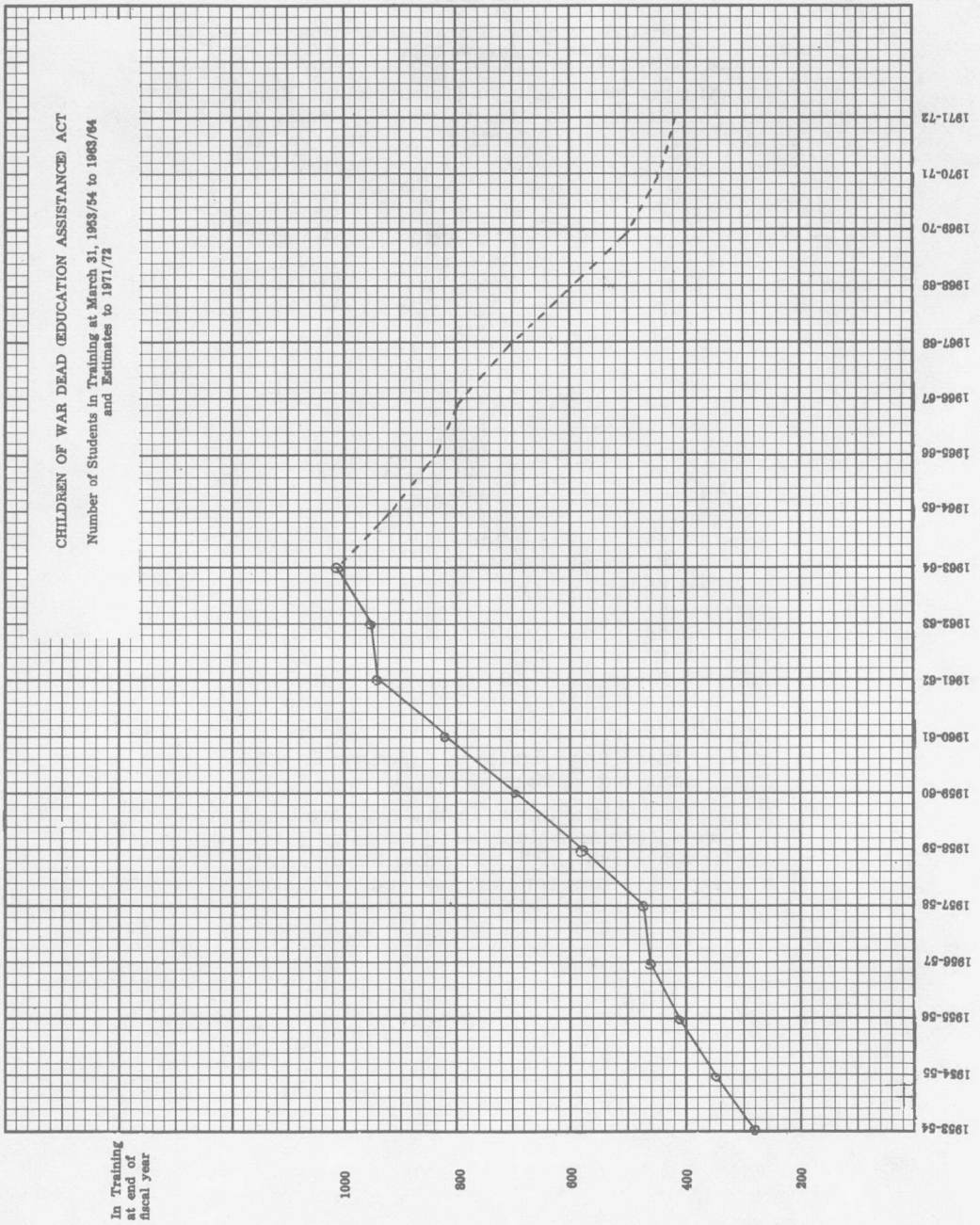

CHILDREN OF WAR DEAD (EDUCATION ASSISTANCE) ACT
Number of Students in Training at March 31, 1953/54 to 1963/64
and Estimates to 1971/72
In Training at end of fiscal year
1000
800
600
400
200
1953-54
1954-55
1955-56
1956-57
1957-58
1958-59
1959-60
1960-61
1961-62
1962-63
1963-64
1964-65
1965-66
1966-67
1967-68
1968-69
1969-70
1970-71
1971-72

Table III

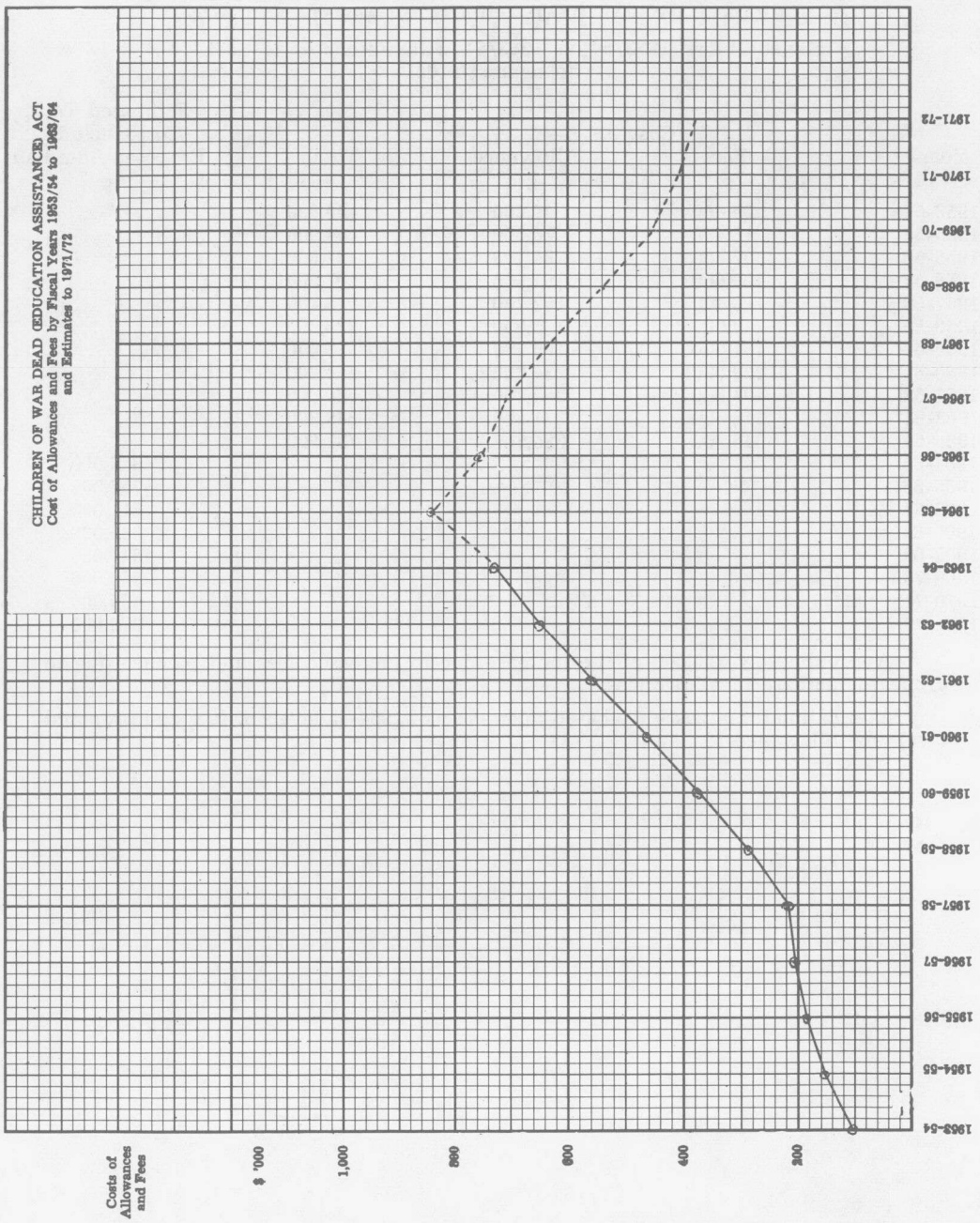
CHILDREN OF WAR DEAD (EDUCATION ASSISTANCE) ACT

Expenditures 1953/54 to 1963/64 with Estimates to 1971/72
(to nearest $100)

Year	Cost of Fees	Allowances	Total	Estimated Total Cost (Including Proposed Admdts.)
	$	$	$	$
1953-54	59,600	47,200	106,800	
1954-55	78,400	76,500	154,900	
1955-56	97,800	84,700	182,500	
1956-57	109,600	97,900	207,500	
1957-58	113,400	102,700	216,100	
1958-59	143,000	145,800	288,800	
1959-60	181,000	196,600	377,600	
1960-61	229,600	234,600	464,200	
1961-62	294,600	265,700	560,300	
1962-63	316,500	331,800	648,300	
1963-64	345,200	386,700	731,900	
1964-65				845,000*
1965-66				756,000
1966-67				711,000
1967-68				630,000
1968-69				540,000
1969-70				450,000
1970-71				405,000
1971-72				378,000

*Approximately $20,000 of the increase due to increased fees and balance due to proposed increase in allowances.

Note: Estimates of costs are based upon basis of 1964-65 levels of fees and proposed levels for allowances.


CHILDREN OF WAR DEAD (EDUCATION ASSISTANCE) ACT
Cost of Allowances and Fees by Fiscal Years 1953/54 to 1963/64
and Estimates to 1971/72
Costs of Allowances and Fees
$ '000
1,000
800
600
400
200
1953-54
1954-55
1955-56
1956-57
1957-58
1958-59
1959-60
1960-61
1961-62
1962-63
1963-64
1964-65
1965-66
1966-67
1967-68
1968-69
1969-70
1970-71
1971-72

THE SENATE

Wednesday, June 30, 1965

The Senate met at 11 a.m., the Speaker in the Chair.

Prayers.

THE MINISTRY

SUGGESTED PORTFOLIO CHANGES

Hon. Jean-François Pouliot: Honourable senators, before the Orders of the Day are considered, I would like to make a suggestion with all deference to the Prime Minister.

Owing to the fact that the office of Minister of Justice is presently vacant, I suggest that the Leader of the Government in the Senate, the Honourable Senator John J. Connolly, Q.C., be appointed Minister of Justice; and that the present incumbent of the office of Solicitor General be appointed to the Bench or transferred to another department; and, in order to equalize things, that Mr. Jean Chrétien, M.P. for Saint-Maurice-Laflèche, a very bright lawyer and an able man, be appointed Solicitor General at the earliest possible opportunity.

Hon. John J. Connolly: Honourable senators, the country might be better served if the present Prime Minister should continue to elect his Cabinet, and if the honourable senator should not have the power of making the appointments he has suggested, especially in respect of myself. I do appreciate the flattery and the kindness which inspires his remarks.

I have felt from the beginning that the office of Leader of the Government in the Senate is very much a full-time job. I should add that the administration of the office is made possible only because of the co-operation I have had from all parts of this chamber. But it is nice to have a man on the team who thinks well of the fellow who is trying to call the signals! I do appreciate what Senator Pouliot has said.

DOCUMENTS TABLED

Hon. John J. Connolly tabled:

Report of the Centennial Commission, including its Accounts and Financial Statements certified by the Auditor General, for the fiscal year ended March 31, 1965, pursuant to section 16 of the Centennial of Canadian Confederation Act, chapter 36, Statutes of Canada, 1963. (English and French texts).

Report of the Canadian Maritime Commission for the fiscal year ended March 31, 1965, pursuant to section 13 of the Canadian Maritime Commission Act, chapter 38, R.S.C., 1952. (English text).

Copy of the Report of a Special Public Inquiry into—1. the truth of certain allegations concerning (a) the offer of a bribe to a lawyer whom the American government had retained to take action before the Courts for the extradition of a certain Lucien Rivard, (b) pressures brought to bear on him; 2. the behaviour of the Royal Canadian Mounted Police and the Minister of Justice when the said allegations were brought to their attention. (The Honourable Frederic Dorion, Commissioner). (English and French texts).

Copy of publication entitled "Capital Punishment—Material Relating to its Purpose and Value". (English and French texts).

Statement concerning the inauguration of regular air service from Montreal to Guadeloupe, dated June 23, 1965, by the Minister of Transport. (English and French texts).

Copy of the Final Communiqué issued following the meeting of Commonwealth Prime Ministers, 1965, together with related papers. (English text).

INCOME TAX ACT AND THE FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS 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 C-118, to amend the Income Tax Act and the Federal-Provincial Fiscal Arrangements 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, 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-118, to amend the Income Tax Act and the Federal-Provincial Fiscal Arrangements Act, and had directed that the bill be reported without amendment.

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.

Honourable Jacques Flynn: Honourable senators, before the motion is decided definitely, may I say for the record we regret that the committee failed to remedy what we consider the essential defect in the legislation, as contained in section 4 of this bill concerning Canadian periodicals. We remain convinced that the exemption contained in subsection (2) of this section will render this legislation useless. Of course we realize that to move an amendment at this stage would be a mere repetition of the debate which took place in committee, and therefore we can only say that we cannot continue opposing the bill, but we do register our discontent.

The Hon. the Speaker: Honourable senators, is it your pleasure that this bill be read the third time now?

Hon. Mr. Flynn: On division.

Motion agreed to and bill read third time and passed, on division.

PRIVATE BILL

AETNA CASUALTY AND SURETY 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-18, to incorporate Aetna Casualty and Surety Company of Canada, and had directed that the bill be reported with the following amendments:

1. Page 1: Strike out lines 20 to 23, both inclusive, and substitute therefor the following:

"incorporated under the name of Aetna Casualty Company of Canada, and, in French, La Compagnie Aetna Casualty du Canada, hereinafter called "the company"."

2. In the Title: Strike out "and Surety".

He said: Honourable senators, the bill came before us under the name of "Aetna Casualty and Surety Company of Canada". The committee decided, with consent, to strike out the words "and Surety". Under the amendment, the name becomes Aetna Casualty Company of Canada, and in French, La Compagnie Aetna Casualty du Canada. That is the only change made in the bill.

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.

Report adopted.

THIRD READING

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

Hon. Mr. Cook: Honourable senators, 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.

CUSTOMS TARIFF

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 C-120, to amend the Customs Tariff:

> 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-120, to amend the Customs Tariff, and had directed that the bill be reported without amendment.

Report adopted.

THIRD READING

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

Hon. Mr. Hayden: 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.

DIVORCE

REPORTS OF COMMITTEE ADOPTED

Hon. David A. Croll, for Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the committee's reports Nos. 221 to 234, inclusive.

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

Hon. Mr. Croll: With leave of the Senate, I move that these reports be adopted now.

Motion agreed to.

COMMONWEALTH PRIME MINISTERS MEETING, 1965

FINAL COMMUNIQUÉ PRINTED AS APPENDIX

Hon. John J. Connolly, with leave, moved:

That the copy of the final communiqué issued following the meeting of Commonwealth Prime Ministers, 1965, together with related papers, tabled today, be printed as an appendix to the *Debates of the Senate* of this day.

Hon. A. J. Brooks: Honourable senators, I know that a similar motion has been presented on previous occasions, but may I ask the honourable Leader of the Government if this procedure is being followed in the House of Commons?

Hon. Mr. Connolly (Ottawa West): I am told that this is customary procedure in both houses following a meeting of the Commonwealth Prime Ministers. It is a source of convenience to all honourable senators to have the final communiqué and related papers in *Hansard* so that the documents are readily available.

Hon. Mr. Brooks: Yes, it is very appropriate.

Motion agreed to.

For text of communiqué, see Appendix pp. 352-64.

HON. J. WESLEY STAMBAUGH
HON. NANCY HODGES

RETIREMENT FROM THE SENATE

On the Orders of the Day:

Hon. John J. Connolly: Honourable senators, before the Orders of the Day are called I think it is appropriate for me to refer to the fact that since the Act making provision for the retirement of members of the Senate was passed by Parliament, two of our colleagues have taken advantage of its provisions and have retired. Both of them are from western Canada.

The first of these senators to whom I refer is the Honourable J. Wesley Stambaugh of Alberta. Honourable Mr. Stambaugh was the first senator to take advantage of the legislation. He was a long-time advocate of the retirement of senators. He advocated the idea in this chamber many years ago, and when the opportunity presented itself he showed that he had the conviction not only in theory but in fact.

I do not want to deal with a retirement as a too-sad occasion. I think that any senator who retires will be able to retire in dignity after good service. This is particularly true of the two senators to whom I shall refer this morning.

Senator Stambaugh was born in the State of Michigan, the son of a Methodist minister. He came to Canada 60 years ago, and became a successful farmer. He married and had five children. He has been a colleague of ours in the Senate for just over 15 years. I can say without reservation that Senator Stambaugh's service in this chamber has been valuable indeed.

During his service in this house, Senator Stambaugh was a direct, outspoken man. He was most knowledgeable, particularly of problems of western Canada, and more particularly of agriculture. Of course, he was interested in other western problems and, indeed, in national problems such as transport and communications which are so vital to western development. He was extremely well informed on the spectacular oil and gas development which has taken place in western Canada since he came here.

Senator Stambaugh served on eight standing committees and on two very important special committees, the Committee on Land Use and the Joint Committee on the Canada Pension Plan. Despite the fact that the Senate was not sitting when the latter committee was in session and that his health at that time was not particularly good, he had such

a high sense of duty that he came to Ottawa shortly after the New Year and remained here, as did other members of that joint committee, during the entire winter until the work of the joint committee concluded.

Senator Stambaugh is a man of great common sense and of high idealism. He is also, as honourable senators know, a great outdoorsman. There are very few of the important lakes in western Quebec and eastern Ontario which he does not know and where he has not fished. He is a most enthusiastic and skilled fisherman. Perhaps a good many senators have been the beneficiary of some of his catches.

Wes. Stambaugh was a respected, faithful, popular and, indeed, beloved comrade in the Senate. I must confess that when he came to see me just before he left for his home in Bruce, Alberta, I felt a deep sense of loss in parting from him. He has given fine service to his country, to his province, to his party. He has earned the respect and gratitude of all of us. I know that all honourable senators join in wishing him many happy years of retirement.

Honourable senators, may I now speak of the retirement of the Honourable Nancy Hodges, who is the first lady to retire from the Senate.

Nancy Hodges' name is a household word in Victoria, and indeed throughout British Columbia, as well as in national circles, especially within women's organizations.

Mrs. Hodges was at one time President of the National Federation of Liberal Women of Canada; she was President of the Business and Professional Women's Club, and President of the Women's Canadian Club of Victoria.

Mrs. Hodges, like Mr. Stambaugh, was born outside Canada. Born in England, she came to Canada at an early age. She was a journalist, and worked with her husband for many years on the Victoria *Daily Times*. Those of us who remember her speeches in the Senate, and recall meeting here with her on various occasions, will know what an expert she was in the use of the English language for which she had a fine appreciation. No doubt this talent was chiselled out of her wide reading and the work that she did for many years, not only as an active journalist but also as a parliamentarian.

Senator Hodges was not unknown to politics. When she came to the Senate she had already been successful in three out of five elections for the British Columbia Legislature. She had the unique distinction of being the first woman to occupy, permanently, the chair of the Speaker in a Commonwealth legislature.

Senator Hodges served in the Senate since 1953. She was a faithful and diligent senator, not only in the chamber, but in the work of some of our prominent committees. Unfortunately for her and for the Senate, her health declined, and she was not able to carry out the duties that attracted her early interest in the work here.

I am sure that I express the hope of all honourable senators that her retirement may very soon bring better health to her.

To Senator Hodges, we owe a great debt of gratitude for the fine and the elevated character of public service she has rendered to this country.

Hon. Walter M. Aseltine: Honourable senators, I concur fully with the remarks which have just been made by the Leader of the Government in the Senate. He has left little for me to say about these distinguished former senators and colleagues of ours. However, I wish to take this opportunity of making a few personal observations.

Usually, when we pay tributes it is to the memory of an honourable senator who has passed to the Great Beyond. Today we are paying tribute to two of our former senators who are still in the land of the living, and I think this is the proper time to say what we think about them. It seems to me much more appropriate than to wait until they have passed away.

I note that the Leader of the Government referred to these two former senators, who have taken advantage of the Retirement of Senators Bill, as the Honourable Wesley Stambaugh and the Honourable Nancy Hodges. We were told when this Act was passed that any senator who retired under it would continue to be known as "the honourable" lady or gentleman, as the case may be.

I was particularly well acquainted with Senator Stambaugh. He was a fellow fisherman friend and now that he has retired I wish him good fishing for the rest of his natural life.

It has been said that he came to Canada from the United States some 60 years ago. He arrived in Canada in 1905 and was one of the early pioneers in the district of Alberta where he settled. I am not sure whether he took up a homestead or not, but I know he acquired land holdings and farmed successfully, and still does, in that great Province of Alberta.

It might be interesting to honourable senators to know that since he retired, and returned home, they have had wonderful rains in both Alberta and Saskatchewan. Whether his retirement had anything to do with that I do not know, but I am willing to give him all the credit I can. He will be very happy with the present crop situation in the Prairie Provinces; it is a wonderful thing to see. They have had some five, six or seven inches of rain; the prospects are for bumper crops, and I am sure that Wesley Stambaugh is enjoying those prospects just as much as I am.

Senator Stambaugh has a delightful personality. He is a good companion and, as I said before, a good fisherman. I hope that he will have a long life, that he will have good health and, as the Leader of the Government has said, will enjoy his well-earned leisure.

With regard to the Honourable Nancy Hodges, I wish to say that she was a fine senator and she was and is a lovely lady. When I say "lady" I mean a real lady in every sense of the term. I enjoyed my friendship with her during the 12 or 13 years that she was a member of the Senate. I know we will sorely miss her.

One of the things in which she was deeply interested was parliamentary divorce. She wanted to get rid of it, just as I did. Perhaps honourable senators have forgotten that, after having been unsuccessful in 1938 and again in 1955 in trying to reform our divorce laws, in 1956 I took a different angle and brought in a bill to amend the Exchequer Court Act, giving the judges of that court the power to deal with and decide in every respect divorce applications or petitions which came from the provinces of Quebec and Newfoundland.

I introduced the bill to amend the Exchequer Court Act on February 15, 1956; I made the speech on second reading shortly thereafter, and on March 6 the honourable Senator Nancy Hodges rose in her place and spoke as seconder of my motion. She made an excellent speech on that occasion. This measure was debated for some three and a half months, and when it came to a vote we were quite badly beaten. However, at the present moment I wonder if what we did in 1956 has not had some bearing on what has happened since that time, for now we have a Commissioner, who is a judge of the Exchequer Court of Canada, taking evidence. I am hopeful that Senator Hodges and I are entitled to take some credit for that having taken place. At any rate, we did our best to lay the groundwork and I am still hoping, and I think it will come about in time, that these divorce matters will be removed entirely from the Senate and will be considered in the Exchequer Court.

I certainly appreciated the help which was given to me by Senator Hodges in connection with that bill. She kept up her interest, because every time when she came back to the Senate she would ask me, "When are you going to introduce another bill to amend the Exchequer Court Act?" I reminded her that I was instrumental in bringing a bill in 1938, another in 1955, and still another in 1956, and that I was almost ready to throw in the towel. However, she kept her interest up to the present time.

Hon. Mr. Choquette: We were always sure of one vote from the Liberal side.

Hon. Mr. Aseltine: As I said before, the Leader of the Government has left very little for me to say about these two honourable colleagues who have retired from the Senate. I hope the honourable Mrs. Hodges' health will improve, that she will live for many years to come and that she will enjoy not only health and happiness but her well-earned leisure.

SPEECH FROM THE THRONE

ADDRESS IN REPLY ADOPTED

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. Bourque, seconded by Hon. Mr. Aird, for an address in reply thereto.

Hon. Sydney J. Smith: Honourable senators, I welcome this opportunity to speak very briefly on the motion moving the reply to the Speech from the Throne.

The debate on this motion has now been under way for more than a month and many honourable senators have participated in it. However, the lapse of time and the fact that many speakers have preceded me does not depreciate to any extent the warmth of my congratulations to the mover and seconder of this motion. May I also at this time extend my congratulations to my leader, the Honourable John J. Connolly, and to the Leader of the Opposition, the Honourable Mr. Brooks, and to His Honour Speaker Bourget.

Consideration of the Speech from the Throne read by His Excellency the Governor General at this session of Parliament, presents an opportunity which is quite unusual.

Most subjects discussed in the Throne Speech to date have economic values to the people of Canada. It might be that some items of legislation would have greater value for the poor and lesser for the rich. In other cases our decisions on legislation might affect the economy of underprivileged or developing countries and do less for the more fortunate countries and communities. But in all such issues that I refer to as economic, our judgment might prove faulty, but we do not suffer pangs of conscience, as an error can always be corrected later by an amendment.

But I must remind honourable senators that the Speech which we are now considering contains a reference that demands a degree of soul-searching that no economic issue ever presents, because whatever action we take does not affect the material welfare of anyone—it is a matter of life and death. The reference is:

> Arrangements will be made for you to decide the issue of capital punishment. My Government will appoint a special committee to study and make recommendations on a comprehensive policy for the correction and rehabilitation of prisoners.

I have tried to maintain an open mind on the subject of abolition while studying the issue. I wanted to consider both sides of the question, and I am inspired to speak on the subject at this time because I consider that so far it has been largely a one-sided debate.

At this point I wish to congratulate the honourable senator for Fort Garry (Hon. Mr. Yuzyk), who gave this subject exclusive attention in a masterly manner during the early stages of this debate. His treatment of the subject reflected a very definite viewpoint which we might expect from the secretary of the Canadian Society for the Abolition of the Death Penalty. I did look forward to further light on the subject that would help me to weigh up both sides of the question before coming to a conclusion.

I attended the panel discussion recently conducted by the Society for the Abolition of the Death Penalty, but I found that it was not actually a discussion but rather a presentation by a group of international leaders in the campaign for abolition. Many of the speakers were distinguished professional defence lawyers who have had long experience in a great many murder trials. It is just natural for such lawyers to have an abolitionist viewpoint. Likewise prosecution lawyers would naturally lean towards retention of the death penalty. I would like to hear from a similar group of professional prosecutors, judges, and police officers whose experience had been on the prosecution side of murder trials.

The question of abolition of capital punishment is so important and so serious that it deserves consideration of every viewpoint. I have studied the subject sufficiently to learn that there are very definite differences of opinion, but I have also learned that the supporters of abolition are so well organized that it is inviting people who have not reached an opinion of their own to climb onto the abolition bandwagon. Some think that they would be looked on as a sort of moron if they take a stand for retention.

I believe that a large majority of those charged with either capital or non-capital murder can be classified as mentally ill, sex maniacs, perverts, etc. I think the basic cause for people in these categories getting into trouble is their inability to discipline themselves, and I believe that in our society people who cannot discipline themselves must be disciplined by the state. One of the major functions of our judicial system is to fulfil that responsibility. And may I remind honourable senators that there is little chance of miscarriage of justice, due to the fact that our judicial system is founded on the principle of giving the accused the benefit of the doubt at all times and under all circumstances.

Built into our judicial system is a parole and rehabilitation program. This is an area in which I believe there is a serious weakness. The parole and rehabilitation program encourages a type of sincere, but often overzealous, people and organizations that are influenced more by their hearts than their heads to exert pressure for lighter sentences and more lenient parole. Such persons and organizations show more concern for the comfort and welfare of cold-blooded killers than they do for the mothers, widows and children of police officers and others who have been their victims.

In addition to the kindly, well-meaning people there is another class who are considered respectable citizens, who have developed a disregard for the whole system of law and order in recent years. I suggest that perhaps the increasing disregard for law and order is to some extent due to the increase in the number of citizens who are coming in contact with the law through the

medium of parking tickets, speeding tickets, charges for impaired driving, etc. It is a new experience for increasing numbers of citizens to be charged with infractions. Out of this situation has developed a fellow-feeling between the so-called respectable citizen who considers it excusable to break rules and regulations, if he can get away with it, and the more hardened lawbreaker who is charged with more serious crimes, such as robbery, assault, and even murder. There was a time when decent, respectable citizens felt duty bound to go to the aid of a police officer who called for their help, but it is quite a common occurrence in this day and age for people to refuse to assist police when called on to do so. In fact it is considered smart today to avoid being a witness or giving evidence that would assist the prosecution of the law.

Disregard for law and order is closely related to the campaign for easing up on penalties and urging for parole in the name of rehabilitation. To illustrate my point I have here the official police files on two recent cases in British Columbia involving two men who killed four police officers after being released or paroled. I now quote from the file of George Booth, who lived in my home town of Kamloops, in British Columbia. The police report reads as follows:

> In 1957 Booth, then 27 years of age, was committed to a mental hospital. He was released after 4 months treatment. He worked as a labourer when jobs were available. Otherwise he existed on social assistance. On the morning of June 18, 1962 Booth was questioned by a conservation officer in relation to a rifle he was carrying in Kamloops. Booth immediately raised the rifle and threatened the officer. The matter was reported to the RCMP and 3 constables—Pedersen, Weisgerber and Keck—followed Booth in an effort to talk him into laying down his rifle. Booth took off and was pursued by the police. Eventually Booth shot and killed Pedersen and before his companions could take over he also shot them. The 3 constables died immediately. Booth ran off into a hilly wooded area where he opened up fire on a party that had been organized to locate him. Without warning Booth commenced firing at members of the search party and was fatally wounded in an exchange of gunfire. These 3 young policemen left widows and young children.

As there was no prosecution, this case is not recorded in available tables showing police officers killed while on duty.

The second police file is on Russell Spears, and reads as follows:

> Russell Spears had been known to the police for criminal convictions from 1935 to 1962. The crimes committed by this person were generally of a violent nature and included rape, aggravated assault, and committing an offence while armed. After escaping custody in 1949 Spears lived for more than a month in the woods and wounded a policeman before being apprehended. In 1935 he was sentenced to 18 months definite and 12 months indefinite with 5 strokes of the strap. In 1937 he was paroled. In 1938 he was sentenced to 10 years for rape and released in 1946. In 1948 he was sentenced to 1 year at Penticton, B.C., and escaped. In 1949 he was sentenced to 2 years and was released on expiration of the sentence. In 1959 he was charged with rape and contributing to juvenile delinquency and sentenced to 3 years and released on expiration of sentence. In 1962 he was charged with rape and common assault. Following his last jail sentence he was living in a shack near Kelowna, B.C. Constable N. M. Bruce of the RCMP, Kelowna detachment, went to Spears' cabin on April 10th, 1965 to investigate a complaint and on approaching the cabin, Bruce was immediately shot by Spears. He died 4 days later as a result of the bullet wound through his right lung. Spears escaped and following a 9 day hunt his trail was followed by a police service dog that knocked him to the ground and when he was ordered to surrender he turned the gun on himself and committed suicide.

This is another case in which no prosecution will take place and it is apparently too recent to be found in the records of policemen murdered while on duty.

The Ottawa *Journal* of May 8, 1965, in referring to this matter, said:

> At the recent funeral of a mounted policeman at Kamloops, B.C., were his widow and the widows of three other young Mounties who had also been killed on duty. Too easily we forget how dangerous police work can be when savage men are being hunted.

I happen to know of these two cases; that is why I have cited them. I know the circumstances and I knew these young widows when they were school girls in Kamloops. They would not be widows now if parole from prison and release from mental institutions were not so lax. Too many killers have been allowed to become repeaters.

According to Norman Campbell, writing in the Ottawa *Citizen* of June 24, last, there were 21 police officers murdered in Canada in the past 25 years. Mr. Campbell's authority for these figures is the White Paper just issued by the Department of Justice entitled, "Capital Punishment—Material Relating to its Purpose and Value." That is the White Paper which I think has reached the hands of every Member of Parliament in both houses. I am sure that honourable senators have received this book, and I refer you to Table F on page 105. This table is entitled, "Capital cases in which policemen were victims in course of duty January 1st, 1940 to May 25th, 1965." This table contains 21 names, but it does not tell the whole story. It refers only to cases in which the killers of the policemen were tried on capital murder charges.

In addition to this list of 21 police officers who were murdered, Table G on page 106 of the same booklet lists 11, what they term, "Reported Cases" in which 14 police officers were killed in a period of less than 20 months. That period is so short because, as is explained by way of a note on Table G:

> Information on this comprehensive and detailed basis is not available for previous years.

I know there were a great many more police officers killed in cases where there was no prosecution. The Booth and Spears cases I have referred to accounted for the killing of four police officers, and nobody was brought to trial because in one case the suspect was shot in an exchange of gunfire, while the other committed suicide before being taken.

There is another table on page 108, of this White Paper which reports the killing of four prison guards, bringing the total of police and guard killings disclosed in this report to 39. If we add to this figure the number of unprosecuted cases for the same 25-year period I am sure that the total would run well into three figures. The two cases I happen to know about and referred to add four to the number.

Honourable senators, I ask you, is it any wonder that the Canadian Association of Chiefs of Police make the recommendations that we find in Part 2 on page 12 of this Department of Justice White Paper? This paper has been placed in the hands of each member of both houses, and I sincerely recommend it for your reading and study. It is not biased; it is designed to give the unbiased facts; and it gives you a pretty good chance to size up both sides of this serious problem.

Before closing, I would like to refer just briefly to three claims that are commonly made. It has been claimed that capital punishment is unchristianlike. It has been claimed that capital punishment is being abolished in most countries and states. And it has been claimed that capital punishment is not a deterrent to crime.

I find it difficult to agree with the argument that capital punishment is unchristianlike, for the reason that it is common practice to support conflicting views by conflicting Biblical quotations.

I am not going to bore honourable senators with a lot of supporting evidence on that line, but I want to refer to a news item which I have no doubt came to the attention of many honourable senators, because it appeared recently in the local press. It is a Canadian Press despatch under the date line of Windsor, Ontario, June 12. I will not read it in full, but it reports a resolution passed by a group of 35 ministers of the gospel, which they wired to the Prime Minister, in which they called for the retention of the death penalty for murder. They said:

> We have taken this action with the guidance of the Bible. In Genesis, chapter nine, verse five, it says: "Whoso sheddeth man's blood by man shall his blood be shed." That is the basis of our belief for this particular action.

Those are the words of the organization of 35 ministers.

There is also supporting evidence along this line in a book I received yesterday, as I am sure most of you did. It was a report of a radio talk by someone from Toronto speaking on behalf of the British-Israel Society in which many quotations from the Bible were used in support of that argument.

I find it difficult to believe that abolition is as general as it is claimed to be, because champions of abolition refer to abolition and non-abolition countries and states. I find that these two terms are often used very loosely in newspaper reports. The Ottawa *Journal* carried a news story on May 8 last from the

State Capitol of Vermont and under the positive heading, "Abolish Capital Punishment," whereas the fine print reads:

> Under the legislation, death by the electric chair is abolished in most cases. Juries, however, could call for the extreme penalty if the defendant is convicted for a second time on a case not related to the first conviction, and when the person killed is a policeman or prison guard on duty.

A few days ago there was a similar despatch from Albany, New York, announcing the signing by Governor Rockefeller of a state bill abolishing capital punishment. And, as in the case of the Vermont despatch, when you read the fine print you find there were similar exceptions made retaining the death penalty in cases where a policeman is killed when on duty or when a life convict commits a killing in prison or while trying to escape. These are only two recent cases that indicate the term "abolition" is not to be taken too seriously. In other words, "abolition" sometimes means modified legislation wherein capital punishment is retained in certain extreme cases.

I also find it difficult to believe that capital punishment is not a deterrent to crime. Those who claim that it is not a deterrent are jumping to a hypothetical conclusion which they cannot support with any concrete evidence. There is just as good ground for those who say it is a deterrent as for those who say it is not.

In conclusion, I must say that after very serious and exhaustive study of this subject I have come to the conclusion that I cannot give my support to the abolition of capital punishment, unless some exceptions are provided which would retain the death penalty for those convicted of capital murder of police officers or prison guards while on duty, and an assurance that much greater care would be exercised in granting parole to those who have been convicted of capital or non-capital murder.

Motion agreed to, and the address in reply to the Speech from the Throne adopted.

[*Translation*]

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.

[*Text*]

PRIVATE BILL

GENERAL MORTGAGE SERVICE CORPORATION OF CANADA—SECOND READING

Hon. T. D'Arcy Leonard moved the second reading of Bill S-17, respecting General Mortgage Service Corporation of Canada.

He said: Honourable senators, my explanation of this bill can be very brief. Its main purpose is to change the name in English of the company. The company was incorporated several years ago by Act of Parliament under the name of General Mortgage Service Corporation of Canada. The word "Service" is not now appropriate because it suggests a company of the character of a mortgage broker, whereas the company is a direct lender on first mortgages, and it now desires to drop the word "Service" from its title in English. The French name of the company never contained the word "Service", and therefore that name remains the same.

Clause 1 of the bill changes the name in English. Clause 2 gives the company power to carry on business under either the name in English, General Mortgage Corporation of Canada, or the name in French, Société Générale d'Hypothèque du Canada.

Clause 3 is the usual clause that preserves the rights of creditors and others, notwithstanding the change in name.

Clause 4 changes the designations of the bonds issued by the corporation. These bonds have hitherto been called Series A Mortgage Bonds and Series B Mortgage Bonds. The word "mortgage" is dropped from the titles of these bonds for the reason that in securities circles, mortgage bonds are generally considered to be bonds secured directly by a mortgage on real estate, whereas these bonds are secured by a group of mortgages themselves. Consequently the titles "Series A Bonds" and "Series B Bonds" are more appropriate designations.

This is my explanation of the bill, honourable senators, and if it 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. Leonard, bill referred to the Standing Committee on Banking and Commerce.

DIVORCE

REPORTS OF COMMITTEE ADOPTED

The Senate proceeded to consideration of reports of the Standing Committee on Divorce Nos. 205 to 220, inclusive, which were presented yesterday.

On motion of Hon. David A. Croll, for 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. Croll, for Hon. Mr. Roebuck, Chairman of the Standing Committee on Divorce, presented the following resolutions:

Resolution 202, for the relief of Helen Dariotis Orfanos.

Resolution 203, for the relief of Elizabeth Joan Armstrong Fullerton.

Resolution 204, for the relief of Jennifer Woodhouse Hould.

Resolution 205, for the relief of Louise Gisele Grinsell Dandurand.

Resolution 206, for the relief of Eleanor Simko Schofield.

Resolution 207, for the relief of Joyce Mary Procter Leahy.

Resolution 208, for the relief of Pauline Tourangeau Martel.

Resolution 209, for the relief of Mychajlo Pawidajko.

Resolution 210, for the relief of Cyrille Felteau.

Resolution 211, for the relief of Suzanne Esther Blancquaert Rivard.

Resolution 212, for the relief of Nancy Calista Mackenzie Hammond.

Resolution 213, for the relief of Marion Elizabeth Russell Green.

Resolution 214, for the relief of Norma Brown Dufour.

Resolution 215, for the relief of Hectorine Schmidt Guy.

Resolution 216, for the relief of Ose Nickelsen Lake.

Resolution 217, for the relief of Karla Woycke Drabos.

Resolution 218, for the relief of Alice Gleason Wagner.

Resolution 219, for the relief of Florence Cohen Fishman.

Resolution 220, for the relief of Violette (Violet) Gabrielle (Gaby) Beaudry Gilmour.

Resolution 221, for the relief of Phyllis Mintz Sobel, otherwise known as Phyllis Mintz Sibolsky.

Resolution 222, for the relief of Ruth Anne Innes Wright.

Resolution 223, for the relief of Demosthemis Yannoulopoulos.

Resolution 224, for the relief of Nelly Francoise Miloslava Giammona McLean.

Resolution 225, for the relief of Claude (Claudette) Carriere Vigeant.

Resolution 226, for the relief of Marie Paul Goineau LeBel.

Resolution 227, for the relief of Elisabeth Lillian Enman Watters.

Resolution 228, for the relief of Marie Paule Andree Mercier Robert.

Resolution 229, for the relief of Antonio Minicozzi.

Resolution 230, for the relief of Jacqueline (Jacquelyne) Weise Potash.

Resolution 231, for the relief of Edward Francis Vincent.

RESOLUTIONS ADOPTED

The Hon. the 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.

VETERANS' LAND ACT

BILL TO AMEND—SECOND READING

Hon. David A. Croll moved the second reading of Bill C-128, to amend the Veterans' Land Act.

He said: Honourable senators, yesterday was a particularly good day for the veterans of Canada and for the Canadian people. This house dealt with a bill to amend the Children of War Dead (Education Assistance) Act, a bill to amend the Army Benevolent Fund Act, and a bill to amend the War Veterans Allowance Act, 1952. We now have before us a bill to amend the Veterans' Land Act.

This is a very important bill containing 17 beneficial amendments, some of which are very important. When this bill is compared with the Soldier Settlement Act—which was a comparable piece of legislation passed after World War I—it will be realized how much progress we have made.

Honourable senators, I think it is of interest to know a little of the history of how this Act came about. Immediately after the war there were about 85 members of the House of Commons who were veterans of World War I or World War II, and one of the first things we did was to establish a committee on veterans' affairs. Senator White was a member of that committee, as were Senator Brooks, Senator Ross Macdonald and Senator Isnor. Senator Power was a member *emeritus*, of course, and I was privileged also to be a member.

Hon. Mr. Connolly (Ottawa West): Do you mean Doctor Power?

Hon. Mr. Croll: Yes, Doctor Power.

We had all come back from overseas to Parliament determined to do something for the men and women who had served overseas. It should be said that as a result of the activities of that group of veterans, as well as others who were members of the Committee on Veterans Affairs, there came about a great public document known as the Veterans' Charter.

On the floor of the house I supported the Liberals, and others supported the Conservatives, but when we got into committee we all supported the veterans. I think the Veterans Affairs Committee was responsible for giving the Honourable Ian Mackenzie, who was the minister at that time, and later the Honourable Milton Gregg, the biggest ulcers any minister ever had, because we insisted, "This must be done for the veterans." And, of course, it was done.

We came back from World War II with the thought in our minds, "Well, never again." We were not thinking of "never again war," but that never again would the veterans of this country be treated as were the veterans after World War I. When we finished drafting the Veterans' Charter it was as good as any in existence any place in the world, and much better than most.

The Honourable Ian Mackenzie was an outstanding Minister of Veterans Affairs, and the Honourable Milton Gregg and the present Leader of the Opposition in the Senate (Hon. Mr. Brooks) belong to the same class. In all the years I was a member of the committee—and that was for all the time I was a member of the House of Commons, as was Senator White and the others I have mentioned—we fought very hard for the veterans. When Senator Brooks had an opportunity to put what he advocated into practice, he did so. I was reminded of that fact when the Leader of the Government spoke today about the Honourable J. Wesley Stambaugh advocating the retirement of senators at the age of 75. When that provision was enacted, Senator Stambaugh did what he had advocated.

We started then to build a different world for the veterans and we are still at it. The Veterans' Land Act, in my opinion, is one of the prize pieces of legislation that came out of the Veterans' Charter. I think all honourable senators will understand when I say that one of the men who made the Act was Brigadier Rutherford.

Last year $45.5 million was loaned under the Act, and the total amount loaned since its inception is $614 million.

A total of 121,286 veterans have taken advantage of the Act. The percentage of repayment of debt is 96.9 per cent, and the percentage of instalment repayment is 99.4 per cent.

Hon. Mr. Aseltine: Quite a record!

Hon. Mr. Croll: And if you consider the prepayments that were made, it represents a collected amount of 102.7 per cent. In 1963-64 there were 9,475 farm applications dealt with, and 3,632 smallholders and fishermen were provided with additional loans.

The amendments come from the study made by the Committee on Veterans Affairs in the other house, along with the experience under the Act and the presentations that are made by Legion branches and interested bodies.

I have already indicated how this Act came into effect. It has been one of the most successful pieces of legislation. What they are trying to do now is to serve veterans who are already on the farms and smallholdings, to make available increased loans, and to update and introduce new and imaginative concepts of administration.

Most veterans like to deal with the Department of Veterans Affairs, and that in itself is a compliment. We are now bringing to the Veterans' Land Act the same financial provisions that we have under the federal Farm Credit Act. In this Act it is proposed to increase the maximum amount for commercial family loans from $20,000 to $40,000, and for small family farms from $12,000 to $18,000. In addition, subsequent loans may be made as the principal indebtedness is reduced, so long as the debt remaining at any one time does not exceed $40,000 for commercial family farms and $18,000 for small family farms. It is proposed to increase the maximum financial assistance for part-time farmers, that

is, smallholders, and for house construction from $12,000 to $18,000.

There is a changing farm community, with new sources of revenue developing largely from tourist trade and summer recreation trade. This financial help will assist to provide small businesses which are not directly related to farming, and it is thought that about 20,000 will be eligible to take advantage of this.

In addition, there is a revolving fund of $380 million which will facilitate lending and will be reviewed every five years.

Then there is a section which provides that if a veteran has a bad crop or a serious illness he may pay only the interest on his loan and need not meet the repayments due under the contract.

There is also provision to reduce the minimum amount of group life insurance to 50 per cent of the debt. Previously it was 100 per cent. There is also provision to permit a veteran's spouse to be covered.

There is a time limit for general utilization of the Act, so that the department can plan the administration of it intelligently.

One section deals with consolidation of debts. It permits consolidation of all previous agreements into one agreement and provides for repayment within a 30-year period.

In addition, there is no authority at the present time to retire debts other than farm debts, and this Act provides the right for retirement because of permanent improvements. This will assist the smallholders and the commercial fishermen.

I can only say of the Act that it speaks very loudly for itself. It was highly commended in the other place. It comes from a source that is well known to you. I hope that this house will deal with it today and endorse it without sending it to committee.

Hon. A. J. Brooks: Honourable senators, I agree entirely with what the sponsor of the bill (Hon. Mr. Croll) has said.

First, may I say what a pleasure it was for me to be a member of the Veterans Affairs Committee in the House of Commons, and to be associated with Senator Croll, Senator Ross Macdonald, Senator White, Senator Isnor, and the others who have been mentioned, particularly, of course, Senator Power, who was one of the architects of the Veterans' Charter.

The Veterans Affairs Committee was one of the most active committees in the House of Commons for quite a number of years following World War II, and even before. The Veterans' Charter was the product of that committee, based largely on recommendations which were made to it by veterans organizations across Canada. It is a thorough study of the needs and requirements that were necessary for veterans.

The Veterans' Charter laid the foundation for these amendments we are now considering and for those which were made in the past and became part of the charter.

My honourable friend spoke about the Soldier Settlement Board. When World War I was over—the first great war in which Canadians had ever taken part—it was not possible to realize just what the requirements would be for the returned men. A fair start was made, and unquestionably we benefited after World War II from the efforts that were made after World War I.

Last night I took the opportunity to review this bill. It is lengthy and is well prepared. May I commend the draftsmen of this legislation, particularly for the excellent explanatory notes they have provided for honourable senators. As I said a few days ago about another bill, I think good explanatory notes are a necessary part of drafting. The veterans legislation has been well prepared and the explanations in most of the bills are easily understood. As I went through these explanations last night, and, having had considerable experience in this respect, I found it very easy to follow the various sections and to know their purpose.

As the sponsor explained, this bill simply brings the Veterans' Land Act up to date.

I was a little surprised to learn, either last year or the year before when we were considering the Farm Credit Act, that the Veterans' Land Act was not considered at that time, because many of the sections which are in the Veterans' Land Act today corresponded to those of the Farm Credit Act at that time, such as the increase in the amount of loans, the extensions of time, and other assistance.

Losses sustained by the Government under this measure have always been less than one per cent at any time.

When I had the honour of being Minister of Veterans Affairs, I visited many farms across Canada and, almost without exception, when I went into a community I would find veterans who came under the Veterans' Land Act, many of whom would be serving as heads of farm organizations and other forms of public organization.

I also wish to pay tribute to the man who was undoubtedly the great architect of the Veterans' Land Act, Brigadier Rutherford,

who organized the Veterans Farm Land Organization all across this country. Men were trained under him or at schools, to go out and appraise farms and advise farmers as to what was the best buy in the matter of stock or machinery.

When the Farm Loan Act was put on our statute books these same men were borrowed from the Veterans' Land Act Organization to assist the general Farm Loan Act administration. They are the backbone not only of the Veterans' Land Act today but also the backbone of the Farm Credit Act.

Honourable senators, it is not necessary to review all of this. The bill runs to 15 pages containing some 20 sections. The honourable sponsor of the bill has reviewed them. They simply bring up to date what was the Veterans' Charter and the amendments to it since the first bill was passed. The bill mentions the revolving fund. The revolving fund is in the Farm Credit Act. There is one good phase of this new bill, namely, the creation of discretion for the director in certain matters. Also there is the insurance scheme, which the honourable sponsor mentioned. We could mention many advantages which are in both acts and which are helping our veterans across the country in farming and fishing by means of small loans.

I will not analyse this bill as it is not necessary to do so. This has been an excellent Act and always well administered. We have had good men dealing with it. We have had the returned veterans themselves, the field men. Brigadier Rutherford was himself a returned man. I do not think there has been a better Act or better administration of an Act. Indeed, this is one of the best on the statute books of Canada.

Hon. Mr. Hollett: I should like to ask one question. I wonder if the sponsor of the bill could explain if there is a mistake on page 7, in the explanatory notes regarding clause 7. It says:

> The purpose of this amendment is to authorize the Director, with the approval of a veteran, to enter into a group insurance contract insuring the spouse of that veteran in an amount of not less than fifty per cent of the indebtedness of the Director—

Should that not be "the veterans"?

Hon. Mr. Connolly (Ottawa West): I think it means "to the directors."

Hon. Mr. Croll: I think it is a mistake. I wonder what Senator Brooks would say it means.

Hon. Mr. Brooks: I would say it is a misprint.

Hon. Mr. Connolly (Ottawa West): It is not in the text of the bill; it is in the explanatory note.

Hon. A. K. Hugessen: Honourable senators, I remember immediately following the First World War having had something to do with the Soldier Settlement Board, which was set up at that time to provide farms for veterans of that war who wished to establish themselves on the land. Of course, that was our first experience of that sort of thing, after the First Great War. As I recall it, we ran into considerable trouble in connection with the settlement of soldiers upon the land and there were quite a large number of defaults.

Hon. Mr. Aseltine: Did not we try to make farmers out of everybody? That was one of the reasons for the defaults.

Hon. Mr. Hugessen: Yes. And of course when the depression came on we found that a lot of men had assumed obligations they could not possibly meet.

Hon. Mr. Brooks: Not only veterans, but people generally.

Hon. Mr. Hugessen: As a result of our experience after the first war we have done much better after the second war under this Veterans' Land Act, the amendment of which we are considering today. That has been amply demonstrated by the figures which my honourable friend has given us, of the enormous proportion of payments that have been made up to date.

The only question which arises in my mind has to do with the last sentence of my honourable friend who introduced this bill, in which he suggested that we should give it third reading without sending it to a committee. Two observations occur to me in connection with that. This is quite a long bill, running to 15 pages and containing quite a number of sections, some of which are rather complicated. I am a little concerned about the reputation which this Senate has always prided itself upon, of looking carefully into complicated legislation of this kind, particularly when it relates to financial matters. For that reason, I would rather favour sending it to committee.

Secondly, it is always a good thing to have the permanent officials who are dealing with an important measure like this have an opportunity to come before a committee of this house and tell their story. I think they

appreciate doing so, and we get a lot of information out of them.

I agree that my honourable friend gave a complete explanation, but if we have the officials of the Veterans' Land Act before us —it could be a short committee meeting— it seems to me that we would be able to get even more information and perhaps a better picture as to how this Act is being administered and more details than the mover could possibly give us of the particular amendments now before us.

Hon. David A. Croll: Honourable senators,—

The Hon. the Speaker: If honourable Senator Croll speaks now it will have the effect of closing the debate.

Hon. Mr. Croll: May I say that one of the things one can rely on is that when veterans' legislation comes in here it is looked at far more carefully than is any other legislation. This bill took up a page and a half in the House of Commons *Hansard*. They went through it quickly, but of course they knew all about it because it had gone through a committee.

Hon. Mr. Hugessen: We have not had that opportunity.

Hon. Mr. Croll: We do it the other way around. What I am concerned about is that it should pass before Parliament adjourns. There is a danger that if the other place decides to close up shop, we would have in our hands a bill which would not come into effect before September. I feel it would be a mistake to let that happen.

In those circumstances, while what the honourable gentleman says is perfectly true, I feel it would be better to let the bill go through at this time rather than take the chance that it might be held up. We also have the assurances of the former Minister of Veterans Affairs, who recommends this bill, so I do not think we have much to worry about. I do not think there is much more to be said.

Hon. Mr. Brooks: Honourable senators, if you review the Veterans' Land Act or the Farm Credit Act, you will find that the sections are very similar. There is not much change. There are changes in amounts, such as $18,000 to $20,000, and changes in time. Those are the important things.

Frankly, I quite agree with the honourable sponsor of the bill. I do not think it is really necessary to send it to a committee; although if we had lots of time that would be a good procedure.

Hon. Mr. Hugessen: Honourable senators, I do not want to press the point in any way, but I must say that if we do not send the bill to a committee we will be depending upon the word and the experience of the sponsor and of the leader on the other side, that this is a good bill in every respect. I am quite willing to accept their word on that.

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. Croll: 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.

BUSINESS OF THE SENATE

Hon. John J. Connolly: Honourable senators, I suggest that the Senate do now take recess to reassemble at the call of the bell at approximately five o'clock.

I do not know what the situation will be at that time. This is a short day in the House of Commons. They are scheduled to assemble at 2.30 this afternoon and normally would finish at six o'clock. It may be that they will decide to sit this evening or make arrangements to sit at times other than those provided in the rules. We should have some idea at five o'clock of what the situation is likely to be. As far as my understanding goes, if the rules of the house are adhered to they will sit on Friday, and I hope that honourable senators will be prepared to do likewise if no further business is to be done today.

The Senate adjourned during pleasure.

At 5.35 p.m. the sitting was resumed.

DOCUMENTS TABLED

Leave having been given to revert to presentation of petitions:

Hon. John J. Connolly tabled:

Report of the Atlantic Development Board for the fiscal year ended March 31, 1965, pursuant to section 19 of the Atlantic Development Board Act, chapter 10, Statutes of Canada, 1962-63. (English text).

Report of the Fisheries Prices Support Board for the fiscal year ended March 31, 1965, pursuant to section 7 of the Fisheries Prices Support Act, chapter 120, R.S.C., 1952. (English text).

Report of the Canadian Commercial Corporation, 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 Atomic Energy of Canada Limited, including its Accounts and Financial Statements certified by the Auditor General, for the fiscal year ending March 31, 1965, pursuant to sections 85(3) and 87(3) of the Financial Administration Act, chapter 116, R.S.C., 1952. (English text).

Report on the Operations of the Municipal Development and Loan Board for the fiscal year ended March 31, 1965, pursuant to section 20 of the Municipal Development and Loan Act, chapter 13, Statutes of Canada, 1963, including its Accounts and Financial Statements certified by the Auditor General. (English and French texts).

Report on the Operations of the Veterans' Business and Professional Loans Act for the fiscal year ended March 31, 1965, pursuant to section 13 of the said Act, chapter 278, R.S.C., 1952. (English and French texts).

Report on the Operations of the Fisheries Improvement Loans Act for the fiscal year ended March 31, 1965, pursuant to section 12(2) of the said Act, chapter 46, Statutes of Canada, 1955. (English and French texts).

Report of the Farm Credit Corporation, 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 on Prairie Farm Rehabilitation and Related Activities for the fiscal year ended March 31, 1964, pursuant to section 12 of the Prairie Farm Rehabilitation Act, chapter 214, R.S.C., 1952. (English text).

Statement on the Standing and Transactions of the Canadian Forces Superannuation Account as at March 31, 1965, together with a Statement of Annuities, Annual Allowances, Cash Termination Allowances, and Return of Contributions for the fiscal year ended March 31, 1965, pursuant to section 26 of the Canadian Forces Superannuation Act, chapter 21, Statutes of Canada, 1959. (English and French texts).

Statement of Moneys received and disbursed in the Special Account (Replacement of Materiel), for the fiscal year ended March 31, 1965, pursuant to section 11(4) of the National Defence Act, chapter 184, R.S.C., 1952. (English and French texts).

Report of the Atomic Energy Control Board of Canada for the fiscal year ended March 31, 1965, pursuant to section 21(1) of the Atomic Energy Control Act, chapter 11, R.S.C., 1952. (English and French texts).

Copies of Authentic Texts of Conventions and Recommendations adopted by the Forty-eighth Session of the International Labour Conference, held in Geneva in July 1964 (English and French texts), together with a copy of a letter from the Deputy Attorney General of Canada setting out the legislative jurisdiction of these international instruments, as follows:

Convention and Recommendation No. 120 concerning Hygiene in Commerce and Offices;

Convention and Recommendation No. 121 concerning Benefits in the Case of Employment Injury; and

Convention and Recommendation No. 122 concerning Employment Policy.

Report of the National Librarian for the fiscal year ended March 31, 1965, pursuant to section 13 of the National Library Act, chapter 330, R.S.C., 1952. (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, 1965, 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 Defence Construction (1951) 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).

He said: This, I hope, will give honourable senators plenty of reading material during the summer recess.

APPROPRIATION BILL NO. 5, 1965

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-130, 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

Hon. John J. Connolly, with leave of the Senate, moved the second reading of the bill.

He said: Honourable senators, this bill is in a form which is very familiar to all honourable senators. We considered a similar one just a few weeks ago. It purports to grant final supply in the amount of $15 million.

There are five clauses in the bill. The first clause indicates that the act is to be known as Appropriation Act No. 6.

Clause 2 provides for the granting of $15 million, in the usual language.

Clause 3 deals with the purposes and effects of each item, and it provides that the amount authorized to be paid or applied may be paid or applied only for the purposes and subject to the terms of the item itself, and that the provisions of each item in the schedule to the bill shall be deemed to have been enacted by Parliament on the 1st day of April, 1965, the first day of the present fiscal year.

Clause 4 is the usual clause dealing with commitments. It provides that these commitments may only be entered into in accordance with the terms of the item to be voted and subject to the check of the Comptroller of the Treasury.

Clause 5 provides for the accounting of the expenditure of money to be provided in accordance with the provisions of the Financial Administration Act.

As honourable senators are aware, appropriation bills of this kind, where final supply is granted, have their meat not so much in the terms of the bill but rather in the schedule. There are two items in the schedule to this bill.

I might mention that honourable senators have received copies of the schedule, or Supplementary Estimates (C), in their boxes. They were also tabled in the Senate on June 28 last.

Two items are to be dealt with, the first of which is Vote 5c in the Estimates of the Department of Labour, in the amount of $5 million. This is an expenditure. The second item is L27c, under "Loans, Investments and Advances" in the Estimates of the Department of Industry. This is a loan. I shall deal with the two individual items separately.

It would be a convenience, I think, if I place upon the record the text of the first of these items. Vote 5c in the Estimates of the Department of Labour reads:

> To extend the purposes of Labour Vote 5, Main Estimates, 1965-66 to include authority for payments of transitional assistance, in accordance with regulations approved by the Governor in Council, to workers in automotive manufacturing and parts industries who become unemployed as a result of the operation of the Canada-United States Agreement on Automotive Products.

Honourable senators, the Canada-United States Agreement covering automotive products is designed to achieve a substantial expansion in industry and employment in Canada. It is expected that Canadian production will be increased by several hundreds of millions of dollars annually. This means, of course, that there will be a great deal more employment and a greater demand for skilled labour, all of which, it is hoped, will result in a major economic expansion. There will be, however, certain transitional problems that will develop for some workers and some firms.

I might say that organized labour and the automotive parts industry have welcomed the plan, but they do feel that the Government, because it has taken the initiative, should assume certain responsibilities in assisting workers and manufacturers who encounter transitional problems of adjustment. The Government has seen fit to recognize this.

Many plants will have to be reorganized, re-tooled and reconditioned in order to meet the fairly extensive expansion required if the progress is to come to full fruition. To

overcome these transitional problems of the workers and manufacturers it is proposed, in the first place, that an Adjustment Assistance Board be established under section 15 of the Department of Industry Act. This board will consist of a chairman, and a senior official from the Department of Industry, the Department of Labour, the Department of Finance, the Department of Trade and Commerce, and the Industrial Development Bank. The plan to assist manufacturers which I shall deal with later will be administered by the Department of Industry.

The item I am dealing with at present will provide worker benefits, and will be administered by the Department of Labour. This item proposes that certain transitional assistance benefits be granted to workers, and these benefits will be considered as a special supplement to unemployment insurance benefits. It is proposed that the weekly benefit payment shall be equal to an amount which is 62 per cent of the earnings of the workers who are temporarily dislocated while plants are being enlarged, or facilities in the plants changed in a way to meet the purposes of the program. This amount of 62 per cent of previous earnings will include the unemployment insurance benefits to which a worker is entitled normally for being laid off during this period, plus an additional 2½ per cent of those benefits for each dependent.

The combined transitional assistance and unemployment insurance benefit would be subject to a maximum of 65 per cent of the average weekly wages and salaries in motor vehicle and motor vehicle parts industries taken together.

There will be a waiting period for one week before the transitional benefits are paid.

The total of a worker's transitional assistance and unemployment insurance benefits, plus earnings up to $18 a week and/or training allowances, should not exceed 75 per cent of his weekly straight-time wage from the company at the time he was laid off. If the total exceeds 75 per cent, the transitional benefit will be reduced accordingly.

I should add that where appropriate, the Department of Labour, working in co-operation with the provincial governments, management and union representatives, will provide training under federal-provincial programs as a condition of receiving assistance.

I have before me a table, which might be of value, if placed on the Senate *Hansard*. It gives an indication of the wage levels in the motor vehicle and motor vehicle parts industries and the proposed transitional assistance that is provided by this item. At this point of my remarks I ask permission to file this document so that these figures can appear in the record of today's proceedings.

The Hon. the Speaker: Is it agreed?

Hon. Senators: Agreed.

(The table follows:)

The following figures give an indication of wage levels in the motor vehicle and the motor vehicle parts industries and the proposed transitional assistance.

MOTOR VEHICLE PARTS WORKERS

	Av. Wkly. Wages and Salaries	Approx. Take-Home Pay	UIC Benefits	Transitional Assistance Benefit (TAB)	Total Benefit (TAB + UIC)
	1	2	3	4	5
	$	$	$	$	$
Single Person	103.77	88.87	27.00	37.34	64.34
Married	"	92.62	36.00	30.93	66.93
Married + 1 dep	"	93.57	36.00	33.53	69.53
Married + 3 dep	"	95.57	36.00	38.71	74.71

MOTOR VEHICLE WORKERS

	Av. Wkly. Straight Time Pay	Approx. Take-Home Pay	UIC Benefit	Total Benefit if firm pays SUB (SUB + UIC)	Benefit if firm does not pay SUB: Transitional Assistance Benefit (TAB)	Benefit if firm does not pay SUB: Total Benefit (TAB + UIC)
	1	2	3	4	5	6
	$	$	$	$	$	$
Single person	106.40	90.60	27.00	65.97	38.97	65.97
Married	"	94.50	36.00	67.47	32.63	68.63
Married + 1 dep	"	95.40	36.00	68.97	35.29	71.29
Married + 3 dep	"	97.40	36.00	71.97	38.89	74.89

Duration of Benefits

(a) The duration of transitional benefit will be paid according to the length of recent employment in the motor vehicle and motor vehicle parts industries.

(b) The maximum duration will be one year.

(c) Transitional benefit will be paid according to the two following schedules.

	Weeks employed in the m.v. and m.v. parts industries	Weeks of transitional benefit
(a) For those employed in the industries for at least 30 weeks in the last 52 weeks.	30	4
	plus 1 week of benefit for each week of employment in excess of 30 weeks.	
(b) For those employed in the industries for 30 weeks in the last 52 weeks and 52 weeks in the last 104 weeks	52	26
	plus one week of benefit for every 2 weeks of employment up to a maximum of	
	104	52

(d) A worker on an approved training program which is not completed when he has received all his transitional benefit could continue such training and receive additional financial benefit for a total of not more than a year and a half. These additional transitional benefits would terminate when he completed the course.

(e) The transitional benefit would be paid only if comparable alternative employment is not available.

Hon. Mr. Connolly (Ottawa West): Honourable senators, that is the explanation of the first item.

Hon. Mr. Isnor: I wonder if the honourable leader would be good enough to tell us how and to what account that $5 million will be charged?

Hon. Mr. Connolly (Ottawa West): It will be charged to the same account in Vote 5c that the general Estimates of the Department of Labour are charged, and of course will come out of the Consolidated Revenue Fund. It will then be credited to that portion of Estimates of the Department of Labour.

Hon. Mr. Isnor: Will it have any connection with the Unemployment Insurance Fund?

Hon. Mr. Connolly (Ottawa West): No, there is no connection. The dovetailing between all the payments that might be made from the Unemployment Insurance Fund would be regulated as a result of the arrangement made by the Adjustment Assistance Board, to which I have referred.

Honourable senators, may I now read the second item, Vote L27c, on the schedule of

this bill—Loans, Investments and Advances, in the Department of Industry. It reads as follows:

> Loans, in the current and subsequent fiscal years and in accordance with terms and conditions prescribed by the Governor in Council, to assist manufacturers of automotive products in Canada affected by the Canada-United States Agreement on Automotive Products to adjust and expand their production; such loans to be made for the purpose of acquisition, construction, installation, modernization, development, conversion or expansion of land, buildings, equipment, facilities or machinery and for working capital; and to authorize, notwithstanding Section 30 of the Financial Administration Act, total commitments of $20,000,000 for the foregoing purposes during the current and subsequent fiscal years.

If I may deal generally with this item, I would first of all draw the attention of honourable senators to the fact that we are here discussing the matter of loans rather than a grant. These loans are to be made to the firms, the companies, the industries, who are to take part in and help develop the ideals in the Canada-United States agreement with respect to the production of automotive parts in Canada. We are talking here about financial assistance for firms who must embark on fairly substantial capital expenditures to meet the purposes of the program.

If the Canadian parts makers are to take advantage of the plan, it is obvious that they must become increasingly competitive and flexible in their operations. In some instances, some of these manufacturers will be asked by their customers to make new products, or to manufacture existing components on an expanded scale and more efficiently perhaps than they do now. As a result, many Canadian parts makers will have to engage in substantial re-equipping and expansion programs to take advantage of the opportunities that the plan provides.

In addition, increased working capital will be required in order to operate at these new expanded levels. So the purpose of the loans provided for in this item is to assist these companies and firms to acquire the capital to accomplish these objectives.

The loans will be made available to those automotive products producers who have a reasonable prospect of a profitable operation. As the item says, the loans are for the purpose of "acquisition, construction, installation, modernization, development, conversion or expansion of land, buildings, equipment, facilities or machinery..." They may also be made for the purpose of working capital. These loans will carry interest at the rate of 6 per cent, and will be repayable over not more than 20 years on loans that are secured on land and buildings, and not more than 10 years on loans secured on other property.

A special fund will be set up for the purpose of making these loans. The administration of the program will be the responsibility of the Adjustment Assistance Board to which I have just referred.

The Industrial Development Bank will be co-operating with the board and will be responsible for the day-to-day administration of the loans which are to be made under the program.

Firms manufacturing the automotive products covered by the automotive plan will be eligible for the loans, except those companies which manufacture automobiles or firms affiliated with automobile manufacturers. It is felt that these companies and firms have access to adequate financial resources for the capital expenditures that they would be required to make to dovetail with the purposes of the plan.

There is a good deal of money involved in both of these items, and I do not say that they are inconsequential. I do think, however, that this is evidence of a new initiative in Canada. I think it is a promising initiative in Canada. The co-operation of the industry and of organized labour gives one a feeling of relative assurance that the program will be a very beneficial one for the Canadian economy.

Hon. Allister Grosart: Honourable senators, I am sure we are all indebted to the Leader of the Government for the explanation in such great detail of these two items in Schedule C of the supplementary Estimates. I think the honourable leader, with his usual skill, has managed to coat a not altogether palatable pill with a sugar coating of words, explanation and plausibility which may not altogether be justified by the facts as they are presented in the figures before us.

I think it is fair to say that we have here an object lesson in cause and effect which I am sure will be of benefit to the Government. It is not accidental that both of these items refer to the Canada-United States Agreement on Automotive Products. We all remember that when this agreement was begun it was announced with much fanfare. I am sure we

all hope that it will be an outstanding success in terms of increasing production and personal and corporate income to Canadians from the manufacturer of automobiles, their parts and accessories.

On the other hand, we were not told at that time that one of the economic consequences of that agreement would be a very substantial displacement of labour. The honourable Leader of the Government referred to it as a "transitional problem of adjustment" for these workers. Of course what it means is unemployment. The item itself is more explanatory in that it simply uses the word "unemployed." The fact of the matter is that workers have been thrown out of work as a result of this action by the government.

I think it is fair to say that this was not anticipated by the Government, because if we are to assume the credibility of what we read in the papers, even the distinguished minister representing the Windsor area was himself surprised and flew immediately to that area to find out what it was all about. This seems to me to be another object lesson showing the necessity for more careful planning and collection of data, and more concern for the economic consequences of government actions, no matter how well-intentioned they may be.

We have had other examples since the present Government came into power of hasty action which gave the impression of being more concerned with its impact on public opinion than its effect on the problem to which it was addressed.

I am not for one minute suggesting that the Canada-United States Agreement on Automotive Products will be a failure. As I said a moment ago, and I am sure every Canadian will agree with me, I hope that it will be a success. But what I wonder—and perhaps the Leader of the Government (Hon. Mr. Connolly, Ottawa West) will inform us further on this—is whether this amount of $5 million in Item 5c for the relief of workers, and which is in effect a supplementary unemployment insurance benefit while the workers are temporarily, I hope, unemployed, is the final amount. Is this the total amount anticipated to be spent as a result of this agreement to the workers of the automotive industry?

I hope the leader will also inform us in more detail about the other item, the loans to manufacturers, which appears as item L27c. What is the total amount of the expenditure from the public purse to support this automotive agreement?

I wonder if he could give us some information as to what the total amount might be before some of these wonderful results that are anticipated will begin to appear in the pockets of Canadians.

Another question which I am sure the public is asking and which I hear wherever I go is: What effect will this have on the consumer? We have here assistance to manufacturers of automobiles, and we have here assistance to the workers in the automotive industry. But what about the consumers? Is the consumer ever going to be able to buy an automobile for less money? Is this huge expenditure of public funds going to bring down the cost of an automobile in Canada? This is what the public would like to know. We are told this is going to increase mass production of automobiles, parts of automobiles and the Canadian components of automobiles.

Those of us who have studied economics over the years have been told over and over again that the great justification for mass production is the consumer benefit of a lower price. I would hope that the honourable Leader of the Government when he comes to reply will give us some information on that aspect, as well as some further indication of the anticipated total cost of this agreement in relation to Item 5c which deals with the workers and Item L27c which deals with the industry.

Hon. Lionel Choquette: Honourable senators, I do not wish to speak on this legislation, but I wish to point out to the leader that he told us that this Act may be cited as Appropriation Act No. 6. Is there, perhaps, a mistake there? I have here the English as well as the French version, and there seems to have been a correction made.

Hon. Mr. Connolly (Ottawa West): I should have said Appropriation Act No. 5. It was a mistake. I am sorry.

The Hon. the Speaker: I must inform honourable senators that if the honourable Senator Connolly (Ottawa West) speaks now it will have the effect of closing the debate.

Hon. Mr. Connolly (Ottawa West): Honourable senators, I need only take a few minutes.

I thank Senator Grosart for his comments. First of all, he said something about the failure of the Government to anticipate dislocations that are to be provided for as a result of the moneys to be supplied by this

bill. I would point out that on page 5 of a news release issued January 15, 1965, when this program was announced by the Minister of Industry, this paragraph appears:

> A number of important features have been incorporated into the program to enable the Canadian motor vehicle and automotive components industries to make adjustments within a framework of expanding output and a minimum of dislocation. Unique circumstances prevailing in the Canadian industry make it necessary to provide for an adequate transiotinal period during which Canadian producers may adapt their facilities and operations to the new opportunities with a reasonable measure of security.

I may tell honourable senators that the matter of the dislocation not only of the industries themselves but of the workers was the subject matter of very lengthy negotiation with the industry, leading up to the point where the agreement with the United States could be signed. There has certainly been no hasty action in respect of this problem. This problem has been anticipated, and now is the appropriate time to deal with it because the program is to be implemented almost forthwith so far as Canada is concerned. Therefore, provisions must be made for the dislocations we have been expecting.

The honourable senator referred to the fact that there will be some unemployment. I am not unduly worried, and I do not think any honourable senator should be, about the prospect of unemployment in this country. I would point out that the average level of unemployment in Canada today is at a lower point than it has been since 1956. I think that some of the credit—not all, but some of the credit—for this very favourable situation in respect of the labour force goes to the Government for the programs it has initiated in respect of the economy.

Senator Grosart asked if the $5 million is the last that will be asked for—"Will more money be demanded?" In a program of this kind, one which is new and experimental, I believe the Government must make its best estimate, in consultation with industry and with the trade unions, as to what the dislocation is likely to be. I can say that this is no more than an estimate. I hope it will be adequate, and normally a government does not ask for more than it needs. It is hoped that not only the $5 million required for the assistance of workers, but also the $10 million which is thought to be adequate for the purposes of loans to industry, will be sufficient. However, I do say this, that with the prospects for increased economic activity which this program promises, I would not have any serious objection to coming back and asking for an increase on either of these accounts, if the program works out the way it is expected to.

The honourable senator asked too, what is the consumers' interest in this—will cars be cheaper? The minister has said that in time it is expected that cars will be cheaper, that the retail price of a car sold in Canada will be comparable to that of a similar car sold in the United States. I believe that is a result everyone wants to see achieved. But at the same time we must not forget that what is primarily sought in this program is a vast expansion of the automotive industry and a vast new market for its products in the country to our south. As a result of this there will be more, and I hope better, jobs for Canadians, an expansion in the economic activity of this industry and a great many other industries which will be affected as a result of the development of this program.

I do not want to promise that the program is going to be completely effective. I do not want to say it is going to solve all our problems, but it seems to me to be a worthy kind of initiative for Canadians to take in this very competitive time in which we live.

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 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, I am informed that in the other place they are now debating interim supply, and that following consideration of that bill they will take up consideration of the bill with respect to area incentives, of which we now have some knowledge.

I cannot predict exactly what the timetable will be, but I should inform the Senate

that I am advised there is unanimous agreement in the other place that they will adjourn for a summer recess this evening.

Therefore, I have to ask for the indulgence of the Senate to deal expeditiously with whatever bills come before us, so that the wishes of I think everyone in Parliament can be met. This would mean that Royal Assent would take place some time this evening.

I therefore suggest, honourable senators, that we adjourn now, to reassemble at the call of the bell at approximately 8.30 p.m., at which time we shall survey the situation.

Honourable senators will remember that last spring an uncertain situation developed which kept us here much later than any of us desired. It was harder on the younger men than on the older, as far as I could judge. In any event, should the bell not ring precisely at 8.30 p.m., I am sure all honourable senators will understand that we are still working out an arrangement.

The Senate adjourned during pleasure.

At 8.30 p.m. the sitting was resumed.

APPROPRIATION BILL NO. 6, 1965

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-131, for granting to Her Majesty certain sums of money for the public service for the financial year ending 31st March, 1966.

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, I move that this bill be read the second time now.

Honourable senators, I understand that as many copies of this bill as are available have been circulated. In any event, I have supplied two foolscap sheets, which I will refer to as I speak. It might be a convenience to the Senate if I restrict myself to the contents of these sheets.

May I say generally, that honourable senators will see listed in the first table the total proposed budgetary expenditures and loans, including the Old Age Security payments.

In the main Estimates the total proposed is $7,601,722,232. Of this amount $3,219,091,388 represents statutory payments, such as payments for family allowances, old age pensions, and items like that, which are provided by statute and are paid every year from the time the statute first came into existence. The balance of $4,382,630,844 is the amount required to be voted by Parliament this year if the main Estimates are to be approved.

There were three supplementary Estimates. Supplementary Estimates (A), in the amount of $2 million, Supplementary Estimates (B) in the amount of $278,389,959, which are also to be voted, and Supplementary Estimates (C) which were considered earlier this day, in the amount of $15 million, which also require to be voted. The total amount of government expenditures for the present fiscal year, excluding payments from the Old Age Security Fund is $7,897,112,191. In addition, some $905 million will be paid out from the Old Age Security Fund. Therefore, the total actual money which is contemplated for expenditure this year is $8,802,112,191.

There may be further supplementary Estimates to come to us in the normal course, but that is the spending prospect as it appears to us tonight.

Hon. Mr. Aseltine: It is approximately $9 billion altogether for the year?

Hon. Mr. Connolly (Ottawa West): The actual figure is $8,802,112,191.

Another $200 million would make it $9 billion.

May I deal with the approvals which have been given already. First, Appropriation Act No. 1 granted two-twelfths generally of the main Estimates, plus additional proportions of certain other items, to the 31st May, 1965, in the amount of $762,547,249.03. That was approved some time ago.

Appropriation Act No. 3 granted one month's supply, or one-twelfth generally of the main Estimates, plus additional proportions of certain items, in the amount of $380,770,370.34.

Appropriation Act No. 4, which was the full supply for Supplementary Estimates (A) in the amount of $2 million, was granted by Parliament some weeks ago.

Appropriation Act No. 5, which was the full supply for Supplementary Estimates (C), was granted earlier today in the amount of $15 million.

The bill now before us is Appropriation Act No. 6. It proposes to grant four months' supply, that is, supply to October 31, 1965. Generally, four months' supply is being asked for, four-twelfths of the main Estimates, plus certain other special items, and seven-twelfths

generally of the Supplementary Estimates (B), plus certain additional proportions of special items in the supplementary Estimates.

Honourable senators, may I pause here simply to say that by the first supply bill we granted two-twelfths; by the second interim supply we granted one-twelfth. Altogether three-twelfths of the main Estimates have been granted, plus certain additional amounts. This evening we are asking for four-twelfths of the main Estimates, plus some extra amounts; and we are bringing the supplementary Estimates up to the same authorization as was granted for the main estimates, namely, seven-twelfths, plus some additional items.

I think that this recapitulates the position in respect of the main and supplementary Estimates to this point.

Honourable senators, I come now to the bill before us. First of all, it grants four-twelfths of all the items to be voted in the main Estimates, except External Affairs Vote 15, and Mines and Technical Surveys Vote 70 for which no proportion is granted, and External Affairs Vote 20 for which the proportion is three-twelfths. There are departmental reasons why these exceptions are made in these particular votes.

In addition to that, there are additional proportions of certain items in various departments that are asked for. If honourable senators have the schedules before them, I can refer to them.

The first is Schedule A which asks for an additional four-twelfths of certain items in the Department of Agriculture, Votes 25 and 45; for Legislation, Vote 15; for Loans, Investments and Advances, Vote L30; this all being Schedule A in the main Estimates.

Schedule B asks for an additional two-twelfths of the Northern Affairs and National Resources, Vote 15, in the amount of a little over $2¼ million.

Schedule C asks for an additional one-twelfth in certain items in Agriculture, Fisheries, Mines and Technical Surveys, National Film Board, Northern Affairs and National Resources. That is Schedule C.

Hon. Sarto Fournier: We have (d) on the leaflet. However, it is just a detail.

Hon. Mr. Connolly (Ottawa West): The schedules to which I am referring are the schedules in the bill. I am not referring to the tabulation on the side of the sheet which has been distributed. The small letters in brackets on the left-hand side of the sheet are put in for the stenographer's convenience.

In respect of the supplementary Estimates which have been tabled in this house, and which are treated in general in the way in which the main Estimates are treated, this bill will ask for seven-twelfths of all items to be voted in those Estimates, plus an additional four-twelfths of certain items in these supplementary Estimates, Agriculture, Mines and Technical Surveys. Then there are some items under Loans, Investments and Advances.

In addition, there are three-twelfths of one of the items in respect of Finance in the supplementary Estimates for which additional money is required. In the past I have taken the additional items in the schedules and explained them one by one. I have found, generally speaking, that this information was superfluous and I suggest now that if there are any particular items referred to in the sheets upon which any senator seeks information, I shall do what I can to provide it from the data before me.

Honourable senators, certain of these items with respect to Northern Affairs, Agriculture, Fisheries, and Mines and Technical Surveys, show special and rather urgent requirements for money because some of the programs proposed by these items are developed more intensively in the good weather period. This means that the department requires extra money to defray the costs of those programs. Generally speaking, this is why the extra amounts are required in addition to the four-twelfths or four months' supply asked for in respect of the main Estimates and in addition to the seven-twelfths asked for in respect of Supplementary Estimates (B).

We have been over the form of this bill so often together that I feel it is an imposition on honourable senators to outline what the different sections mean. I think I can sum up the situation by saying that this bill is in the usual form. I should give honourable senators the further assurance that in no instance is the total amount of any one item being released by this bill, and this is true of all interim supply bills, unless there is a very special reason for doing so and the reason is specified. I say further that the passing of any of these items tonight will not prejudice the right of any honourable senator to discuss, either in the house or in the Standing Committee on Finance, any of the items in the main Estimates or in the supplementary Estimates, or to criticize any points that he wishes.

I also remind the house that this is interim supply; it is not the final supply bill. It is a

payment on account so that the departments will be able to finance their operations. Parliament will not be back in full session until after the summer, but the work of Parliament and of the departments of government must continue and the bills must be paid. Honourable senators are also aware that the main Estimates and the supplementary Estimates are before our Standing Committee on Finance, and all honourable senators, whether or not they are members of the committee, are entitled to attend any sitting of that committee and to make such inquiries as they feel they should. In that way they can generally satisfy themselves that the amounts required to be voted, large amounts from time to time, are needed to keep the Government supplied with the wherewithal to meet its accounts.

I hope I am not short-circuiting or short-changing anybody by the explanation I have given, but if there are special questions on any particular items in the schedules I shall endeavour to answer them.

Hon. Allister Grosart: Honourable senators, an interim supply bill at this stage in the parliamentary process is not, of course, unusual, but this bill departs in two respects from the normal type of interim supply bill we have had before us.

One is that it contains a very large sum from the Supplementary Estimates (B). The second is that we are now being asked to vote supply in this amount for a period of four months, that is, until October 31 of this year. I do not know whether there is any particular significance in that date. We all know that Parliament is going to take a recess, but perhaps the honourable Leader of the Government (Hon. Mr. Connolly, Ottawa West), from his knowledge of the higher councils, might feel disposed tonight to advise us whether it has any electoral expectancy in the autumn—of which we have heard so many rumours.

As the honourable Leader of the Government has said, most of the items we are asked to vote now are in the main Estimates and have been before us for a good many months. They have also been before our own Standing Committee on Finance.

I think this is an appropriate time to say that the work that has been done by that committee, under the chairmanship of Senator Leonard, has brought not only great distinction to the Senate but also makes it much easier for us to consider and pass large amounts such as this at the last minute and under the gun, because honourable senators can have the assurance that these items have been examined carefully by that committee, of which I happen to be a humble member. Indeed, I felt in the past year, sitting at the feet of Senator Leonard, that I had been taking a post-graduate course in public finance. When I see some of the large amounts that are now required to assist in and improve higher education, it makes me realize that the mere B.A. which I got some years ago is today far from sufficient for one who is expected to do his duty in the Parliament of Canada, particularly in respect to this volume which we know as the Blue Book. In fact, in preparation for the assignment I have been given here I have been trying to find my way around it, and I must say there is nothing more difficult than to try to relate the specific votes in a bill such as this to their apparent counterparts in the main Estimates.

In view of the late hour and His Honour's very kind invitation, which I know we are all anxious to accept as soon as possible, it would not be becoming for me to discuss these figures at any length. I will make no comment whatever on those items that are related to the main Estimates, but I would like to say a few words about some of the items that are before us from the Supplementary Estimates (B). Not all the items to which I will refer are actually in the schedules before us but, of course, the supplementary Estimates vote in the bill is for seven-twelfths of the total in Supplementary Estimates (B).

One of the very large items in that schedule is for technical and vocational education. I think this is a good time to say that I do not think we can spend too much at the present time on the development of our educational facilities in this country.

Hon. Senators: Hear, hear.

Hon. Mr. Grosart: It is a remarkable fact, however, that to find what the federal Government is doing in the field of education you have to search all through the various departments, because the technical and vocational grants come under one department, the Department of Labour. We find the assistance to universities under another department.

I should like at this time to suggest that one of the things the Government could do to assist in the development of secondary and higher education in Canada is to bring all of these items together under one ministry. I am not suggesting that a Minister of Education should be appointed because I realize there are constitutional difficulties in the way

of that. But, regardless of sections 91 and 92 of the British North America Act, the federal Government is in the field of education.

I endeavoured to discover the present total, and I made several inquiries of officials, but nobody was able, in the short time available, to give me a figure. There is, however, in this appropriation bill the large amount of $42 million to extend the present grants to the provinces for vocational and technical training.

I have one comment to make. I happen to have some knowledge of one of these institutes, namely, the Ryerson Institute in Toronto. I am amazed at the fact that we are sending out graduates from such institutes, who are required to have a grade 13 education for admission and then complete three or four years of study, without awarding them a degree. Consideration should be given, perhaps at the provincial level, to the awarding of degrees to students who take the very extensive courses provided by technical and vocational institutes.

There is a large item in the Estimates of the Department of National Defence under the heading of "Loans" about which I should like the honourable Leader of the Government (Hon. Mr. Connolly, Ottawa West) to give us a little more information. I am referring to Vote L26b. If it is not possible to provide that information at the present moment, then perhaps it can be made available at some later time.

I should like to draw the attention of honourable senators to the item for defence support and assistance to cover direct expenditures on behalf of countries not members of NATO, which is found on page 6. I wonder if the honourable Leader of the Government would care to enlarge on that. This is an item that has increased over the years, and I am sure many honourable senators would be interested to know the reason for our defence support to countries outside our NATO obligation.

On page 12, in the Estimates of the Department of Labour, I find an item calling for the expenditure of $300,000, under the Special Services Branch, for newspaper, radio, film and other publicity. I do not know whether that covers the current advertising carried on by the Department of Labour, which is published in our newspapers at public expense. Full page advertisements are appearing in our newspapers in connection with the Labour Code, and carrying a photograph of the Minister of Labour. I am not one of those who say that a government should never advertise, because I believe a government has an obligation to communicate and give information to the public, but I have serious doubts as to whether it is necessary for a government advertisement to include a photograph of a minister, in spite of the fact that this particular minister is very good looking. His predecessor the Honourable Michael Starr was also a very good looking minister.

Hon. Mr. Connolly (Ottawa West): But, he was married.

Hon. Mr. Grosart: Yes, he is married, and the present minister is not. This may have something to do with the fact that there is an increase in the number of Canadian females in the labour market, and it may be very good policy.

Hon. Mr. Connolly (Ottawa West): I would hope it might help him.

Hon. Mr. Grosart: I think it will, and I think it will give particular comfort to a minister who is a bachelor.

On the other hand, the line rate for a full page advertisement in the newspapers of Canada is very high. I have had some experience in this field, and it seems to me that this controverts one principle or criterion in the examination of such a policy. This is the question: Is this legitimate information that should be furnished to the public, or is it propaganda for the glorification of a minister?

Hon. Mr. Hugessen: May I ask my honourable friend a question? I recall reading in the debates on the Labour Code in the other house that members of the Opposition were insistent that when the Labour Code was passed, the Government should publicize its provisions as soon as possible so as to make everybody in the country aware of who was and who was not covered by it. That was done at the suggestion of the Opposition.

Hon. Mr. Grosart: I agree with the general principle that this information should be widespread and made known, but there are many ways of communicating information. In this case, the only persons directly concerned would be the employers of labour directly connected with the federal Government.

Hon. Mr. Hugessen: Or the employees.

Hon. Mr. Grosart: I was going to say that. It is important at all times to acquaint members of the public of their rights, and

I have no objection to this being done. My objection is that this is an excess of zeal—a full page advertisement featuring the minister's picture. I do not think it was wise to have the minister's picture, if the Government wishes to avoid confusion in the public mind—and I am sure it does—as to whether this is the legitimate communication of information or whether there is a motivation of propaganda. I do not say there is. I merely suggest to the Government that the way to avoid it is to leave out the minister's picture, no matter how good looking he may be.

If I may, I will pass on to an item under Privy Council. This is an expenditure of which I shall make no complaint.

Vote 15b, under Privy Council, is as follows:

> Expenses of Commission under Part I of the Inquiries Act to inquire into allegations of improper conduct on the part of public officials in connection with extradition proceedings concerning Lucien Rivard.

I think that was money well spent, and I commend the Government for initiating that commisison and carrying it through to the end, as they have done.

Hon. Mr. Hollett: What is the amount of that vote?

Hon. Mr. Grosart: The amount is $40,000.

Under the Department of Secretary of State is an item which may be a kind of comment on the extraordinary meaningless of money when we find it before us in such large amounts. Upon looking at this bill, somebody said, "It cannot be money at all." This illustrates the point. There is an item of $257,000 as an expenditure for the committee to limit election expenses. Here is a committee which is going to tell the Government, and presumably candidates in elections, how to limit their election expenses and yet will spend $257,000 to find out how others should limit their expenses. I would only suggest that some action be taken on the earliest possible occasion to limit the expenses of the committee inquiring into the limiting of expenses.

Somebody once said to me that a good way to find out who are the best political housekeepers is to examine the Estimates carefully. I found a rather interesting example, and I will mention no names. On page 30 I came across an item under the Transport Department's Estimates for service between Twillingate and New World Island. I am sure my colleague from Newfoundland will be interested in that. It is in the amount of $19,750. I thought that was a lot of money for that type of thing. However, on page 27 I found another item under Vote 20b:

> Construction or acquisition of ferry vessels and equipment; Ferry vessel for the Twillingate-New World Island Newfoundland Service, $57,000.

I immediately thought of Bonavista, and sure enough, on page 22 under Public Works, I see "Bonavista—Breakwater repairs—To complete, $115,000." And immediately afterwards, "Bonavista, the slipway and storage area, $100,000."

Honourable senators, there are many other things I would like to say about the Estimates, and I should have liked to discuss them fully, as I have quite a few notes here.

I feel I should pay a compliment to the Leader of the Government for providing us, as he has done now for about a year, with these extremely interesting documents—which, as far as I know, are unique in our parliamentary process. I believe they are prepared in his own office. They are by far the best summaries that I have ever seen of governmental expenditures. While they naturally do not contain all the items on which I have commented, they are most helpful and they do give an excellent picture of the expenditures that we are asked to consider and to which we are to give our consent.

I conclude by saying again that I have no hesitation at this time in acceding to the passing of these Estimates. Even though they have not been already considered by our Committee on Finance, they will in due course obtain that consideration and I think we can rest assured that if there are any items which should be drawn to the attention of the Senate, that will be done.

Honourable senators, that is all I have to say at this moment, except to thank my own leader for the opportunity of engaging in this interesting assignment, although I do wish he had not put me in the position I am in, of being the last man up on the team, at a time when nobody is very much interested in listening to the last man.

Hon. Mr. Connolly (Ottawa West): Honourable senators—

The Hon. the Speaker: Honourable senators, if Senator Connolly speaks now it will have the effect of closing the debate.

Hon. Mr. Connolly (Ottawa West): Honourable senators, I thank Senator Grosart for the remarks he has made and for the care that he has given to this bill and to the supplementary Estimates.

He finished his speech by saying that he found the sheets which I have provided to be useful. I would hope that would be generally felt to be the case in the Senate, and I would plan to continue this same practice on other supply bills—given time. There may be occasions when a bill comes to me very late and when it is impossible to prepare these sheets. I think they let honourable senators see quickly where we are in the consideration of these various supply bills.

Senator Grosart started by using a rather unusual phrase, "electoral expectancy." I have little to say about that. Perhaps he and the members of his party have "great expectations." I would assure him that, unlike Micawber, the Government is not "waiting for something to turn up."

He suggested that bringing the education items together under one authority, or even under one minister, might be useful. Certainly it would be helpful if the items could be grouped. I would suggest, however, that this might be a matter to be considered by our Committee on Finance. I rather doubt that anything is possible, that they could be all under one authority, because people who are charged with the administration of some of these items naturally fall for their main work into various departments. The honourable senator might ask this question of the Secretary of the Treasury Board when he comes before the Committee on Finance.

Senator Grosart asked also about reasons for external aid to two non-NATO countries. One of those, I remember quite well, is Tanzania. I do not recall the other country. There are very good reasons for such assistance. In the case of Tanzania, it is a very new country and it has been without armed forces and without the means of trying to establish law and order within its boundaries.

It is said that there are certain subversive elements in these countries that must be controlled if law and order is to prevail. Here again, I think it is appropriate to say that this matter might very well be inquired into in the Standing Committee on Finance, and I believe that the explanation which would be given of the Government's action in respect of these two countries would be readily accepted by the members of this house.

The honourable senator has also been critical of certain advertising programs undertaken particularly by the Department of Labour, and of the fact that the minister's picture appears in the advertisements. Well, I suppose that the appearance of a picture of a minister always has a political connotation, even when it is in the news section of a newspaper. But I should not be surprised if the model for this particular set of advertisements was taken from some of the programs advertised by the Government of the Province of Ontario, because I think this practice has been used very generally there and possibly in other provinces as well. Frankly, I see no reason why the picture of any minister should not be included in connection with a program of his department that is of such importance to all the people of Canada as is the Labour Code. I need not tell the honourable senator what constitutes good advertising practice. I for one would certainly look at an advertisement with a picture more readily than I would at an advertisement without one, and if the picture were that of a pretty girl I would look at it even more quickly.

Hon. Mr. Macdonald (Cape Breton): Is the honourable Leader of the Government aware that the minister stated that this was not a picture of him because of the poor likeness?

Hon. Mr. Connolly (Ottawa West): The honourable senator also talked about the committee's inquiring into the prospect of limiting election expenses, and the fact that $257,000 might be spent on that project. This is fair game for political comment. But in view of the experience of the honourable senator in connection with this general field of elections and his knowledge of the magnitude of the cost of elections, if this cost could be substantially reduced even in one or two elections as a result of the operations of a committee that would cost this amount of money, I would say that we would still have a bargain.

The honourable senator also refers to special items introduced into the Estimates in connection with a certain area in the Province of Newfoundland. All I can say about that is that perhaps since 1957 that area has been more or less neglected, and perhaps some of these facilities have fallen into such disrepair that it is necessary to make some expenditures down there to restore normal services.

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 the bill be read the third time now.

Motion agreed to and bill read third time and passed.

AREA DEVELOPMENT INCENTIVES ACT

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-129 to provide incentives for the development of industrial employment opportunities in designated areas in Canada, and to effect certain related amendments to 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. John J. Connolly, with leave of the Senate, moved the second reading of the bill.

He said: Honourable senators, one of the disadvantage of getting legislation late in a session, or just before a long adjournment, is that the Senate must subject itself to many speeches from the Leader of the Government. I shall be as brief as I can in respect of this important measure and yet, I hope, give an explanation that is comprehensive and adequate.

The bill itself is called the Area Development Incentives Act. Honourable senators will remember that over the years there has been concern in this country about the chronic problem of unemployment, and particularly seasonal and regional unemployment. All governments—the present, the immediate past, and earlier governments—have tried to wrestle with this problem on the northern half of this great continent. There is said to be surplus labour in certain areas, which is just a polite way of saying there is unemployment, and too much unemployment in certain areas. There is said to be slow economic growth or depression in certain areas which results in unemployment, in hardship, in misery. I think it can be said too that public opinion has favoured the promotion of any program designed to step up employment opportunities or which may increase income levels.

One of these has been the Area Development Incentives program, enacted by Parliament a little less than two years ago. The means proposed in that legislation was the tax incentive. Firms, companies or individuals who went to areas designated as relatively depressed, and established new businesses which had the prospect of providing additional employment and raising the level of economic development in the area would be allowed these tax incentives, such as the Capital Cost Allowance and, in certain cases, the remission of income tax.

It has been found that this program generally has been beneficial. The tax holiday, which is usually a three-year holiday from income taxes, has helped the larger firms, and in certain cases some very large enterprises have been established. It helped the larger firms, because primarily they could finance the early stages of the new industry from the resources they had available. It did not help the small man as much, who was a little short of working capital. This is one of the reasons why it is felt that some change should be made in the means for developing this type of program.

I should say that there are 45 areas designated as being substandard in the sense in which I am talking. There is one in Newfoundland, one in Alberta, seven in Nova Scotia, five in New Brunswick, thirteen in Quebec and eighteen in Ontario. All of these areas are served by an office of the National Employment Service, and it was the areas of the National Employment Service officers that were looked at as units in connection with this Area Development Incentive program. The firms that established new industries in any N.E.S. area designated as a relatively depressed area were the firms that qualified for the incentives.

May I give some statistical information as to the results of that program from 1963 to the present time. One hundred and fifty firms indicated their desire to participate in the program, and to establish new plants in one of these designated areas. It is estimated in the department that between 15,000 and 17,000 new jobs were provided in the proposed new plants, and in addition an unspecified number of jobs were provided in respect of the construction and supply of the requirements of the new industries. I am told that the total investment in the new enterprises in these areas in the past two years is approximately $500 million. That much new capital or new wealth has been established in those areas. Twenty-five per cent of this investment has been provided by the papermakers; 14 per cent by the manufacturers of trans-

portation equipment; 33 per cent by the chemical industry; 9 per cent by the textile industry; and 2 per cent by the machinery manufacturing industry.

I should say—and this indirectly bears out the point I made a moment ago—that ten of the firms which went into this program invested about $300 million of the total of $500 million, and provided just a little less than half of the jobs that are expected to be provided, or that in fact have been provided as a result of the program.

Generally speaking, I think it can be said that the program has had a beneficial result, but it is felt that improvements can be made, and will be made by the proposals contained in this bill.

One of the tests heretofore applicable for designating an area as appropriate for the incentive has been the existence of a labour surplus, or unemployment, during the summer months in the N.E.S. area in question for the previous eight years. Another test was whether or not the growth of employment in the N.E.S. area that was being looked at was below the national average. Another factor was the seasonal unemployment, particularly during the summer months in the area due to production changes in a manufacturing industry, re-tooling, and conditions of that kind.

Honourable senators, the new test or new considerations proposed by this bill are somewhat different, and they may appear to be rather abstract and perhaps complicated. However, the Government expects that they will provide better results than the ones that have been obtained heretofore.

I should like to summarize these new considerations that will apply to the determination of the designated areas. The first is unemployment. Consideration hereafter will be given to the ratio between the number of registered unemployed in the National Employment Service area and the number of paid workers in the area for the whole year. I am informed by experts—and these are people who deal with statistics and who believe that this program can benefit by the change—that this figure, when determined, will be a useful figure to compare the unemployment situation in the various National Employment Service areas, and that they will have a better picture of how great the need is in certain areas than they were able to obtain heretofore.

On the question of growth of employment in a given area, formerly an eight-year period was used. It is now proposed that a five-year period shall be used.

Special attention—and this was apparently not one of the criteria adopted before—will be given to the National Employment Service areas where employment has continued to decline and where that can be measured by statistical information.

The fourth of the new tests to be applied will be the low-income test.

Honourable senators, sometimes an unemployed person fails to register at the National Employment Service office. It is possible, however, to determine the average income in a National Employment Service area, and it is therefore proposed to compute a figure of the average non-farm family income for a given area as determined by the national census, from the information supplied by the national census through the Dominion Bureau of Statistics. I am told that this figure can be revised every five years, although the census takes place every ten years. It will be beneficial even where the area is part rural and part urban, because the figure on non-farm family income is likely to be higher than the average of all income in a mixed National Employment Service area.

I conclude this part by saying that this sounds abstract and complex. However, I think the original tests were equally abstract and complex, but they proved to be helpful, and these newer tests are expected to be still more helpful. With the new tests it is believed that the new designated areas which will qualify for special treatment to remedy unemployment and to provide a stimulus for the economy in that area, will cover 15 per cent of the labour force instead of 10 per cent under the old standards.

I should also say that this legislation, like the past legislation, is experimental. It is based upon our own experience over the past two years. I am informed that it is also based upon similar legislation which has been used in the United States and in some European countries. Of course there are differences in Canada, especially arising out of the fact Canada is not a unitary state but a federal state, and the solution to some of these problems lies within the jurisdiction of the provinces. So, close consultation with the provinces in the working out of these programs is essential.

The purpose of the legislation is to provide better and more employment opportunities for people in areas of slower growth. It is hoped that the application of the new legislation will result in a higher rate of growth

and better employment within areas that are designated as areas in need of assistance.

As I have said, heretofore the incentives were accelerated capital cost allowances and certain tax remissions. Now it is proposed that grants will be made to assist the new manufacturing and processing industries to establish themselves within the designated area. These grants will be paid out of the federal Treasury to new and existing manufacturing and processing industries, to assist them to expand their facilities or to establish new facilities.

The grants will be based upon the fixed capital investment which the industries which decide to locate or expand within those areas will make. The grants will not be taxable income in the hands of the industries, that is, of the companies that receive them.

I would remind honourable senators that the bulk of the investment will be made by the industries themselves. The cost to the federal Treasury is expected to be roughly equivalent to the cost which it incurred as a result of the program which has been in existence up to now.

Hon. Mr. O'Leary (Carleton): What has been the cost so far to the federal Government

Hon. Mr. Connolly (Ottawa West): That I cannot answer, and for this reason. I think my honourable friend will appreciate my difficulty here. The capital cost allowance is an allowance that is going to be made to the company that sets up in the given area and will be based upon its capital investment in land, buildings, equipment and so on. The computation of that allowance for a given industry would not be available until the tax return for a given year was made. The program has been running for two years. I wish I could tell my friend how much this would mean in taxes that were not paid or were not received by the federal Government. Perhaps I could get some information on that and supply it to him.

Hon. Mr. O'Leary (Carleton): I think the honourable senator said some 15,000 new jobs had been created.

Hon. Mr. Connolly (Ottawa West): That is what I understood.

Hon. Mr. O'Leary (Carleton): Fifteen thousand new jobs? It would be interesting to know the total cost of each job to the Treasury. We have the total amount paid out by the federal Government so far to the plan.

Hon. Mr. Connolly (Ottawa West): I should point out that up to now no money has been paid out. Up to now these have been tax remittances and tax holidays for three years. There may be a figure that can be developed to apply to the new jobs—15,000 to 17,000 new jobs. I will have some work done on that and will supply the information to my friend.

Hon. Mr. Hollett: The honourable senator spoke of $500 million being the cost of 16,000 jobs. Did I understand that correctly?

Hon. Mr. Connolly (Ottawa West): The $500 million is the amount that has been invested by firms which have established new industries in the designated areas.

Hon. Mr. Burchill: Might I ask my leader, is not the Industrial Development Bank equipped to do that very job to which he is referring? They have the staff and all the facilities. I wonder why they cannot be used to do that job.

Hon. Mr. Connolly (Ottawa West): The Industrial Development Bank is a lending bank. What is proposed now is a series of grants in which the Department of Industry, having surveyed the application, will be able to make the payment. This is a matter of a grant; it is not the supervision of a lending program.

Hon. Mr. Burchill: But this money is paid back?

Hon. Mr. Connolly (Ottawa West): No, these are outright grants. Instead of tax remittances, they are outright grants.

Hon. Mr. Aseltine: They are not loans.

Hon. Mr. Connolly (Ottawa West): They are not loans. Instead of tax holidays, they are grants. The rate of grant will be 33 per cent of the first $250,000 of capital invested by the firm. This is designed particularly to help smaller firms, because they require more labour and are not as highly mechanized as many of the larger industries. When the investment is between $250,000 and $1 million, the grant will be 25 per cent of the fixed investment undertaken by the industry which sets up in the designated area.

Hon. Mr. Aseltine: Does a firm which obtains one of these grants still qualify for capital cost allowance in addition to the grant?

Hon. Mr. Connolly (Ottawa West): No. These are two separate programs. If I may I would like to touch on the point which Senator Aseltine has raised after I finish this portion of my explanation.

When the amount of capital invested is over $1 million, the percentage of grant will be 20 per cent of the investment in excess of $1 million, but the maximum grant in any case will not be more than $5 million. The same formula as to the rate of grants will apply to the expanding of existing facilities in cases where the expansion program is approved. The tax incentives heretofore applied will continue to be available until March 31, 1967, but a firm that enters a designated area to set up a new industry under the old system cannot take advantage of the new. I think I am accurate in saying that after the passing of this legislation, if it is passed by Parliament, the old system will be discontinued for new applications.

I may say that firms qualifying for assistance under the new program may take a tax credit instead of a grant if they are in the position where they are earning money.

Hon. Mr. Aseltine: Would not that be the same as allowing them depreciation?

Hon. Mr. Connolly (Ottawa West): No, because the capital cost depreciation is based upon the value of the buildings and equipment and the depreciation rates that apply. In the case of a tax credit, if the firm is entitled to a grant but is earning income which is taxable, it can offset its tax against the amount of the grant.

Hon. Mr. Aseltine: And then it would have the usual depreciation?

Hon. Mr. Connolly (Ottawa West): Then they would be subject to normal depreciation. The program is to expire on March 31, 1971.

I have not tried to explain the principles of this bill by dealing with the sections one by one, but I have tried to give a general explanation of the purport of the bill. The program, as I say, is basically the same as that approved by Parliament two years ago and which has proved to be reasonably successful. The new criteria proposed by this legislation will be even more beneficial, will not be more onerous upon the treasury and will cover much more of the labour force than has previously been the case.

Hon. Mr. Smith (Queens-Shelburne): I wonder if the leader would add a few words of explanation in connection with clause 13, wherein reference is made to amendments to the Income Tax Act. I must say I am a little confused with the explanation given in the bill itself. I am referring now to page 5 of the bill.

Hon. Mr. Connolly (Ottawa West): The amendments to the Income Tax Act are designed to provide for manufacturing or processing businesses which are the types of industry intended to be helped by this bill. Perhaps that would be clearer if I were to express it this way: It is considered that a manufacturing or processing business would do most for a designated area, and the purpose of the income tax changes is to make it as clear as possible that the industry to be assisted in the designated area should be a manufacturing or processing industry. For this reason, a gas or oil well, logging business, mine, construction project, farming or fishing should not be included within that definition.

Hon. John M. Macdonald: Honourable senators, it is not my intention to speak at any length on this bill. As the honourable leader says, it is an experimental bill, and I will probably be better able to discuss its implications and effect after it has been in operation for a period of time.

Generally speaking, I think there will be approval of the measure. I would like to read a short quotation from the *Chronicle Herald* of Halifax dated June 9 last because I agree with the view expressed therein, and it perhaps expresses it better than I could. It states:

> The policy of direct grants to new or expanding industry in underdeveloped areas will be a more powerful incentive than the tax holiday and rapid depreciation provisions now in force. It will provide companies with substantial amounts of cash (equivalent tax credits will be made available as an alternative) at a time when such aid is most needed. Tax holidays, of course, presupposed an early profitability that could not always be realistically expected.
>
> The direct-grant method has enjoyed increasing support among economists, business men and politicians in the Atlantic provinces, particularly in Nova Scotia. This part of the Prime Minister's announcement, therefore, should find a ready acceptance in this region.

There is one thing I particularly like about this bill, and it is this: It seems to be an effort to bring employment to people in these underdeveloped or distressed areas, whichever you want to call them. Too often have we heard it stated that people must be

prepared to move to centres of employment. We have heard it stated in this chamber that the workman must be prepared to move perhaps two or three times during his life, that he must go to where employment is to be found. I say this measure is an attempt to bring employment to the workman. We cannot expect workmen to live in a sort of trailer town, ready to hitch up and move to some other centre at a moment's notice. People like to settle, to build and take roots, as it were. I do not subscribe to a policy which seems to say that those seeking work must move to a centre where employment is available.

Surely in this day and age when we send men hundreds of miles into orbit, when they are planning to send men to the moon, we should have enough skill, ability and vision to bring employment to people no matter where they are living.

Honourable senators, I point out that in these areas about which we are speaking it is just as important to keep existing employment as it is to provide new employment. This bill, for example, applies to new manufacturing and processing facilities, or to the expansion of existing manufacturing and processing facilities. I presume the reason is that this type of industry provides a fairly high rate of employment. It is a little difficult to follow the definition of a new facility:

> "Facility" means the structures, machinery and equipment that constitute the necessary components of a manufacturing or processing operation.

What happens in an area of this type when an industry such as a mining industry wishes to modernize its operations? As I see it, under this legislation it could not get a grant. I would think in many cases it would be much easier to keep existing industry. It might be much less expensive to maintain existing industry than to allow it to disappear, and then endeavour to bring in new industry.

As I said, it is not my intention to speak at length on this bill. Only time will tell whether the new standards will prove to be more beneficial than the old. I do hope and trust that it will not be too long before we are able to say there are not so many of these distressed areas. I come from one of them, so perhaps I have a special concern about them. I can tell you that it is an awful thing to meet a man who is middle-aged or past middle age who has lost employment and has absolutely no prospects for the future. You do not help him much when you say to him, "You can get employment on a construction project," especially when he has spent 20 or 25 years building up some security for himself and is then abruptly turned onto the labour market. Such a man is in a desperate situation.

It is my hope, as I am sure it is the hope of us all, that this legislation is most successful. If it is discovered it does not go far enough, then I hope there will be no hesitation in broadening its scope so that it will apply not only to new or expanding industry but to any industry in such areas as are set forth and which are in need of assistance.

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.

ROYAL ASSENT

NOTICE

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

GOVERNMENT HOUSE

Ottawa, 30th June, 1965

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 30th June, at 9.30 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,
Ottawa.

ADJOURNMENT

Leave having been given to revert to motions:

Hon. Mr. Connolly (Ottawa West): Honourable senators, I move that when the Senate

adjourns tonight, it do stand adjourned until Tuesday, October 12, 1965, at the hour of 8 o'clock in the evening.

I am informed that the other place expects to reassemble at a somewhat earlier date. It is not definite that we shall be adjourned until October 12, because if we are required earlier, it is always within the power of the Honourable the Speaker to recall honourable senators.

I think it is provident to take a somewhat longer adjournment than the other house, because the work on our Order Paper is completed. Otherwise we would have to wait for business from the other house or for new legislation to be introduced in the Senate.

While I am on my feet, may I express the hope that all honourable senators will enjoy and profit from a well-deserved summer vacation at last.

Motion agreed to.

The Senate adjourned during pleasaure.

At 10.04 p.m. the sitting was resumed.

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 War Veterans Allowance Act, 1952.

An Act to amend the Veterans' Land Act.

An Act to amend the Children of War Dead (Education Assistance) Act.

An Act to amend the Army Benevolent Fund Act.

An Act to amend the Income Tax Act and the Federal-Provincial Fiscal Arrangements Act.

An Act respecting the construction of a line of railway in the Province of Ontario by Canadian National Railway Company from a point at or near mileage 3.2 of the Froomfield Spur of the Canadian National Railway near Sarnia in a southerly direction for a distance of approximately 12 miles to the property of Canadian Industries Limited in Sombra Township in the County of Lambton.

An Act to amend the Customs Tariff.

An Act to amend the Customs Act.

An Act respecting The Algoma Central and Hudson Bay Railway Company.

An Act respecting Great Northern Railway Company and Great Northern Pacific & Burlington Lines, Inc.

An Act to incorporate Principal Life Insurance Company of Canada.

An Act respecting The Canadian Institute of Mining and Metallurgy.

An Act to provide incentives for the development of industrial employment opportunities in designated areas in Canada, and to effect certain related amendments to the Income Tax Act.

The Honourable Alan Macnaughton, 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, 1966.

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 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 Tuesday, October 12, at 8 p.m.

(*See page 364 for dissolution of Parliament*)

APPENDIX

(*See page 321.*)

MEETING OF COMMONWEALTH PRIME MINISTERS, 1965—FINAL COMMUNIQUÉ

At the meeting of Commonwealth Prime Ministers, which ended today, Pakistan, Ghana, Tanzania and Zambia were represented by their Presidents. Britain, Canada, Australia, New Zealand, India, Malaysia, Nigeria, Sierra Leone, Trinidad and Tobago, Uganda, Malawi, Malta and The Gambia were represented by their Prime Ministers. Jamaica was represented by the Acting Prime Minister; Ceylon by the Minister of Justice; Cyprus and Kenya by the Ministers of Externals Affairs.

This was the first Meeting at which Malta, Zambia and The Gambia were represented as Members of the Commonwealth; and the other Commonwealth Heads of Government were pleased to welcome them. The Prime Minister of The Gambia informed the Meeting that it was his country's desire to continue her membership of the Commonwealth after introducing a republican form of Constitution and to accept The Queen as the symbol of the free association of the independent member nations and, as such, the Head of the Commonwealth. The Heads of Delegations of the other Member countries of the Commonwealth assured the Prime Minister of The Gambia that they would be happy to recognize The Gambia's continued membership of the Commonwealth.

The Prime Ministers took note that their Meeting was being held during the International Co-operation Year which itself stemmed from a proposal by the former Prime Minister of India, the late Mr. Nehru. They recorded their sympathy with its objectives and their desire to assist in its success.

The twentieth anniversary of the foundation of the United Nations fell on the last day of the Meeting. The Prime Ministers sent a message of greetings and of good wishes to the Organization to mark this occasion.

The Prime Ministers recognised that the Commonwealth, as a multi-racial association, is opposed to discrimination on grounds of race or colour; and they took the opportunity of their Meeting to re-affirm the declaration in their Communiqué of 1964 that, "for all Commonwealth Governments, it should be an objective of policy to build in each country a structure of society which offers equal opportunity and non-discrimination for all its people, irrespective of race, colour or creed. The Commonwealth should be able to exercise constructive leadership in the application of democratic principles in a manner which will enable the people of each country of different racial and cultural groups to exist and develop as free and equal citizens."

In the course of a comprehensive review of the major current international issues, the Prime Ministers noted with concern that, despite the efforts of many countries to promote peace and stability throughout the world, dangerous conflict, or the threat of conflict, persists in several areas. They expressed their conviction that in these circumstances all possible steps should be taken to reinforce the authority of the United Nations Organisation; and they discussed in this context the question of China's representation in the Organisation. They also reaffirmed their belief in the importance of the peace-keeping operations of the United Nations; and they renewed their support for the efforts now being made by a Committee of the United Nations to establish just and equitable principles for authorising, organising and financing peace-keeping operations. They considered it essential that the General Assembly, when it reconvened, should be able to function normally. They welcomed the voluntary and unconditional contributions which had been made to the United Nations in order to help towards relieving it of its financial difficulties; and they expressed the hope that, as a result of these and other actions, the United Nations would be able to discharge its functions. The Prime Ministers pledged their loyalty to the United Nations, the success of which they considered to be essential to the maintenance of world peace.

The Prime Ministers expressed serious concern over the grave situation in Vietnam and the danger of its developing into a major international conflict. They reviewed the various efforts which had been made to achieve a peaceful solution to the problem; and, bearing in mind that the Commonwealth, by virtue of its wide membership, represented a very broad spectrum of opinion in the world and that their Meeting was taking place

at a time when the peril to world peace was rapidly increasing, they considered, on the first day of the Meeting, a proposal for a new attempt to move forward to a peaceful solution. To this end a Mission was established to make contact with the parties principally concerned with the problem of Vietnam.

The Mission is composed of the Prime Minister of Britain, the President of Ghana and the Prime Ministers of Nigeria and of Trinidad and Tobago. The Prime Minister of Britain, as Chairman of the Meeting, was appointed Chairman of the Mission. Its object is to explore with the parties principally concerned how far there may be common ground about the circumstances in which a conference might be held leading to a just and lasting peace in Vietnam and, having ascertained such common ground, to seek agreement on a time, place and composition of a conference. The Mission will report progress from time to time to the Prime Ministers by whom they were appointed. The Meeting approved a statement of guidance to the Mission, a copy of which is attached to this Communique, together with copies of two statements issued by the Mission.

Malaysia

The Prime Ministers reviewed other developments in South-East Asia. They noted, with concern, that tension still persisted between Malaysia and Indonesia, thus disturbing the peace and security of the area, despite the interval since they had last collectively considered the matter and had stated in the Communique issued at the end of their Meeting in 1964, that "they assured the Prime Minister of Malaysia of their sympathy and support in his efforts to preserve the sovereign independence and integrity of his country and to promote a peaceful and honourable settlement of current differences between Malaysia and neighbouring countries". They recognised and supported the right of the Government and people of Malaysia to defend their sovereign independence and territorial integrity, and expressed their sympathy to the Prime Minister of Malaysia in his country's efforts to this end. They looked forward to the establishment of peaceful, friendly and mutually advantageous relations between Malaysia and Indonesia on a just and honourable basis.

Cyprus

The Prime Ministers expressed concern about the situation regarding Cyprus. They reaffirmed their full support for the U.N. Security Council resolutions on the subject. The Prime Ministers asserted that the Cyprus problem should be solved within the framework of the U.N. and its Charter and in accordance with the principles of democracy and justice and in conformity with the wishes of the people of Cyprus.

They appealed to all countries concerned to act in accordance with the Security Council Resolution of the 4th March, 1964, and to refrain from any action which might undermine the task of the United Nations Peace-Keeping Force to which a number of Commonwealth countries are contributing. They also expressed their appreciation of the work and persistent efforts of the United Nations Mediator.

Africa

The Meeting took note of the widely expressed regret at the failure of the Portuguese Government to give due recognition to the legitimate political aspirations of the peoples of the Portuguese territories in Africa. The Meeting expressed support for the application of the principle of self-determination to the inhabitants of Angola, Mozambique and Portuguese Guinea. The Prime Ministers reaffirmed their condemnation of the policy of apartheid practised by the Government of the Republic of South Africa and unanimously called upon South Africa to bring the practice to an end.

Caribbean

In discussion of Caribbean problems the Prime Ministers took note of the situation in the Dominican Republic. They expressed the hope that peace would be restored there and a final settlement reached within the framework of the Charter of the United Nations on the basis of self-determination and in accordance with the wishes of the people of the Republic.

Disarmament

The Prime Ministers reaffirmed the aim which they had expressed in their Statement on Disarmament on 17th March, 1961, namely to achieve total and worldwide disarmament, subject to effective inspection and control. They commended the thorough and useful work which had been done in furtherance of that aim by the 18-Nation Disarmament Conference since it first met in March, 1962, both on general and complete disarmament and on preliminary measures to build international confidence. They recognized that the

non-aligned members of the Conference, by playing a constructive and intermediary role, had contributed to the progress already achieved and had increased world understanding of the importance of disarmament.

The Prime Ministers believed that there was an urgent need for further progress in the disarmament field, both in the interests of world peace and in order to enable the nations of the world to devote their resources to more fruitful purposes. They considered that the problems involved in the elaboration of an agreement for general and complete disarmament should be re-examined, in the light of their Statement on Disarmament of March 1961, by the 18-Nation Disarmament Committee at Geneva. They considered that, in order to create the optimum conditions for the success of their efforts to achieve general and complete disarmament, the 18-Nation Disarmament Committee should resume its detailed negotiations at Geneva with a view to reaching agreement on the next steps to disarmament which could be submitted to an eventual World Disarmament Conference which should be open to participation by all States.

They welcomed the various proposals which had been put forward for measures to reduce tension and build up international confidence. They hoped that early progress would be made towards an acceptable agreement on some of these measures, including the limitation and reduction of stocks of nuclear weapons and delivery vehicles and a phased reduction in conventional armaments, as steps towards a world agreement for general and complete disarmament. They emphasized the urgency of arms control and, recognized that in appropriate areas agreement on nuclear-free zones could assist such control. In this connection the hope was expressed that in the preparation of the appropriate Treaties the declarations by the Organisation of African Unity and certain Latin American States regarding the establishment of nuclear-free zones in their own geographical areas would be respected.

The Prime Ministers emphasized that ways and means should be found for associating the People's Republic of China with future discussion on disarmament. Indeed they felt that the importance of a solution of the disarmament problem had been underlined by the fact that, since their last Meeting, the Government of the People's Republic of China had exploded two nuclear devices and had clearly demonstrated their intention to develop nuclear weapons.

The Prime Ministers wished to record their firm conviction that the continuing spread of nuclear weapons had created a serious danger to mankind. They believed that the development of new national nuclear weapon capabilities might jeopardise further efforts to bring about general and complete disarmament. Moreover, the prospects for achieving a fair settlement of disputes would suffer as international tension increased and there would be a growing risk that nuclear proliferation might cause a local conflict to escalate to a nuclear exchange into which the major nuclear powers might be drawn.

Accordingly, the Prime Ministers, fully aware of the gravity of the situation and of their responsibility to each other and to other members of the international community, expressed their determination to give urgent and wholehearted support to measures to prevent the spread of nuclear weapons. To this end they reaffirmed their willingness to join with other countries in signing as soon as possible any appropriate international agreement which would halt the proliferation of nuclear weapons.

They expressed the hope that efforts to extend the Treaty Banning Nuclear Weapons Tests in the Atmosphere, in Outer Space and Under Water should be extended to cover underground tests as well. They called on all nations to abstain from actions which might make agreement on general and complete disarmament or preliminary measures more difficult.

Dependent Territories

Britain made the following statement to the Meeting about the progress of British Colonial dependencies towards independence. The independent Members of the Commonwealth now amounted to no less than 21, including a population of more than 750 million: Britain had 31 remaining dependencies with only 10 million inhabitants, of whom over half were in Hong Kong and the South Arabian Federation. Nineteen of these dependencies contained less than 100,000 people and 6 less than 10,000. It was hoped that many of these remaining dependencies would reach independence in the next three years, including Basutoland, Bechuanaland, British Guiana, Swaziland and the South Arabian Federation; and also some or all of the territories in the East Caribbean, wither in a federation or separately.

The Prime Ministers of the other Commonwealth countries noted with approval the

further progress of British territories to independent membership of the Commonwealth since their last Meeting. They welcomed the assurance of the Prime Minister of Britain that it remained the objective of his Government to lead to independence, on the basis of democratic government and the principle of universal adult suffrage, such of the remaining territories as desired it and could sustain it; and that the British Government would continue to seek to devise the most appropriate alternative arrangements for such smaller territories as were unable, or unwilling, to proceed to full independence.

In relation to Basutoland, Bechuanaland and Swaziland the view was expressed that such economic assistance and guarantees of territorial integrity as were necessary to maintain the territories as independence states should be given.

As regards British Guiana, while differing views are held on the constitutional arrangements best suited for the country, the Prime Ministers welcomed the British Government's intention to hold a conference later this year, one of the tasks of which would be to devise a constitution, and to fix a date, for independence. The Prime Ministers noted the British Government's recognition of the need for adequate machinery to ensure human rights and due judicial processes.

As regards the countries of the Eastern Caribbean the Meeting expressed the hope that the assistance urgency required to strengthen their economies and ensure their viability so as to enable them to sustain the obligations of independence would not be delayed by the discussions on political arrangements.

Rhodesia

The Commonwealth Secretary informed the Meeting of the attempts which the British Government had made in recent months to resolve the problem of the further constitutional development of Rhodesia. He explained the considerations by which they were and would continue to be guided in their approach to the question of Rhodesian independence and emphasised that central to these was the necessity to provide guarantees that future constitutional development should conform to the principle of unimpeded progress to majority rule, together with an immediate improvement in the political status of the African population and the progressive elimination of racial discrimination. As they had repeatedly made clear, the British Government would only recommend to Parliament the grant of independence to Rhodesia if they were satisfied that this was on a basis acceptable to the people of the country taken as a whole. He emphasized the dangers of the use of force or unconstitutional methods by any party; and he reaffirmed in this connection the policies of the British Government as indicated in their statements of 27th October, 1964, and 29th April 1965.

The Heads of Government of the Commonwealth took note of the Commonwealth Secretary's statement. They reaffirmed their previous statement that they were irrevocably opposed to any unilateral declaration of independence by the Government of Rhodesia, and further reaffirmed their insistence on the principle of majority rule.

While the Prime Ministers reaffirmed that the authority and responsibility for leading her remaining Colonies, including Rhodesia, to independence must continue to rest with Britain, they also reaffirmed that the question of membership of the Commonwealth by an independent Rhodesia, or by any other newly independent territory, would be a matter for collective Commonwealth decision.

The British Prime Minister was urged by other Prime Ministers to convene a constitutional conference at an early date, say within three months, which all the political leaders in Rhodesia should be free to attend. They reaffirmed that the object of such a conference should be to seek agreement on the steps by which Rhodesia might proceed to independence within the Commonwealth at the earliest practicable date on a basis of majority rule. In this connection they welcomed the statement of the British Government that the principle of "one man one vote" was regarded as the very basis of democracy and this should be applied to Rhodesia.

An appeal was made for the immediate release of all the detained or restricted African Leaders as a first step to diminishing tensions and preparing the way for a constitutional conference. A further appeal was made that the death sentences passed on persons now awaiting execution for offences under the Law and Order (Maintenance) Act should be respited.

It was further urged that, should the Rhodesian Government refuse to attend such a conference and to release the detainees, the British Government should introduce legislation to suspend the 1961 Constitution and appoint an interim Government, which should repeal oppressive and discriminatory laws and prepare the way for free elections.

The British Government said that they were actively engaged in discussions with the Government of Rhodesia; and they undertook to take full account, in relation to these discussions, of all the views which had been expressed during the Meeting. In this process of seeking to reach agreement on Rhodesia's advance to independence a constitutional conference would, at the appropriate time, be a natural step. If the discussions did not develop satisfactorily in this direction in a reasonably speedy time, the British Government having regard to the principle enunciated by the Commonwealth Secretary of unimpeded progress towards majority rule would be ready to consider promoting such a conference in order to ensure Rhodesia's progress to independence on a basis acceptable to the people of Rhodesia as a whole.

The Prime Ministers renewed their call to all leaders and their supporters in Rhodesia to abstain from violence and to co-operate in the work of fostering tolerance and justice, as the basis of a society in which all the inhabitants would be assured that their interests would be protected.

Economic Affairs

The Prime Ministers then turned to consider problems of aid and development. They recognised that economic and social development constitute a long-term co-operative enterprise in which all countries can work together. The importance of economic planning in relation to development would call for an increased supply of experts; and concerted measures would therefore be required in order to enlarge and mobilise resources of this kind by means of adequate facilities for education and training.

The Prime Ministers appreciated the importance of programmes of economic aid to the developing Commonwealth countries. They took note of the contributions made to such programmes by Commonwealth countries both collectively and individually; and they agreed that these programmes should be maintained and expanded as far as possible. They endorsed the concept of co-operative forward planning of development aid which would apply not only to matching the assistance provided by the developed countries with the needs of the developing countries but also to the supply of personnel for schemes of technical assistance, to which they agreed that high priority should be given. They welcomed the establishment of the British Ministry of Overseas Development together with the decision of the British Government to provide loans free of interest in appropriate cases; they also expressed their appreciation of the similar loans already provided by the Government of Canada and of the fact that the Government of Australia makes its aid available wholly on the basis of grants. It was suggested that, in those cases where financial assistance would remain unused, or give rise to serious internal problems, because of the inability of some recipient countries to finance local costs, donor countries should consider making financial contributions to cover a proportion of such costs. The Prime Ministers recognised the importance of the flow of direct investment to developing countries and expressed the hope that, insofar as economic circumstances permit, the minimum restriction would be placed in its way.

The Prime Ministers recorded their satisfaction at the constructive outcome of the Third Commonwealth Education Conference in Ottawa last August; they looked forward to an equally successful result for the Commonwealth Medical Conference which is to be held in Edinburgh in October 1965.

The Prime Ministers agreed that effective development is promoted not only by aid but even more by trade. Moreover, they were convinced that an expanding exchange of goods and services, by emphasising the interdependence of the countries of the world, was one of the most effective ways of promoting the growth of international understanding and the elimination of the causes of friction.

In further discussion of economic development in the Commonwealth, emphasis was laid on the importance to the economies both of Britain and of certain other Commonwealth countries of emigration to Britain from those countries. The Prime Ministers recognised that the extent of immigration into Britain was entirely a matter for the British Government to determine. The hope was expressed that in operating such immigration controls as they might think necessary, the British Government would continue to give preferential treatment to Commonwealth citizens; and they welcomed the assurance of the British Prime Minister that there would be no differentiation in any restrictions on account of colour or creed.

The Prime Ministers welcomed the work which had been done since their last Meeting in carrying forward the initial impetus to the expansion of trade which was provided by the United Nations Conference on Trade and

Development; and they pledged themselves afresh to press for more outlets for the trade of developing countries.

They stressed the importance to the development of the economies of member countries of the Commonwealth of the prices obtained for their primary commodities, particularly where the prices of primary produce fell in relation to prices of manufactured goods. The low levels to which the prices of cocoa and some other commodities have fallen are a matter of serious concern to producers. The problem of commodity prices extended beyond the Commonwealth and the Prime Ministers endorsed the need for consideration of the strengthening of existing international commodity agreements, where appropriate, and stressed the urgent need of negotiating further agreements of this kind.

The Prime Ministers agreed on the desirability of exploring means by which Commonwealth trade might be encouraged and expanded. One possibility would be to enable Commonwealth Governments, in planning their economic development, to take into account each others' plans. An exchange of information of this kind might enable production to be more effectively matched to requirements in the Commonwealth and thus increase trade between Commonwealth countries.

The Prime Ministers accordingly agreed on the following measures designed to further these objectives, while at the same time reaffirming their support for the Kennedy Round of tariff negotiations now proceeding at Geneva, which these measures will not affect. They agreed to arrange discussions between officials of Commonwealth Governments in the first instance, with the help of the Commonwealth Secretariat, in order to examine these issues further and to prepare for an early meeting of Commonwealth Trade Ministers. These official discussions could also pay special attention to problems of individual commodities of particular interest to Commonwealth countries, in order to see how far policies could be co-ordinated within the Commonwealth with a view to appropriate further action, whether on a Commonwealth or international scale.

They also agreed that subsequently the appropriate Ministers or officials in Commonwealth countries should meet to consider the extent to which each country's production and plans, as foreseen, could meet requirements in other Member countries.

Ministers decided to consider through the medium of the Commonwealth Air Transport Council means of promoting a closer understanding of the basic civil air transport requirements of Member countries.

In addition the Commonwealth Secretariat will examine the possibility of arranging for the results of research to be shared more widely among Commonwealth countries.

Commonwealth Foundation

At their previous Meeting in 1964 the Prime Ministers considered that it might be desirable to establish a Commonwealth Foundation to administer a fund for increasing interchanges between Commonwealth organizations in professional fields; officials were instructed to consider this proposal in greater detail. At their present Meeting the Prime Ministers approved a report by officials and an Agreed Memorandum on the establishment and functions of the Foundation which is attached to this Communiqué.

Commonwealth Secretariat

At their 1964 Meeting Prime Ministers saw a Commonwealth Secretariat as being a visible symbol of the spirit of co-operation which animates the Commonwealth and instructed officials to consider the best basis for establishing a Commonwealth Secretariat. At their present Meeting the Prime Ministers had before them a report by officials which they approved and an Agreed Memorandum on the establishment and functions of the Secretariat is attached. As already announced, they have unanimously approved the appointment of Mr. Arnold Smith as the first Secretary-General.

COMMONWEALTH MISSION ON VIETNAM

Statement of Guidance

1. To enable the Mission to approach its assignment meaningfully, there should be certain broad areas of agreement regarding the requirements for ending the conflict in Vietnam peacefully.

2. There is already general agreement on certain basic considerations:

(a) there is an inherent risk of the conflict in Vietnam escalating into a wider war.

(b) for this reason there are grave doubts as to an early or final solution by military means.

(c) a comprehensive cease-fire and a conference of all the parties directly involved in the situation seem to provide the essential precondition to the solution of the problem.

3. Bearing in mind these considerations and also the purpose of the Mission, it should

be guided by the following ultimate objectives during its consultations with the parties principally concerned:

(a) a suspension of all United States air attacks on North Vietnam;

(b) a North Vietnamese undertaking to prevent the movement of any military forces or assistance or material to South Vietnam.

(c) a total cease-fire on all sides to enable a conference to be convened to seek a peaceful solution.

(d) the objectives of such a conference might be to:

(i) end the war in Vietnam;

(ii) secure the withdrawal of all foreign military presence from Vietnam and the neutralisation of the area;

(iii) establish, for a period, an international peace force, under the auspices of the Geneva Agreement, to safeguard peace in Vietnam;

(iv) establish principles for the eventual unification of the country through free and internationally supervised elections.

Commonwealth Mission on Vietnam

The following statement was issued by the Mission on 19th June, 1965:—

'The mission appointed by the Commonwealth Prime Ministers' Meeting is to explore the circumstances in which a conference might be held to end the fighting in Vietnam.

Meanwhile, in order to create the conditions in which the mission can carry through its work, the mission is appealing to all parties concerned to show the utmost restraint in military operations as a step towards the total cease-fire which the mission hopes will be established at the earliest possible opportunity. The mission would wish to meet all the parties concerned.'

Commonwealth Mission on Vietnam

The following statement was issued by the Mission on 24th June, 1965:—

Because of certain misunderstandings which have gained currency during the last few days, the Heads of Government of Britain, of Ghana, of Nigeria and of Trinidad and Tobago wish to clarify the basis on which they agreed to form a Mission in connection with the problem of Vietnam.

The Mission was appointed by the London meeting of the Heads of Government of the Commonwealth and on behalf of the Commonwealth as a whole.

The Commonwealth as such is in no way committed to either side of the conflict in Vietnam and has formed no collective view except on the urgency of re-establishing conditions in which the people of Vietnam may be able to live in peace. Although within the Commonwealth there is diversity of opinion on the Vietnam problem, there is complete unanimity as to the need to find a peaceful solution.

In the discharge of the task entrusted to it the Mission will be guided by the views of the Commonwealth as a whole and not by the views of any individual member of the Commonwealth.

It is in this context that the Commonwealth is satisfied that its Mission must make direct contact with all the Vietnamese parties. It is re-iterated that positive steps should be taken by all outside parties to exercise restraint in military operations while the Mission is carrying out its task.

AGREED MEMORANDUM ON THE COMMONWEALTH FOUNDATION

A Commonwealth Foundation will be established to administer a fund for increasing interchanges between Commonwealth organizations in professional fields throughout the Commonwealth. It will be the purpose of the Foundation to provide assistance where it is needed in order to foster such interchanges.

2. The Foundation will be an autonomous body, although it will develop and maintain a close liaison with the Commonwealth Secretariat. Like the Secretariat, the Foundation will be accommodated at Marlborough House.

3. Within the broad purpose indicated above, the Foundation will include among its aims the following objects:

(a) To encourage and support fuller representation at conferences of professional bodies within the Commonwealth.

(b) To assist professional bodies within the Commonwealth to hold more conferences between themselves.

(c) To facilitate the exchange of visits among professional people, especially the younger element.

(d) To stimulate and increase the flow of professional information exchanged between the organizations concerned.

(e) On request to assist with the setting up of national institutions or associations in countries where these do not at present exist.

(f) To promote the growth of Commonwealth-wide associations or regional Commonwealth associations in order to reduce the present centralisation in Britain.

(g) To consider exceptional requests for help from associations and individuals whose activities lie outside the strictly professional field but fall within the general ambit of the Foundation's operations as outlined above.

4. The Foundation could usefully develop informal contacts with the Commonwealth Parliamentary Association. To avoid the risk of duplication with the activities of existing organizations concerned with cultural activities and the Press, the Foundation should not initially seek to assume any functions in these fields.

5. The policy of the Foundation will be directed by a Chairman, who will be a distinguished private citizen of a Commonwealth country appointed with the approval of all member Governments, and a Board of Trustees who should be expected to meet at least once a year. The Board of Trustees will consist of independent persons, each subscribing Government having the right to nominate one member of the Board. These nominees, even if officials, will be appointed in a personal capacity. The Commonwealth Secretariat will be represented on the Board of Trustees by the Secretary-General or an officer appointed by him.

6. There will be a full-time, salaried Director who will be appointed, initially for a period of not more than two years, by Commonwealth Heads of Government collectively acting through their representatives in London. He will be responsible to the Board of Trustees.

7. The Director will require a small personal staff: general office services will be provided by the Commonwealth Secretariat.

8. It is hoped that Commonwealth Governments will subscribe to the cost of the Foundation on an agreed scale. Payment of the first annual subscriptions will be made as soon as the Director has indicated that a bank account for the Foundation has been opened. It is hoped that, in addition, private sources may be willing to contribute to the funds of the Foundations.

9. The accounts of the Foundation will be audited annually by the British Comptroller and Auditor-General, whose report will be submitted to the Board of Trustees. The financial year of the Foundation will be from 1st July to 30th June.

10. The budget of the Foundation will be subject to the approval of the Board of Trustees.

11. The British Government will draw up the necessary documents to set up the Trust and take any further steps needed to constitute the Foundation as a legal charity.

AGREED MEMORANDUM ON THE COMMONWEALTH SECRETARIAT

I. Establishment of the Secretariat

Pursuant to their decision announced after the conclusion of the Commonwealth Prime Ministers' Meeting in July 1964 the Commonwealth Prime Ministers have decided to establish forthwith a Commonwealth Secretariat. As envisaged in the communiqué issued at the close of the 1964 Meeting, the Commonwealth Prime Ministers see the Secretariat as being at the service of all Commonwealth Governments and as a visible symbol of the spirit of co-operation which animates the Commonwealth.

II. Site of the Secretariat

2. The British Government will arrange for the Secretariat to be accommodated in Marlborough House.

III. Functions of the Secretariat

3. The Commonwealth Prime Ministers have given further consideration to the role of the Commonwealth Secretariat, and the following paragraphs record the functions which they have agreed it should perform.

4. The Secretary-General and his staff should approach their task bearing in mind that the Commonwealth is an association which enables countries in different regions of the world, consisting of a variety of races and representing a number of interests and points of view, to exchange opinions in a friendly, informal and intimate atmosphere. The organisation and functions of the Commonwealth Secretariat should be so designed as to assist in supporting and building on these fundamental elements in the Commonwealth association. At the same time the Commonwealth is not a formal organisation. It does not encroach on the sovereignty of individual members. Nor does it require its members to seek to reach collective decisions or to take united action. Experience has proved that there are advantages in such informality. It enables its members to adapt their procedures to meet changing circumstances; conversely there would be disadvantages in establishing too formal procedures and institutions in the association.

General Considerations

5. Both the Secretary-General and his staff should be seen to be the servants of Commonwealth countries collectively. They derive their functions from the authority of Commonwealth Heads of Government; and in the discharge of his responsibilities in this connection the Secretary-General should have access to Heads of Government, who will indicate the appropriate channels of communication to them.

6. The Secretariat should not arrogate to itself executive functions. At the same time it should have, and develop, a relationship with other intra-Commonwealth bodies.

7. The Secretariat should have a constructive role to play. At the same time it should operate initially on a modest footing; and its staff and functions should be left to expand pragmatically in the light of experience, subject always to the approval of Governments.

8. Against this background and in the expectation that, as its contacts spread, the Secretariat could expect to receive increasing calls on its resources, the various functions which it will exercise fall under the following broad headings: international affairs, economic affairs and general and administrative functions.

International Affairs

9. Consultation is the life blood of the Commonwealth association. At their Meeting in July 1964, the Commonwealth Prime Ministers expressed the view that on matters of major international importance a fuller exchange of views could very appropriately be promoted on an increasingly multilateral basis through the agency of the Secretariat. They were particularly anxious to ensure that there should be opportunity for fuller participation by all member countries in the normal processes of Commonwealth consultation. At the same time they showed themselves conscious of the importance of maintaining the unwritten conventions which have always determined those processes. The Secretary-General will observe the same conventions and act in the same spirit.

10. In so far as Commonwealth Governments agree that the Secretariat should discharge any specific task, it will be fully at their disposal. In general, however, its purpose will be to serve them by facilitating and promoting consultation on matters of common concern. To this end, subject to the general principles set out in paragraphs 12 and 13 below, the Secretary-General will arrange to prepare and circulate papers on international questions of common concern to all Commonwealth Governments where he considers it useful to do so. It may also prove helpful if, in consultation with the Governments concerned, he arranges occasional meetings of officials of member Governments for the exchange of information and views on agreed subjects. Such meetings might on occasion, if member Governments agreed, take place in various Commonwealth capitals or elsewhere.

11. The general principles which the Secretary-General will observe are set out in the following paragraphs.

12. The functions of the Secretariat are envisaged as being *inter alia* the dissemination of factual information to member countries on matters of common concern. "Factual" information cannot be precisely defined; but, provided that the Secretary-General proceeds with circumspection in the exercise of this function, he is authorized, where he thinks it useful to do so, to prepare and circulate, either on his own initiative or at the request of a member Government, papers on international questions of common concern, provided that these papers do not propagate any particular sectional or partisan points of view, contain no policy judgments or recommendations by the Secretariat and do not touch upon the internal affairs of a member country or disputes or serious differences between two or more member countries. In addition, the Secretary-General will, on the request of a member Government, circulate papers submitted by that Government on international questions of common concern, provided that, if these touch upon the internal affairs of member countries or disputes between two or more member countries, they will not be circulated without prior concurrence of the country or countries concerned. The Secretary-General has discretion to refuse to prepare or circulate any paper, whatever its origin, which in his view propagates any sectional or partisan point of view or would for any other reason be liable to be offensive to any member country or countries.

13. The position of the remaining dependent territories within the Commonwealth is one matter which continues to command lively interest among member countries. The Secretariat could play a role in this field; and it might circulate to member Govern-

ments balanced papers on the constitutional advance of the remaining territories or on their progress towards independence, on the understanding that the responsible member Governments would always be closely consulted in the preparation of the papers.

14. The Secretariat will be guided by the principles outlined in the preceding paragraphs because it is important that it should develop as a unifying element within the Commonwealth. But, provided that it begins modestly and remains careful not to trespass on the independence and sovereignty of the member Governments whose servant it will be, it will be possible for it to grow in the spirit of the Commonwealth association itself. All Commonwealth Governments wish to contribute to this process and will be ready to assist the Secretary-General in every possible way. In particular the Secretary-General will from the outset establish close relations with Commonwealth Governments and with their representatives in London; and Governments will arrange to keep the development of the Secretariat's functions under regular review, by means of an annual report on its work. By these means the Secretariat will gradually accumulate, with the passage of time, a body of knowledge and experience which will contribute to an even closer understanding among member Governments on those major international issues which are of common and continuing concern to all the members of the Commonwealth.

Economic Affairs

15. The Secretariat will discharge several valuable roles in the economic field, the more important of which are outlined in the following paragraphs. Several intra-Commonwealth bodies are already actively at work in this field, and their relationship to the Secretariat is to be examined in accordance with the arrangements set out in paragraphs 23 to 26.

16. The Secretary-General will initiate, collate and distribute to member Governments material bearing not only on economic problems, but also on social and cultural issues in respect of which the potential value of his work could be considerable. He is authorized to follow up the specialised factual reports of the various agencies already at work in these fields by promoting wider ranging studies on, *e.g.*, the inter-relationship of agricultural and industrial growth in the new Commonwealth. In this connection the Secretary-General may implement such tasks by commissioning, within the limits prescribed by his approved budget, specialist studies from outside expert sources rather than by engaging additional permanent staff.

17. Apart from servicing meetings of the various Commonwealth economic bodies, the Secretariat may, as appropriate, be represented at meetings of these specialised agencies in order to keep in close touch with their activities; and it will also keep in touch with the various United Nations agencies whose work in Commonwealth countries will on occasion be of direct concern to it.

18. In connection with the general economic aspects of the Secretariat's work, the proposals advanced at the last meeting of Commonwealth Prime Ministers for the initiation of joint Commonwealth Development Projects in individual Commonwealth countries are relevant. The passage from the 1964 communiqué read:

"In particular they considered a proposal that development projects might be launched in individual Commonwealth countries, which would be implemented by various members acting in close collaboration and contributing whatever resources—in men, money, materials and technical expertise—they could most appropriately provide. Such projects, which would be additional to the support which Commonwealth countries already provide to the United Nations Special Fund and Expanded Programme of Technical Assistance, could be directed to a number of different purposes—the improvement of agricultural production and the development of natural resources through extension services, training and research; the enlargement of professional and technical training; the development of new industries; and so forth. But they would all be inspired by the common purpose of promoting the development of the Commonwealth by a co-ordinated programme of joint or bilateral projects. The British Government said that they would be prepared to make a substantial contribution to projects of this kind within their expanding programme of development aid. The other member Governments expressed support for the objective of the proposal and agreed that further consideration should be given to the basis on which such a programme might be established."

19. As regards the Secretariat's general functions and, in particular, its activities in the economic field, it is important that nothing

should be done which might disturb the existing channels of economic and technical assistance to member countries or duplicate the present bilateral and multilateral links. The functions of the Secretariat in connection with the Commonwealth Development Projects are therefore expert and advisory and will not detract from the right of member countries to determine their own aid and development programs.

20. Subject to these basic considerations the Secretariat will be able to play a valuable part in assisting member Governments, at their request, in advancing, and obtaining support for, development projects and technical assistance in a variety of fields on a multilateral Commonwealth basis, as appropriate. It will also help in the expeditious processing of requests for such assistance made by one Commonwealth country to another. In this connection, it will prepare and make available to Commonwealth Governments up-to-date information on the possibility of securing aid and technical assistance in various fields from individual countries of the Commonwealth.

21. Thus the Secretariat, by accumulating a reliable body of knowledge on the aid potential of the Commonwealth to which member countries can usefully have recourse for the purpose of promoting their own development, will enable Commonwealth countries generally to co-operate to the maximum extent possible in promoting the economic development of all.

22. In general, the Secretary-General, in discharging his functions in this field of economic and related affairs, will be guided by the principles set down in paragraphs 12 and 13.

Proposed Review of Intra-Commonwealth Organizations

23. A comprehensive review of existing intra-Commonwealth organizations concerned with economic and related affairs will be carried out, in view of the changing nature of the Commonwealth and of the fact that the multiplicity of organisations working in these fields has created problems of staff and finance.

24. The main purpose of this review will be to examine whether existing work on economic and related affairs is being unnecessarily duplicated; how far the activities of the Specialised Agencies of the United Nations now supersede those of existing intra-Commonwealth bodies; what Commonwealth bodies might usefully be absorbed within the Secretariat; which have functions so specialized that they cannot profitably be so absorbed; and how close co-operation between these latter and the Secretariat, particularly in the light of the needs of the changing Commonwealth, can most effectively be achieved.

25. In order to secure an impartial appraisal and to protect the future relationship between the Secretariat and other Commonwealth organisations this review will be carried out by a small committee, appointed by Commonwealth Governments, under an independent Chairman. In order to safeguard the Secretary-General's position he will not be a member of the Committee. Nevertheless, he will have the right to be present or to be represented throughout the proceedings of the Committee and to participate in its discussions. The Commonwealth organisations concerned will, of course, have the right to submit evidence to the Committee.

26. Pending the outcome of the review the Secretariat and the Commonwealth Economic Committee will work in the closest consultation. Again without prejudice to the review, the Secretariat will take over from the Commonwealth Relations Office as soon as convenient the secretarial functions which that Department at present carries out on behalf of the Commonwealth Liaison Committee.

Servicing of Commonwealth Meetings

27. The Secretariat, operating as the visible servant of the Commonwealth association, will carry out the task of servicing future meetings of Commonwealth Heads of Government and, where appropriate, other Ministerial and official meetings open to all members of the Commonwealth. The Secretariat will be able to rely on the host country for such secretarial help as it cannot itself provide and for assistance in matters of accommodation, hospitality, transport and the like.

28. The Secretariat will service the annual conferences of the Commonwealth Economic Consultative Council and meetings of the Commonwealth Liaison Committee. The more technical or specialised organisations, e.g., the Commonwealth Education Conference, the Commonwealth Education Liaison Committee or the Commonwealth Telecommunications Board will, pending the proposed review of Commonwealth organisations, continue to organise their own meetings.

29. As regards Meetings of Prime Ministers the Secretary-General will henceforth serve as Secretary-General to each Meeting. Subject to the principles set out in paragraphs 12 and 13 above, his duties will include the

preparation, collation and circulation of papers on agenda items, together with such background papers as appear appropriate, the production of minutes; and, with the assistance of the host Government, the general organization of the Meeting.

30. As to the preparation of the agenda itself, the Secretary-General will be responsible for co-ordinating this process in the light of such direct discussions as Commonwealth Heads of Government may find convenient. Heads of Government will maintain the practice whereby the provisional agenda is drawn up, after consultation among themselves, in the form of a list of broad headings for discussion and they also reserve to themselves decisions on the timing and location of their Meetings.

IV. Administrative Arrangements

31. In consonance with the above functions of the Secretariat, its administrative organisation will be as follows.

32. The Chief Officer of the Secretariat will be the Secretary-General, and all members of the staff of the Secretariat will be responsible only to him.

33. The Secretary-General will be appointed by Commonwealth Heads of Government collectively. He will be a man of high standing, equivalent in rank to a Senior High Commissioner. A significant part of his duties will be visiting member countries of the Commonwealth.

34. The Deputy Secretaries-General will be appointed by Commonwealth Heads of Government acting through their representatives in London. One Deputy Secretary-General will have the necessary qualifications and special responsibilities for economic matters and should deal, on request, with development projects. As the work of the Secretariat expands, it may become necessary to appoint a second Deputy Secretary-General who will be primarily concerned with the other functions of the Secretariat.

35. The paramount consideration in the selection of staff and in the determination of conditions of service will be the necessity of securing the highest standards of efficiency, competence and integrity, due regard being paid to the importance of recruiting the staff on as wide a geographical basis as possible within the Commonwealth. The Secretary-General will have discretion, in the light of the above considerations, to appoint senior staff to the service of the Secretariat from among panels of names submitted by Commonwealth Governments, who need not feel themselves limited to Government servants in submitting nominations.

36. The Secretary-General has authority to make appointments of junior staff, subject to the approved budgetary limitations.

37. All persons appointed to the staff of the Secretariat must be subject to clearance to the extent that their own Governments raise no objection to their suitability for employment. All members of the Secretariat, whatever their origin, must be strictly impartial in the discharge of their functions and place loyalty to the Commonwealth as a whole above all other considerations.

38. Senior officers, including the Secretary-General and Deputy Secretaries-General, will be appointed in the first instance for not more than five years and preferably not less than three in order to ensure continuity of administration. In determining the period of tenure of other individual officers, the Secretary-General will no doubt wish to have regard to the need to stagger appointments in order to avoid a complete change of senior staff at any one time.

39. The British Government will introduce legislation in order to give the Secretariat a legal personality under United Kingdom law and to accord to the Secretariat and its staff the immunities and privileges which are set out in Annex A.

40. Other Commonwealth Governments will take steps to accord corresponding immunities and privileges to the staff of the Secretariat when visiting their territories, subject to whatever constitutional processes are required.

41. The cost of the Secretariat will be borne in agreed shares by Commonwealth Governments; the scale of contributions is set out in Annex B.

42. The annual budget will be considered by the Commonwealth High Commissioners in London or their representatives, together with a United Kingdom representative, meeting as a Finance Committee. The budget will then be submitted to Commonwealth Governments for their approval. The Senior Commonwealth High Commissioner in London or a representative of the British Government will be responsible for convening the Finance Committee as necessary.

Annex A

COMMONWEALTH SECRETARIAT

Proposed Scale of Immunities and Privileges

1. Secretariat

(i) To have a legal personality and immunity from suit and legal process except—

(a) when expressly waived;

(b) in respect of motor accidents and motor traffic offences;

(c) when arbitration proceedings are taken in relation to written contracts (this implies the insertion of a compulsory arbitration clause in all contracts entered into by the Secretariat).

(ii) To have inviolability of premises, archives and communications.

(iii) To have relief from non-beneficial rates out of the United Kingdom Treasury Vote.

(iv) Goods imported for official purposes to be exempt from all Customs dues.

(v) To have immunity from direct taxes.

(vi) Indirect taxes on substantial purchases for official purposes to be reimbursed, out of the Commonwealth Relations Office Vote, e.g., on furniture and furnishings, office supplies, and British motor cars and road fuel duty on petrol used for official purposes. It is intended that the same treatment should be accorded to the Secretariat as is accorded to the Office of a High Commissioner.

2. Staff

(i) High officers

The Secretary-General, the Deputy Secretaries-General and other senior staff, to enjoy (provided they are not citizens of, or permanently resident in, the United Kingdom) the privileges and immunities appropriate to a diplomatic agent of comparable rank, appropriate arrangements being made in respect to British income tax.

This implies full personal immunities extending to the family of the High Officer, inviolability of private residence, continuing Customs privileges, relief from non-beneficial rates (out of the United Kingdom Treasury Vote), and reimbursement of purchase tax on British motor cars, and of excise duty on reasonable quantities of British spirits (both out of the Commonwealth Relations Office Vote).

In accordance with Article 38 of the Vienna Convention, diplomatic agents who are either citizens of the receiving State or permanently resident there enjoy only immunity from jurisdiction and inviolability in respect of official acts performed in the exercise of their functions. High Officers of the Secretariat who fall within the ambit of this Article would be treated accordingly; but they would not have their immunities and privileges restricted in this way solely on account of dual citizenship.

(ii) Other staff

(a) Any other staff recruited from Commonwealth countries other than the United Kingdom to enjoy first arrival Customs privileges—i.e., the right to import duty-free their furniture and personal effects, including a motor car (or refund of purchase tax from the Commonwealth Relations Office Vote if a British car is purchased), at the time of first taking up their post.

(b) All staff, including United Kingdom citizens, to enjoy immunity from suit and legal process only in relation to their official acts and inviolability only in relation to their official papers and documents. This official immunity will not extend to motor car accidents or motor traffic offences.

3. Income Tax

The United Kingdom Government to repay to the Secretariat an amount broadly equivalent to the amount of income tax levied on the salaries and emoluments of Secretariat staff.

Annex B

COMMONWEALTH SECRETARIAT

Scale of Contributions

	Per cent
Australia	10.4
Britain	30.0
Canada	20.8
Ceylon	1.5
Cyprus	1.5
The Gambia	1.5
Ghana	1.5
India	11.4
Jamaica	1.5
Kenya	1.5
Malaysia	1.5
Malawi	1.5
Malta	1.5
New Zealand	2.5
Nigeria	1.5
Pakistan	2.4
Sierra Leone	1.5
Tanzania	1.5
Trinidad and Tobago	1.5
Uganda	1.5
Zambia	1.5
	100.0

The Twenty-Sixth Parliament was dissolved by Proclamation of His Excellency the Governor General September 8, 1965.

INDEX

Abbreviations

1r, 2r, 3r	=	First, second, third reading
amdts	=	amendments
com	=	committee
consid	=	considered
div	=	division
m	=	motion
neg	=	negatived
ref	=	referred
rep	=	report
r.a.	=	royal assent

Acts passed during the Session:

PUBLIC ACTS

Assented to June 2, 1965

Chap.		Bill No.
1.	Appropriation Act No. 3, 1965	C-110
2.	Excise Tax Act, An Act to amend the	C-96
3.	National Housing Act, 1954, An Act to amend the	C-104
4.	Retirement of members of the Senate, An Act to make provision for the	C-98
5.	Superannuation of persons employed in the Public Service, members of the Canadian Forces and members of the Royal Canadian Mounted Police	C-97

Assented to June 23, 1965

6.	Appropriation Act No. 4, 1965	C-122
7.	Bank Act and the Quebec Savings Banks Act, An Act to amend the	C-116
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